SHAPING TOMORROW:

Registration Document
2017

unibail·rodamco

CONTENTS

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Registration Document 2017

This Registration Document was filed with the *Autorité des Marchés Financiers* on March 28, 2018, in accordance with the provisions of Article 212-13 of the General Regulations of the AMF[1].

It may be used in support of a financial transaction if supplemented by an information memorandum approved by the *Autorité des Marchés Financiers*.

This document has been prepared by the issuer and its signatory is responsible for its content.

(1) AMF: Autorité des Marchés Financiers (French Market Authority).

1.

PRESENTATION OF THE GROUP

1.1. KEY FACTS

67
Shopping Centres

13
Office buildings (1)

10
Convention & Exhibition venues (2)

772 Mn
Footfall

+3.7%
Tenant sales growth

2,012
Employees

€1,583 Mn
Net rental income

€12.05
Recurring earnings per share

€10.80
Dividend per share

€43.1 Bn
Gross Market Value

€7.9 Bn
Pipeline

€219.20
Going concern NAV

(1) French perimeter only
(2) 11 venues, including the CNIT which is currently undergoing works

1.2. HISTORY

Unibail

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

1972: Listing of Unibail on the Paris Stock Exchange.

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

1992: Leon Bressler succeeds Jean Meynial as Chief Executive Officer. Unibail starts to focus on the property investment sector, and to phase out involvement in lease financing. The strategy is to become a specialized owner, developer and manager of shopping centres and offices. Unibail concentrates on large-size and differentiated assets.

1992-1995: Buildup of a property portfolio with close to 30 shopping centres located in France, including the Forum des Halles, Les Quatre Temps and the CNIT, and substantial office properties in Paris and La Défense, of which Tour Ariane.

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

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

2001: Delivery of Cœur Défense.

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

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

Rodamco

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

1980's: Rodamco is one of the top global real estate investment funds with investments in the US, UK, Europe and Asia.

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

1999: Rodamco splits into 4 regionally focused real estate companies, including Rodamco Europe.

2000: Listing of Rodamco Europe in Amsterdam.

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

Unibail-Rodamco

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

2008: Unibail-Rodamco and the Chamber of Commerce and Industry of Paris (CCIP) merge their Convention & Exhibition activities to form Viparis and Comexposium. Viparis, with 10 venues in the Paris region, is responsible for the management and development of the sites. Comexposium is the European leader in the organization of large-scale trade shows, fairs and congresses. Acquisition of Shopping City Süd in Vienna and La Maquinista in Barcelona.

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

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

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

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

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

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

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

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

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

1.3. BUSINESS OVERVIEW

Unibail-Rodamco is the leading listed real estate company in Europe[1]. Unibail S.A. was listed on the Paris stock exchange in 1972. Unibail-Rodamco owns a portfolio of prime commercial properties with a consolidated value of €43.1 billion[2] as at December 31, 2017, located in the largest and most prosperous cities across Continental Europe.

Unibail-Rodamco's operations are focused on large shopping centres in major European cities, large office buildings in the heart and West of Paris and major convention and exhibition venues in and around Paris.

Unibail-Rodamco's strategy is to vertically integrate the entire chain of value creation in real estate. The combination of its three activities of development, investment and management, provides the Unibail-Rodamco Group with market knowledge and expertise. This knowledge and expertise assists Unibail-Rodamco in dealing with markets that are cyclical in nature and its strategy is designed to allow the Unibail-Rodamco Group to continue its investment programs even during economic downturns. The Unibail-Rodamco Group actively recycles assets and deploys disposal proceeds into its development projects.

Thanks to this portfolio of high quality assets[3] and the talent of its more than 2,000 employees including experts in the business of investment, development, leasing, management and divestment, the Unibail-Rodamco Group has been able to generate very strong growth and returns for shareholders.

This performance has been achieved with modest leverage and controlled exposure to development risks.

Finally, the Unibail-Rodamco Group is, by nature, a long term player committed to sustainable development and social responsibility across all of its activities. Whether it be architecture, city planning, design, energy efficiency, social or societal responsibility, the Unibail-Rodamco Group is recognized as a leader in the industry.

(1) Based on market capitalization as of December 31, 2017; Source : FactSet.
(2) Consolidated GMV.
(3) Based on number of A++ assets as per Green Street Advisors grades among US and EU listed commercial REITs with market capitalization above €10 billion as at December 31, 2017.

BUSINESS SEGMENTS

a) Retail

As at December 31, 2017, Unibail-Rodamco owned 79 retail assets, of which 67 are shopping centres. 57 of these host six million or more visits per annum and represent 97% of Unibail-Rodamco's retail portfolio consolidated GMV[(1)].

Unibail-Rodamco continuously reinforces the attractiveness of its assets by re-designing them: upgrading the layout; re-tenanting them: renewing the tenant mix; and re-marketing them: enhancing the shopping experience through special events.

Total consolidated Net Rental Income (NRI) of the shopping centre portfolio in 2017 amounted to €1,346.4 million, an increase of +5.8%, mainly due to a strong like-for-like growth of +4.3% and the positive impact of deliveries in Spain, France and Central Europe.

	Net Rental Income *(€Mn)*		
Region	2017	2016	%
France	609.8	580.5	5.0%
Central Europe	172.4	156.2	10.4%
Spain	161.0	146.0	10.3%
Nordics	145.8	139.9	4.2%
Austria	103.2	98.6	4.6%
Germany	92.6	89.9	2.9%
Netherlands	61.7	61.5	0.2%
TOTAL NRI	**1,346.4**	**1,272.6**	**5.8%**

b) Offices

Unibail-Rodamco develops and owns large, efficient office buildings at prime locations in the Paris central business district and La Défense.

Unibail-Rodamco also owns office assets in the Nordics and certain other countries in which Unibail-Rodamco operates.

Unibail-Rodamco's investment strategy is driven by development and renovation opportunities on a counter-cyclical basis.

In 2017, the consolidated NRI from offices amounted to €140.8 million, a -8.1% decrease compared to 2016, primarily due to the disposals in 2016 and 2017.

	Net Rental Income *(€Mn)*		
Region	2017	2016	%
France	123.6	135.7	-9.0%
Nordics	12.4	12.9	-4.2%
Other countries	4.9	4.6	5.1%
TOTAL NRI	**140.8**	**153.2**	**-8.1%**

Figures may not add up due to rounding

c) Convention & Exhibition

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

In total, 725 events were held in the Viparis venues during 2017, of which 258 shows, 105 congresses and 362 corporate events.

Viparis's EBITDA[(2)] came to €134.4 million, flat compared to 2015 adjusted for the impact of the triennial Intermat exhibition. Growth in the turnover of the corporate events[(3)] (+13.6%) and congresses (+19.4%) segments was offset by the decline in the exhibition segment and the negative impact of the security costs post the 2015 terrorist attacks. The EBITDA decreased by -€8.7 million (-6.1%) compared to the reported EBITDA (€143.1 million) for 2015.

At the end of 2017, signed and pre-booked events in Viparis venues amounted to 92% of its expected 2018 rental income, slightly above usual levels of between 85% and 90%.

(1) On standing assets, including value of equity in the companies accounted for using the equity method.
(2) EBITDA (Viparis): "Net rental income "and "Other site property services operating result" + "Recurring contribution of affiliates" of Viparis venues.
(3) Excluding CNIT, currently not operated due to the EOLE works.

PORTFOLIO BREAKDOWN

Net rental income

(€Mn)	FY-2017	FY-2016	Growth	Like-for-like Growth*
Shopping Centres	1,346	1,273	5.80%	4.30%
Offices	141	153	-8.10%	13.50%
Convention & Exhibition	95	103	-6.90%	-6.90%
Net Rental Income	1,583	1,529	3.50%	4.20%
Recurring Net Result (Group share)	1,202	1,114	7.90%	
RECURRING EPS	**12.05**	**11.24**	**7.20%**	

* *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.*

Valuation split per activity

The tables below provide the Unibail-Rodamco Group share level (in GMV):

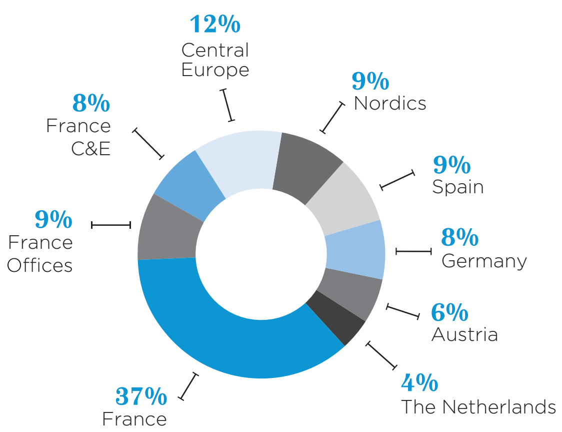
VALUATION SPLIT PER ACTIVITY

	Full scope consolidation		Group share	
Asset portfolio valuation – 12/31/2017	(€Mn)	%	(€Mn)	%
Shopping Centres	35,408	82%	31,018	83%
Offices	4,171	10%	4,146	11%
Convention & Exhibition	3,063	7%	1,747	5%
Services	415	1%	329	1%
TOTAL	**43,057**	**100%**	**37,241**	**100%**

VALUATION SPLIT PER ACTIVITY AND REGION

	12/31/2017		12/31/2016	
Valuation of Office portfolio	(€Mn)	%	(€Mn)	%
France	3,738	90%	3,614	89%
Nordics	173	4%	190	5%
Other countries	260	6%	241	6%
TOTAL	**4,171**	**100%**	**4,045**	**100%**

The chart below shows the split of GMV per region as at December 31, 2017, including assets accounted for using the equity method:



Figures may not add up due to rounding.

Valuation of Shopping Centre portfolio	12/31/2017 (€Mn)	12/31/2017 %	12/31/2016 (€Mn)	12/31/2016 %
France	15,752	44%	14,807	45%
Central Europe	5,063	14%	4,385	13%
Spain	3,764	11%	3,556	11%
Nordics	3,516	10%	3,490	11%
Germany	3,209	9%	2,908	9%
Austria	2,498	7%	2,356	7%
The Netherlands	1,607	5%	1,579	5%
TOTAL	**35,408**	**100%**	**33,082**	**100%**

DEVELOPMENT PIPELINE

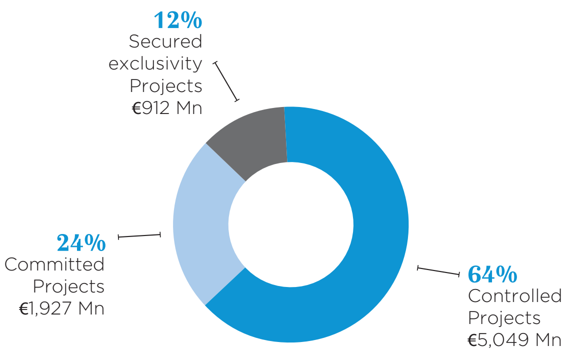
The table below shows the evolution of Unibail-Rodamco's development pipeline between December 31, 2016, and December 31, 2017, by commitment categories:

(€Bn)	12/31/2017	12/31/2016
"Committed" projects(1)	1.9	1.9
"Controlled" projects(2)	5.0	4.9
"Secured Exclusivity" projects(3)	0.9	1.2
CONSOLIDATED TOTAL INVESTMENT COST	**7.9**	**8.0**

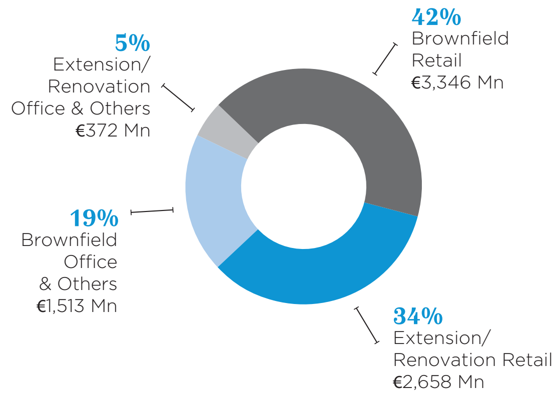
Figures may not add up due to rounding.

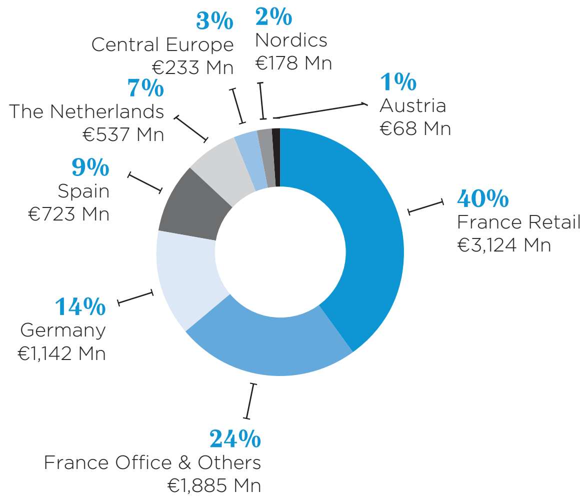
(1) "Committed" projects: projects currently under construction, for which Unibail-Rodamco owns the land or building rights and has obtained all necessary administrative authorizations and permits.
(2) "Controlled" projects: projects in an advanced stage of studies, for which Unibail-Rodamco controls the land or building rights, but where not all administrative authorizations 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.

CONSOLIDATED DEVELOPMENT PIPELINE BY PHASE (1)



CONSOLIDATED DEVELOPMENT PIPELINE BY CATEGORY AND REGION (1)





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

1.4. PORTFOLIO

1.4.1. FRANCE: SHOPPING CENTRES

Portfolio as at December 31, 2017	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)*
SHOPPING CENTRES IN THE PARIS REGION											
Carré Sénart (Lieusaint) *Carrefour, Galeries Lafayette, Apple, 1 shopping park, 20 MSU, 169 retail units and a cinema*	151,800	8,220	2.2	13.6(1)	1994/99	2002 (C) 2006/07 (C) 2012 (C) 2017	97.5%	127,500	100%	100%	127,500
Les Quatre Temps (La Défense) *Auchan, Castorama, C&A, Toys'R'Us, Apple, 28 MSU, 191 retail units and a cinema*	139,600	5,400(2)	6.9	42.4	1992/95/99 2011 2016	1981 (R) 2006/08	99.4%	134,700	53%	100%	134,700
Parly 2 (Le Chesnay) *Printemps, BHV, Fnac, Simply Market, Habitat, Decathlon, Apple, 15 MSU and 161 retail units*	113,500	4,050	6.1	10.8	2004 2012	1969/87 (R) 2011 (R) 2015 (C) 2017	95.5%	87,100	50%	100%	87,100
Rosny 2 (Rosny-sous-Bois) *Carrefour, Galeries Lafayette, FNAC, C&A, Apple, 20 MSU, 146 retail units and a cinema*	111,600	5,050	8.6	14.7	1994 2001 2010 2016	1973 (R) 1997 (C) 2011 (R) 2015	99.7%	32,200 17,500 20,400	26% 100% 50%	n.a. 100% 100%	n.a. 17,500 20,400
Vélizy 2 (Vélizy-Villacoublay) *Auchan, Printemps, FNAC, C&A, Apple, Darty, Toys'R'Us, 14 MSU, 150 retail units and a cinema*	104,000	6,680	6.2	14.7	1994 2007	(R) 2005/07	98.1%	66,100	100%	100%	66,100
Aéroville (Roissy-en-France) Auchan, 19 MSU, 159 retail units and a cinema	83,300	4,720	1.9	8.7		2013	94.5%	83,300	100%	100%	83,300
Le Forum des Halles (Paris 1st) *FNAC, H&M, Monoprix, Go Sport, 17 MSU, 130 retail units, 1 UGC Ciné Cité*	73,200	1,120	6.8	42.3	1994 2010 2016	1979/86 (R) 1996 (C) 2016	95.9%	73,200	65%	100%	73,200
So Ouest (Levallois-Perret) *Leclerc, H&M, 8 MSU, 91 retail units and a cinema*	54,300	1,700(2)	8.6	7.4	2006 2010	(C) 2012/2015	95.5%	48,500	100%	100%	48,500
Ulis 2 (Les Ulis) *Carrefour, C&A, 7 MSU, 81 retail units and a cinema*	53,900	3,200(2)	2.5	6.1	1994	1973 (R) 1998/99	95.6%	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	66.2%	7,900	100%	100%	7,900
CNIT (La Défense) *FNAC, Decathlon, Monoprix, 3 MSU, 23 retail units and a restaurant area*	25,800	1,100(3)	6.9	13.6	1999	1989 (R) 2009	97.4%	25,800	100%	100%	25,800
L'Usine Mode et Maison (Vélizy-Villacoublay) *3 MSU, 77 retail units*	20,600	1,270	6.2	0.9	2005	1986 (R) 2011	71.1%	20,600	100%	100%	20,600
Boutiques Palais des Congrès (Paris 17th) *Galerie Gourmande, Les Editions du Palais, Palais Maillot, 3 MSU, 58 retail units and a cinema*	18,900	1,660(2)	8.8	7.4	2008		n.a.	18,900	50%	100%	18,900
Galerie Gaité (Paris 15th) *Darty, 2 MSU, 2 retail units*	14,300	2,030(4)	6.7	1.9	1998	1976 (R) 2000/01	n.a.	13,000	100%	100%	13,000
Carrousel du Louvre (Paris 1st) *Printemps, Apple, Bose, 2 MSU, 34 retail units and a food court*	13,100	670(2)(5)	6.8	16.2	1999	1993 (R) 2009	96.4%	13,100	100%	100%	13,100
Sub-total Shopping Centres in the Paris Region											**782,700**

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

(1) *Footfall estimated due to footfall counting system issues linked to the extension.*
(2) *Car parks not owned by Unibail-Rodamco.*
(3) *Car parks are owned by CNIT C&E and are shared between CNIT C&E, CNIT Offices and CNIT Retail.*
(4) *Gaîté Montparnasse car parks are shared between Pullman hotel, Gaîté shopping gallery and offices.*
(5) *The Carrousel du Louvre car park is shared between the shopping centre and the exhibition space.*

Portfolio as at December 31, 2017	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)*
SHOPPING CENTRES IN THE FRENCH PROVINCES											
La Part-Dieu (Lyon) *Carrefour, Galeries Lafayette, Décathlon, C&A, BHV, Primark, Monoprix, FNAC, 30 MSU, 195 retail units and a cinema*	132,000	4,760	1.5	33.3	2004 2016	1975 (R) 2001/02 (C) 2009/10 (R) 2011	99.5%	84,500	100%	100%	84,500
La Toison d'Or (Dijon) *Primark, Carrefour, Cultura, Boulanger, Apple, 14 MSU and 136 retail units*	78,000	3,700	0.4	8.4	1994 2017	1990 (C) 2013	98.0%	48,500	100%	100%	48,500
Polygone Riviera (Cagnes-sur-Mer) *Printemps, H&M, Zara, Primark, FNAC, 20 MSU, 105 retail units, a cinema and a casino*	73,400	3,500	0.9	6.6	2017	(C) 2015	97.4%	67,200	95%[(1)]	100%	67,200
Euralille (Lille) *Carrefour, Go Sport, Primark, 19 MSU and 108 retail units*	66,700	2,900[(2)]	2	16.1	1994 2010	1994 (R) 2015	98.8%	50,600	76%	100%	50,600
Villeneuve 2 (Villeneuve-d'Ascq) *Auchan, C&A, Furet du Nord, 5 MSU and 126 retail units*	57,100	3,050[(2)]	1.8	11.7		1977 (R) 2004/06	99.3%	32,600	100%	100%	32,600
Lyon Confluence (Lyon) *Carrefour, Joué Club, C&A, Apple, 14 MSU, 73 retail units and a cinema*	53,500	1,500	1.6	9.4		2012	95.0%	53,500	100%	100%	53,500
Rennes Alma (Rennes) *Carrefour, Printemps, 7 MSU and 104 retail units*	46,100	2,690	0.6	7.2	2005 2007	1971 (R) 1990 (C) 2013	99.3%	32,100	100%	100%	32,100
La Valentine (Marseille) *Printemps, Darty, FNAC and 70 retail units*	39,400	1,650	1.4	n.a.	2007 2017	1982 (R) 1999	100.0%	18,300	100%	100%	18,300
Sub-total Shopping Centres in the French Provinces											**387,300**

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

(1) *Remaining 5% bought on January 4, 2018.*
(2) *Car parks not owned by Unibail-Rodamco.*

Portfolio as at December 31, 2017	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 shares	% 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	94.5%	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	n.a.	32,400	100%	100%	32,400
Maine Montparnasse (Paris) *1 Naf Naf store*	35,500	1,900	n.a.	n.a.	2007		100.0%	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	61.5%	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	87.9%	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)											**1,216,500**

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

1.4.2. FRANCE: CONVENTION & EXHIBITION

Portfolio as at December 31, 2017	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	(C) Hall 5 in 2003 (C) Pavillon 7 in 2017	2,500[1]	202,000[1]	50%	100%	202,000	6 exhibition halls (from 19,000 to 70,000 m²), of which 1 convention centre with a 5,200 seats plenary room
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[2]	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[3]	9,100	50%	100%	9,100	Exhibition space (Trade shows)
Le Palais des Congrès de Paris	2008	1993	1,500[3]	32,000	50%	100%	32,000	82 meeting rooms, 18 conference rooms, 4 auditoriums
Carrousel du Louvre (Expos) (Paris 1st)	1999	1993 (R) 2016	4,300[3]	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[4]	2,000[5]	57,400	100%	100%	57,400	Hotel, conference centre and private parking lot[2]
Operation								
Paris, Le Bourget	2008	1952 2005	3,000[3]	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[3]	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)							**599,400**	

(1) Car parks and floor space impacted by Paris Convention Center project.
(2) Car parks are owned by CNIT C&E and shared between CNIT Offices and CNIT retail.
(3) Car parks not owned by Unibail-Rodamco.
(4) 382 rooms refurbished out of 957 in 2011 and 2012.
(5) Car parks shared between Pullman hotel, Gaîté shopping gallery and office.

1.4.3. FRANCE: OFFICES

Portfolio* as at December 31, 2017	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	100.0%	45,300	370	100%	45,300	Natixis (AEW), Dechert, Parfums Christian Dior, Tikehau, Paul Hastings, Arsène, Rothschild & Cie, ABMC, Doctolib, CMA CGM, Standard Chartered Bank
Paris 15th								
Le Sextant, 2 bis-2 ter, rue Louis-Armand	2009	(C) 1998	99.9%	13,400	140	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
Sub-total "Paris CBD"							**70,800**	
92 Paris – La Défense								
Les Villages de l'Arche	1999	(R) 2006 (R) 2016(1)	96.7%	42,100	1,550	100%	42,100	Orange Cyber Défense, Orange, Genegis, Louvre Hôtels, Ageas, Dalkia
Tour Ariane	1999	(R) 2008(2)	88.7%	63,600	210	100%	63,600	Groupe MMC, Arkea, British Telecom France, In'Li, Network Appliance
CNIT (Offices)	1999	(R) 2008	99.0%	37,100	1,100(3)	100%	37,100	SNCF, ESSEC, IFSI, Châteauform
Majunga		(C) 2014	100.0%	65,600	270	100%	65,600	Axa Investment Managers, Deloitte
Michelet-Galilée	1999	(R) 2010	99.7%	32,700	130	100%	32,700	Alstom
Sub-total "Paris – La Défense"							**241,100**	
92 Issy-les-Moulineaux								
Shift (previously Issy Guynemer)	1999	(R) 2012	n.a.	30,600	n.a.	100%	30,600	In restructuring
Sub-total "Issy"							**30,600**	
Other office buildings in Paris (Paris 14th)								
Gaîté-Montparnasse (Offices)	1998	(C) 1974	n.a.	9,900	2,030(4)	100%	9,900	In restructuring
Other office buildings in Western Paris region (Nanterre)								
29, rue du Port	2010	(C) 1989	100%	10,300	90	100%	10,300	Xylem Water Solutions France
Le Blériot, 2 rue Louis Blériot, Rueil Malmaison	2016	(C) 1989	0%	3,400	70	100%	3,400	
Sub-total of other office assets in Paris and Western Paris region							**23,600**	
OTHER								
Tour Rosny, Avenue du Général de Gaulle, Rosny-Sous-Bois	2017	(C) 1975	50.9%	5,900	100	100%	5,900	
Sub-total Other							**5,900**	
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**372,000**	

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

1.4.4. CENTRAL EUROPE: SHOPPING CENTRES

Portfolio as at December 31, 2017	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)*
CZECH REPUBLIC											
Centrum Cerny Most (Prague) *Superdry, H&M, Nespresso, Mango, Aw Lab, Sinsay, 175 units and a cinema complex*	106,700	3,800	1.7	11.9	2000	(C) 1997 (C) 2013	100.0%	106,700	100%	100%	106,700
Centrum Chodov (Prague) *Armani Exchange, Hugo Boss, Zara, Mango, Vapiano, Douglas, 303 units and a cinema complex*	101,600	3,450	1.4	14.6	2005 2014	(C) 2005 (C+R) 2014 (C+R) 2017	99.4%	101,600	100%	100%	101,600
Metropole Zlicin (Prague) *Gant, Reserved, Tous, Rituals, 125 units and a cinema complex*	55,520	1,800	1.5	7.2	2017	(C) 2002 (C) 2004	n.a.	55,520	50%	n.a.	n.a.
Sub-total Shopping Centres in Czech Republic											**208,300**
POLAND											
Arkadia (Warsaw) *Uterque, Victora's Secret, H&M, Nespresso, Kiko, Zara, 233 units and a cinema complex*	117,900	3,900	1.7	19.6	2010	(C) 2004 (C) 2017	99.8%	78,400	100%	100%	78,400
Wroclavia (Wroclaw) H&M, Vapiano, Uterque, Zara, Reserved, Peek & Cloppenburg, 181 units and a cinema complex	72,500	2,050	0.7	3.1[1]		(C) 2017	98.9%	72,500	100%	100%	72,500
Galeria Mokotow (Warsaw) *& Other Stories, Dior, Uterque, Rolex, Peek & Cloppenburg, Kiehl's, 242 units and a cinema complex*	68,500	2,160	1.3	12.3	2003 2011	(C) 2000 (C) 2002 (C) 2006 (C) 2013	99.7%	68,500	100%	100%	68,500
Zlote Tarasy[2] (Warsaw) *H&M, Zara, Van Graaf, Douglas, Victoria's Secret, Reserved, 200 units and a cinema complex*	66,400	1,130	2.0	21.7	2007 2012 2013	(C) 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	3.9	2014	(C) 1998	n.a.	46,600	50%	n.a.	n.a.
Wilenska (Warsaw) *Kiko, Flying Tiger, Sephora, Sinsay, Stradivarius, 91 units*	39,900	1,100	1.7	15.4	2010	(C) 2002	99.3%	19,100	100%	100%	19,100
Sub-total Shopping Centres in Poland											**238,500**
SLOVAK REPUBLIC											
Aupark (Bratislava) *Zara, H&M, Gant, Kiehl's, Tous, Peek & Cloppenburg, 220 units 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)											**498,200**

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

(1) Visits since the opening on October 17, 2017.
(2) Not managed by Unibail-Rodamco.

1.4.5. CENTRAL EUROPE: OFFICES

Portfolio as at December 31, 2017	GLA of the whole complex *(m²)*	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies *(m²)*	% Unibail-Rodamco's shares	% 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
Wroclavia Offices (Wroclaw)	8,500		(C) 2017	8,500	100%	100%	8,500
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**13,300**

1.4.6. SPAIN: SHOPPING CENTRES

Portfolio as at December 31, 2017	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)*
SPAIN											
Parquesur (Madrid) *Primark, El Corte Ingles, Media Markt, Leroy Merlin, Zara, Five Guys, Lego, Wagamama, Hollister, Apple, H&M, Cinesa, Alcampo, 196 retail units*	151,200	5,800	5.5	20.2	1994	(C) 1989 (C) 2005	99.9%	100,700	100%	100%	100,700
Bonaire (Valencia) *Decathlon, H&M, Cortefiel, Zara, Primark, Hollister, C&A, Sfera, 135 retail units Retail Park*	135,000	5,700	1.8	11.2	2001	(C) 2001 (R) 2003 (R) 2012 (R) 2016	97.6%	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	17.2	2008	(C) 2000 (C) 2010 (R) 2012	99.5%	79,600	51%	100%	79,600
La Vaguada "Madrid 2" (Madrid) *Alcampo, El Corte Inglés, C&A, Disney, Zara, Mango, Hema, Adidas, Lego, Xiaomi 242 retail units*	85,500	3,600	5.9	20.6	1995	(C) 1983 (R) 2003	99.8%	22,500	100%	100%	22,500
Glòries (Barcelone) *Carrefour, C&A, Uniqlo, Duet Sport, Sfera, Desigual, Lefties, Bimba Y Lola, Fnac, Adidas, Hema, H&M, 142 retail units*	68,800	2,610(*)	4.5	12.8	1998	(C) 1995 (R) 2001 (R) 2014/15 (R) 2016 (R) 2017	99.9%	40,800	100%	100%	40,800
El Faro (Badajoz) *Primark, Media Markt, El Corte Inglés outlet, Bimba y Lola, El Ganso, Zara, H&M, 96 retail units*	66,300	2,840	0.5	6.7		(C) 2012	95.6%	43,100	100%	100%	43,100
Bahía Sur (Cádiz) *Carrefour, El Corte Inglés, Zara, H&M, 90 retail units*	59,300	3,350	0.6	6.9	1994	(C) 1992 (R) 2005 (R) 2014	99.4%	24,700	100%	100%	24,700
Splau (Barcelone) *Primark, Media Markt, Zara, H&M, A Loja do Gato Preto, C&A, Adidas, 153 retail units*	55,000	2,800	4.2	10.0	2011	(C) 2010	99.8%	55,000	100%	100%	55,000
Los Arcos (Seville) *Hipercor, C&A, Mango, Zara, 89 retail units*	44,000	1,800	1.5	6.7	1995	(C) 1992 (R) 2002 (R) 2013	96.4%	17,700	100%	100%	17,700
Garbera (San Sebastian) *Eroski, Media Markt, Forum, Aki, Zara, Cortefiel, 68 retail units*	40,000	2,780	0.6	4.4	2002	(C) 1997 (R) 2002 (R) 2014	99.5%	25,300	100%	100%	25,300
Equinoccio (Madrid) *Decathlon, Ilusiona, Espacio Casa, Warner Bross, 46 retail units, Retail Park*	36,800	1,410	5.0	3.4	1998	(C) 1998 (R) 2000/08 (C) 2012 (R) 2015	88.6%	33,900	100%	100%	33,900
Vallsur (Valladolid) *Carrefour, Zara, Mango, H&M, Jack & Jones, 96 retail units*	36,000	1,850	0.4	5.5	2002	(C) 1998/2011 (R) 2004/14	99.2%	35,200	100%	100%	35,200
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**533,300**

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

* *Car Parks partly owned by Unibail-Rodamco.*

1.4.7. NORDICS: SHOPPING CENTRES

Portfolio as at December 31, 2017	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)*
SWEDEN											
Mall of Scandinavia (Greater Stockholm) *H&M, Zara, Mango, & other Stories, LEGO Store, Victoria's Secret, 224 units and a cinema complex*	103,200	3,600	1.6	14.1		(C) 2015	98.9%	103,200	100%	100%	103,200
Täby Centrum (Greater Stockholm) *H&M, G-Star, Apple, Mango, Rituals, Stadium, 260 units and a cinema complex*	81,400	3,000	1.6	12.5	1997	1968/1969 1975/1992/2015	95.2%	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	1.7	6.2	1996	1990/1997/2008	94.3%	56,400	100%	100%	56,400
Solna Centrum (Greater Stockholm) *Stadium, H&M, Hemköp, Systembolaget, 120 units*	50,000	1,270	1.9	6.6	1985	1962/1965 1992/(R) 2012 2013	84.9%	50,000	100%	100%	50,000
Sub-total Shopping Centres in Sweden											**291,000**
DENMARK											
Fisketorvet (Copenhagen) *Fotex Hypermarket, Silvan, Bahne, Sport24, 119 units, a cinema complex and a gym*	59,600	1,600	1.8	8.5	2000	2000 (R) 2013	98.7%	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	12.1	2005	1999 2005	93.3%	85,100	34%	34%	29,900
Sub-total Shopping Centres in Finland											**29,900**
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**380,500**

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

1.4.8. NORDICS: OFFICES

Portfolio as at December 31, 2017	GLA of the whole complex *(m²)*	Year of acquisition	Construction (C) Refurbishment (R) date	GLA of the property owning companies *(m²)*	% Unibail Rodamco's shares	% 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 Örebro (Örebro) *1 hotel, 111 rooms*	4,700	1996	1991/1996/2007	4,700	100%	100%	4,700
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**69,900**

1.4.9. AUSTRIA: SHOPPING CENTRES

Portfolio as at December 31, 2017	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 (Vienna) *284 units, fitness centre and cinema complex*	199,900	9,770	2.1	25.0	2008	(C) 1976/2002/2012 (R) 2013	99.8%	137,200	100%	100%	137,200
Donau Zentrum (Vienna) *258 units, fitness centre, cinema complex and a hotel*	123,900	3,000	1.8	18.9	2003	(C) 1975/2000/ 2006/2008/ 2010 (R) 2012	98.3%	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.

1.4.10. AUSTRIA: OFFICES

Portfolio as at December 31, 2017	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 (Vienna)	9,200	2008	1989	9,200	100%	100%	9,200
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**19,900**

1.4.11. GERMANY: SHOPPING CENTRES

Portfolio as at December 31, 2017	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)*
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	15.3	2014	(C) 1996	95.9%	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 cinema*	115,800	4,750	3.8	11.3	2012	(C) 1964 (R) 2015	99.4%	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	8.0	2012	(C) 1994 (R) 2012	99.0%	113,300	26%	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	3.0	9.0	2012	(C) 1964 (R) 1997	100.0%	93,500	10%	n.a.	n.a.
Höfe am Brühl (Leipzig) *MediaMarkt, Müller, H&M, New Yorker, Olymp&Hades, 130 retail units, 13 MSU and offices*	54,600	820	1.1	13.4	2012	(C) 2012	95.0%	54,600	51%	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	10.9	2012	(C) 2011 (C) 2013	99.5%	52,900	51%	100%	52,900
Palais Vest (Recklinghausen) Kaufland, MediaMarkt, *Reserved, H&M, C&A, 119 retail units and 14 MSU*	45,700	970	2.3	9.0	2012	(C) 2014	92.6%	45,700	51%	100%	45,700
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	96.6%	41,800	51%	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	7.1	2012	(C) 1998 (R) 2008	96.2%	38,600	51%	100%	38,600
Ring-Center 1 (Berlin) *Pandora, H&M, Orsay, Douglas, 89 units*	20,600	1,000(*)	0.7	4.6	1996	(C) 1997	n.a.	20,600	67%	n.a.	n.a.
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**340,700**

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

* *Car park not owned by Unibail-Rodamco.*

1.4.12. NETHERLANDS: SHOPPING CENTRES

Portfolio as at December 31, 2017	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)
NETHERLANDS											
Stadshart Almere (Almere) *Media Markt, H&M, HEMA, Zara, Hudson's Bay, 133 retail units, 26 MSU*	89,500	1,810(1)	1.1	9.4	2002	(C) 2002 (R) 2008	96.4%	87,500	100%	100%	87,500
Stadshart Amstelveen (Amstelveen) *De Bijenkorf, H&M, HEMA, Albert Heijn, Zara, 140 retail units, 19 MSU*	83,500	2,780(2)	2.6	9.2	2005	(C) 1960 (R) 1998	98.2%	57,600	100%	100%	57,600
Stadshart Zoetermeer (Zoetermeer) *Albert Heijn XL, H&M, Primark, HEMA, Media Markt, 123 retail units, 16 MSU*	77,400	3,330(2)	2.4	10.0	1983	(C) 1983 (R) 2005	95.7%	52,800	100%	100%	52,800
Leidsenhage (Leidschendam) *Albert Heijn, HEMA, Jumbo, 81 retail units and 12 MSU*	74,100	1,180(2)	2.4	n.a.	1990	(C) 1971 (R) 2000	n.a.	67,800	100%	100%	67,800
Sub-total Shopping Centres in the Netherlands											**265,700**
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)											**295,900**

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.*

1.4.13. NETHERLANDS: OFFICES

Portfolio as at December 31, 2017	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(*)	1983/2005	n.a.	10,600	100%	100%	10,600
Stadshart Amstelveen (Amstelveen)	6,800	2,780(*)	2005/2016	(C) 1999	6,500	100%	100%	6,500
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)								**17,100**

* *Car parks partly owned by Unibail-Rodamco and are shared between retail and office.*

1.5. VALUATION REPORTS PREPARED BY INDEDEPENDANT 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, 2017 (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 December 31, 2017.

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	**Jean-Philippe Carmarans MRICS**	**Geoffroy Schmitt**
Director	Director	Partner
For and on behalf of JLL Limited	For and on behalf of Cushman & Wakefield	For and on behalf of PwC Corporate Finance

1.6. STRATEGY – ACQUISITION OF WESTFIELD

On December 12, 2017, Unibail-Rodamco and Westfield entered into an Implementation Deed regarding the transaction.

Under the Transaction terms, Unibail-Rodamco will acquire Westfield for shares and cash via Australian company and trust schemes of arrangement. The consideration offered to Westfield Securityholders comprises 0.01844 Stapled Shares plus US$2.67 in cash for each Westfield Security.

Approximately 38.3 million Stapled Shares will be issued to Westfield Securityholders to fund the Scrip Consideration and a total of US$5.5 billion will be paid as the Cash Consideration, resulting in a 65% stock and 35% cash consideration mix as of the time of the announcement of the Transaction.

The Unibail-Rodamco Supervisory Board and the Unibail-Rodamco Management Board unanimously support the Transaction. The Westfield Board has also unanimously recommended the Transaction in the absence of a Superior Proposal and subject to an independent expert concluding that the Transaction is in the best interests of the Westfield Securityholders.

The Implementation Deed sets out the steps required to be taken by Unibail-Rodamco and Westfield to give effect to the Transaction.

Unibail-Rodamco and Westfield will form one of the world's premier[1] developers and operators of Flagship[2] shopping destinations ("the New Group").

Post Transaction, the New Group will own and operate one of the world's leading high quality commercial property portfolio with a total proportionate GMV of over €62.0 billion (US$74.4 billion)[3] and a pro forma proportionate net rental income of €2.3 billion (US$2.8billion)[4] for the 12 months to December 31, 2017, an increase of 42% and 41%, respectively, compared to Unibail-Rodamco on a standalone basis.

The New Group will be predominantly retail focused, with retail assets accounting for 88% of its total portfolio proportionate GMV. The New Group's office assets (7% of the proportionate GMV), primarily located in the Paris region, and the Convention & Exhibition activities (6% of the proportionate GMV)[5] are expected to further support the value creation potential of the New Group.

With 17 Flagship assets in nine gateway cities representing 86% of its proportionate GMV, Westfield's high quality portfolio is a perfect strategic fit for Unibail-Rodamco. The combination with Westfield's platform will add highly attractive markets: London and the wealthiest catchment areas in the United States. The Transaction will create one of the world's premier developers and operators of Flagship shopping destinations, with strong business fundamentals including:

- A unique portfolio of 102 prime assets across 13 countries attracting over 1.2 billion visits annually ;
- Some of the best shopping destinations[6] in the world's wealthiest cities such as London, Los Angeles, Munich, New York, Paris, San Francisco, San Jose, Stockholm, Vienna, Madrid and Warsaw;
- An unparalleled[7] collection of 56 high quality Flagship destinations, representing 85% of the proportionate retail GMV, with an average footfall of 15.2 million per annum, such as Westfield London, Stratford City, Les Quatre Temps, Century City, Le Forum des Halles, Westfield World Trade Center, La Maquinista, Shopping City Süd, Mall of Scandinavia, Centrum Chodov and Arkadia;
- An average GMV at 100% per shopping centre of €647 million (€1,003 million for the Flagship portfolio)[8], significantly ahead of other large shopping centre REITs;

(1) *In terms of GMV per shopping centre at 100% among US and EU listed commercial REITs with market capitalization above €10 billion as at December 31, 2017. Based on estimated GMV at 100% divided by number of shopping centres for US peers Simon Property Group and GGP (source: Green Street Advisors). Based on reported value at 100% for Klépierre, divided by total number of assets.*

(2) *"Flagship" assets designates assets that are typically the most attractive to consumers in a given geography, and are therefore critical to retailers in their strategy to reach and influence customers and generate revenue. Westfield Flagship asset list is based on Westfield public disclosures and amended by Westfield from time to time , and comprises leading centres in major markets typically with total annual sales in excess of US$450 million, specialty annual sales in excess of US$500 per square foot and anchored by premium department stores. The criteria applied to identify Unibail-Rodamco Flagship assets include the following: GLA of at least 50,000 m², annual footfall of at least 10 million, a catchment area of at least 400,000 inhabitants and at least 120 stores. Some of Unibail-Rodamco's Flagship assets do not meet one of the above-mentionned criteria but have the potential to meet them all, except for Carrousel du Louvre and Cnit Commerces, considered as Flagship assets despite lower GLA.*

(3) *Proportionate GMV (Unibail-Rodamco definition) as at December 31, 2017. Westfield proportionate GMV based on Westfield data and restated based on Westfield disclosures to be comparable to Unibail-Rodamco. €43.6 billion (US$52.3 billion) for Unibail-Rodamco and €18.4 billion (US$22.1 billion) for Westfield, respectively. Proportionate GMV (Unibail-Rodamco definition) as at June 30, 2017 was €61.1 billion (US$69.7 billion): €43.0 billion (US$49.1 billion) for Unibail-Rodamco and €18.1 billion (US$20.6 billion) for Westfield, respectively.*

(4) *Proportionate net rental income (Unibail-Rodamco definition, i.e. net of lease incentive amortisation) as at 31 December, 2017. €1.6 billion (US$2.0 billion) for Unibail-Rodamco and €0.7 billion (US$0.8 billion) for Westfield, respectively. Proportionate net rental income (Unibail-Rodamco definition, i.e. net of lease incentive amortisation) as at 30 June, 2017 was €2.3 billion (US$2.7 billion): €1.6 billion (US$1.8 billion) for Unibail-Rodamco and €0.7 billion (US$0.8 billion) for Westfield, respectively.*

(5) *Including services.*

(6) *Based on number of A++ assets as per Green Street Advisors grades among U.S. and EU listed commercial REITs with market capitalization above €10 billion as at December 31, 2017.*

(7) *Based on number of A++ assets as per Green Street Advisors grades among U.S. and EU listed commercial REITs with market capitalization above €10 billion as at December 31, 2017.*

(8) *Based on 100% GMV for each shopping centre as at December 31, 2017; among US and EU listed commercial REITs with market capitalization above €10 billion as at December 31, 2017. Based on estimated GMV at 100% divided by number of shopping centres for US peers Simon Property Group and GGP (source: Green Street Advisors). Based on reported value at 100% for Klépierre, divided by total number of assets.*

- A combination of two development pipelines for a total amount of €13.0 billion[(1)], with iconic developments[(2)] in London, Milan, Hamburg, Brussels, Paris, San Jose, Lyon and other major cities. In addition to benefiting from the strong embedded organic growth potential, Unibail-Rodamco expects to capitalise on Westfield's strong track record and know-how in development and investment;
- The creation of the world's leading platform[(3)] for global retailers and brands, positioning the New Group as a must-have partner for all global brands across the most attractive markets in the United States, the United Kingdom and Europe;
- A best-in-class management team, capitalising on each of Unibail-Rodamco's and Westfield's strengths, with the support of approximately 3,700 employees.[(4)]
- A robust balance sheet: expected credit rating in the "A" category post Transaction and expected consolidated pro-forma Loan-To-Value ("LTV") based on adjusted pro-forma accounts of 37%[(5)] as at December 31, 2017, well within Unibail-Rodamco's historical objective of between 35% and 45%;
- Attractive dividend distribution policies: Unibail-Rodamco and Newco distributing a combined 85% to 95% payout ratio of the New Group's pro forma recurring net earnings;
- An efficient tax structure: New Group operating as a REIT in France, The Netherlands, United Kingdom, Spain and the United States.

The combination of Unibail-Rodamco and Westfield is a natural extension of Unibail-Rodamco's strategy of concentration, differentiation and innovation and is consistent with its objective to focus on high quality large shopping destinations in wealthy capital cities, the most prestigious office buildings and major convention and exhibition venues, vertically integrating the entire real estate value creation chain. With this Transaction, Unibail-Rodamco will incorporate a leading portfolio and an extensive development pipeline managed by an outstanding team of experienced professionals.

In addition, Unibail-Rodamco will acquire an iconic brand: the Westfield brand, one of the strongest in the industry, will gradually be deployed across Unibail-Rodamco's Flagship assets.

The New Group will accelerate its digital innovation strategy to strengthen connections with visitors and retailers. The use of innovative apps and services (Smart map, Find my car, Connect, Click & Services) and social media (10 million Facebook and Instagram fans) will enhance the visitor experience and foster communities, with whom the New Group's shopping centres can engage.

Unibail-Rodamco expects the Transaction to be accretive to its earnings per share and NAV per share[(6)] for Unibail-Rodamco Shareholders from the first full financial year following implementation of the Transaction. Assumptions taken into account for the accretion calculation on an EPS basis were the amount of run-rate synergies, cost of debt, amount of debt and number of shares to be issued to Westfield Securityholders. Regarding NAV accretion, assumptions were taken regarding NPV of synergies, cost of debt and absence of goodwill impairment[(7)].

Moreover, total Recurring Net Result ("RNR") will increase and Recurring Earnings per Share ("REPS"), calculated as RNR divided by number of shares outstanding, will increase.

Unibail-Rodamco has identified a total of €100 million of expected annual cost and revenue run-rate synergies[(8)], which, if achieved, are expected to create value for holders of Stapled Shares and deliver stronger returns than Unibail-Rodamco or Westfield could achieve on a standalone basis.

Unibail-Rodamco estimates that almost all of the expected annual run rate cost synergies will be achieved in the eighteen months following implementation of the Transaction. Annual run rate revenue synergies are expected to take longer to fully realise.

(1) "Development pipeline" designates, as per Unibail-Rodamco methodology, projects including (i) committed projects: projects currently under construction, for which Unibail-Rodamco owns the land (or building rights) and has obtained all necessary administrative authorizations and permits; (ii) 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 are obtained yet; (iii) secured exclusivity projects: projects identified, for which Unibail-Rodamco has the exclusivity but where negotiations for land, building rights or project definition are still underway. Westfield and Unibail-Rodamco use different reporting methods regarding the scope and the valuation of their development pipeline. Throughout this annual report, Westfield stand-alone figures are based on Westfield methodology and disclosures, and Unibail-Rodamco stand-alone figures are based on Unibail-Rodamco methodology and disclosures. In order to make combined figures comparable based on Unibail-Rodamco methodology, some adjustments were made to Westfield reported figures to calculate combined proportionate pipeline. For Unibail-Rodamco pipeline projects, proportionate figures are based on total investment cost as per Unibail-Rodamco's scope and definition as of December 31, 2017. For Westfield pipeline projects, this figure reflects proportionate total investment costs based on Unibail-Rodamco's estimate of Westfield pipeline per Unibail-Rodamco methodology, as at December 31, 2017.

(2) Designed by Pritzker award-winning architects; such as Tour Triangle located in Paris and designed by architects Herzog & de Meuron, Sisters Towers, located in the Paris region and designed by Christian de Portzamparc and Überseequartier, located in Hamburg and notably designed by Christian de Portzamparc and UN Studio. Other projects include World Trade Centre, located in New York and designed by Spanish architect Santiago Calatrava and Majunga located in the Paris region and designed by Jean-Paul Viguier.

(3) Based on number of A++ assets as per Green Street Advisors grades among U.S. and EU listed commercial REITs with market capitalization above €10 billion as at December 31, 2017.

(4) Excluding ca. 200 current Westfield employees that will move into OneMarket after implementation of the OneMarket demerger.

(5) Consolidated pro-forma LTV including transfer taxes: net financial debt / total consolidated portfolio valuation including transfer taxes, taking into account pro forma adjustments. Proportionate pro-forma LTV including transfer taxes : 39%.

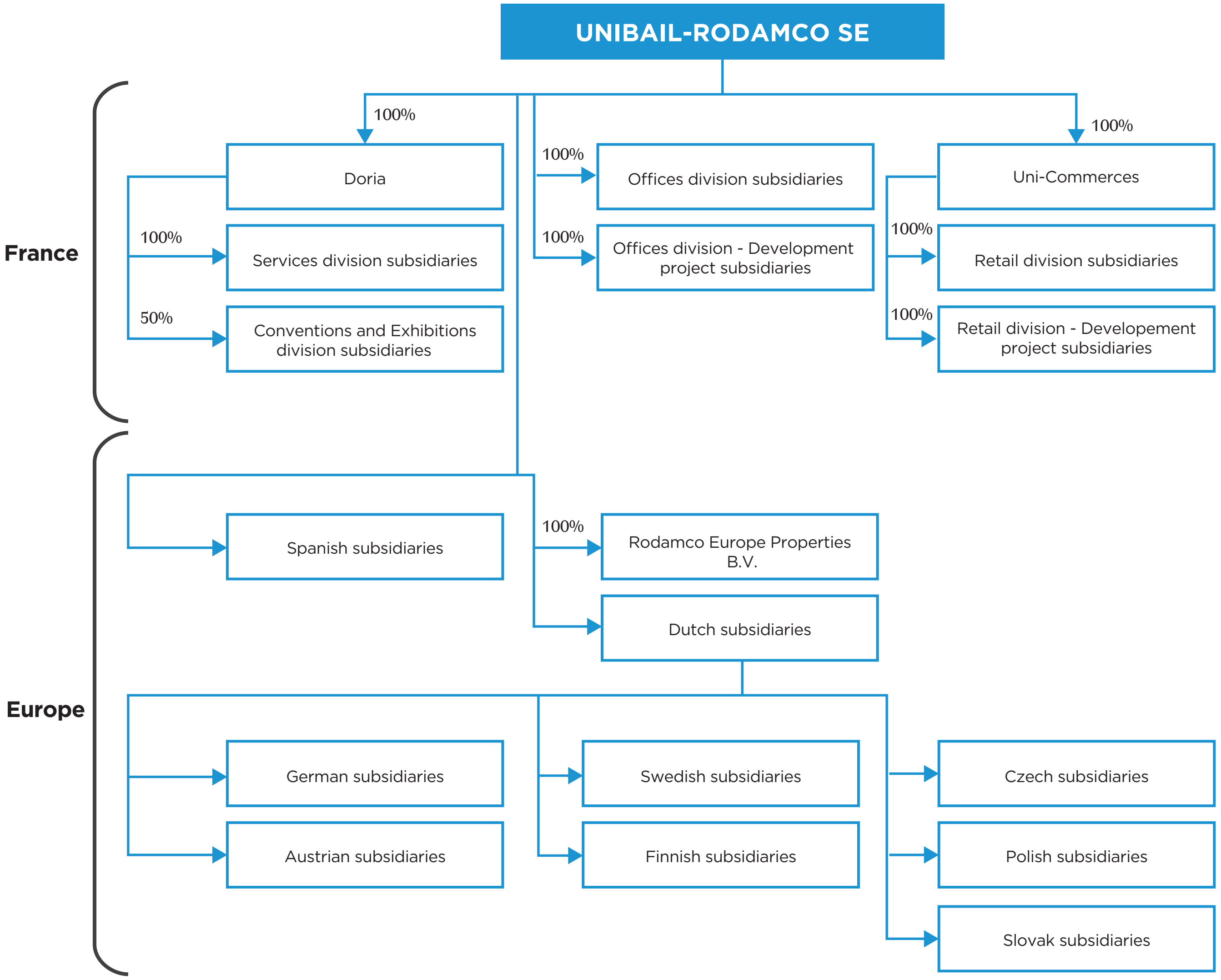
(6) Taking into account estimated run-rate synergies.

(7) -The calculations are based on the following assumptions:
- Run-rate synergies: €100 million per annum (of which, €40 million anticipated from incremental revenues and €60 million from costs reduction);
- Debt: €5.1 billion (cash component of the Transaction as well as transaction costs);
- Cost of debt: hypothesis in line with current market standards;
- Scrip Consideration: approximately 38.3 million Unibail-Rodamco Shares to be issued to Westfield Securityholders.

(8) Full quantum of annual synergies.

1.7. SIMPLIFIED GROUP ORGANISATIONAL CHART

As at December 31, 2017 is as follows:



For further details please refer to Section 5.2 note 14.

2.

CORPORATE SOCIAL RESPONSIBILITY

2.1. "BETTER PLACES 2030": A NEW FRONTIER

2.1.1. MEETING THE MAJOR REAL ESTATE CHALLENGES

Since 2007, Unibail-Rodamco has been laying out an ambitious Corporate Social Responsibility (CSR) strategy. This strategy is recognized by the key extra-financial rating agencies which rank the Group among the most sustainable companies in commercial real estate. Between 2006 and 2015, the Group has achieved a cumulative decrease of 33.8% in energy intensity and of 65.1% in carbon intensity. Besides, the Group has achieved an unrivalled certification level for its portfolio, with 51 shopping centres BREEAM In-Use certified in Europe.

In 2016, Unibail-Rodamco decided to accelerate its CSR strategy by setting a new long-term ambition, "Better Places 2030", to address the main challenges facing real estate:

- 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.

Unibail-Rodamco's comprehensive CSR approach applies to the entire value chain and all of the Group's activities, spanning from the design and construction of its new development projects, refurbishment or extension works on its standing assets, the daily operation of its property complexes, including energy consumption of retailers in its shopping centres, transportation of visitors and employees, tenant logistics, to the contribution to community well-being, and the commitment of all employees to the Group's CSR objectives.

The core commitment of this programme is the objective of reducing the Group's carbon footprint by 50% between 2015 and 2030: this makes Unibail-Rodamco the first listed commercial property company to commit to such a comprehensive, proactive strategy that incorporates the entire value chain. The "Better Places 2030" targets are detailed in Section 2.6.

The "Better Places 2030" programme rests on four pillars:

"Better Places 2030"	Main 2015-2030 commitments	Key levers
Pillar 1 Less carbon emissions, better buildings	-35% carbon footprint from construction -70% carbon emissions from operations	◆ carbon footprint measure for all development projects ◆ "Lean building" approach from the design phase ◆ choice of alternative and low-carbon materials ◆ targeted partnerships with construction and materials companies ◆ continued energy reduction efforts ◆ green electricity for landlord and tenant areas ◆ switch to LED lighting for landlord and tenant areas
Pillar 2 Less polluting transport, better connectivity	-50% carbon footprint from transport 75% of all visitors come to the Group's centres by a sustainable means of transport	◆ connection to sustainable modes of transport for new development projects ◆ expanded offer of sustainable transport solutions for standing assets ◆ development of pooled logistic solutions for tenant deliveries in dense urban areas
Pillar 3 Less local unemployment, better communities	100% of the Group Shopping Centres committed to supporting local employment and economic development	◆ training of unskilled youth and support in their recruitment by tenants and service providers in the Group's shopping centres ◆ organisation of events at Group shopping centres in partnership with an NGO ◆ development of the community of shopping centre employees and tenants
Pillar 4 Less top down, better collective power	100% of the Group's workforce committed to sustainable development	◆ definition of individual CSR objectives for Group employees ◆ "Solidarity Day" for all employees ◆ fleet of hybrid or electric company vehicles ◆ promotion of environmentally friendly behaviour ◆ development of open innovation with start-ups addressing the Group's CSR commitments

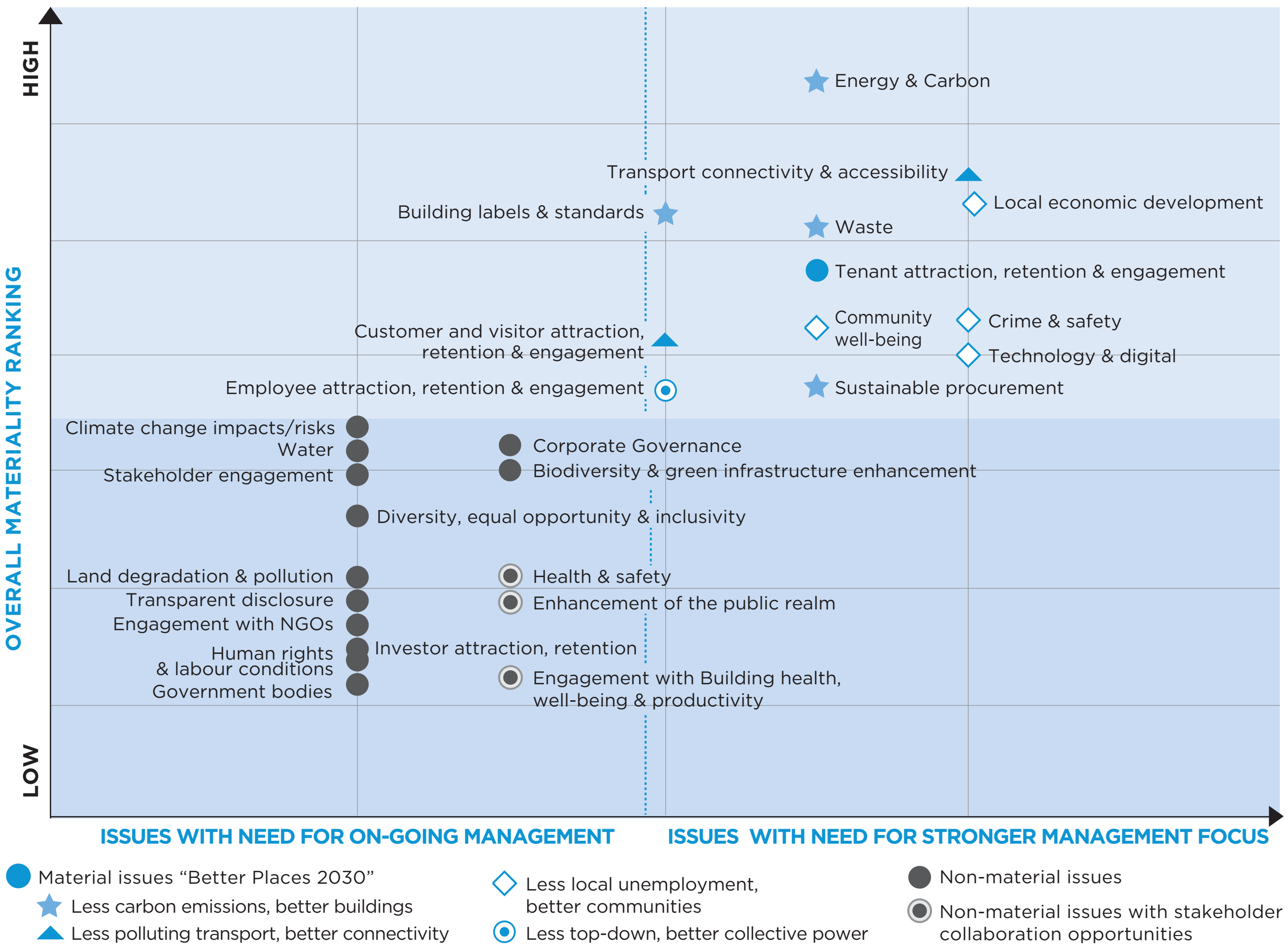
This programme addresses Unibail-Rodamco's material issues. The materiality analysis updated in 2015 identified the material issues having the potential to create the most value for both Unibail-Rodamco and its stakeholders. This vision helps the Group to allocate its efforts and resources to CSR issues addressing the main risks and opportunities, to outline its long-term targets and to report progress transparently on these material topics.

The conclusions of the materiality analysis enable to place the various sustainable development issues on a matrix structured as follows:

- vertically: impact on the Group's value creation measured in terms of risks and opportunities, according to different levels:
  - high: key value creation opportunities – core priorities in line with Unibail-Rodamco's levers to increase the value of its assets,
  - medium: fields to be mastered and addressed within Unibail-Rodamco's CSR strategy to actively manage risks and meet stakeholder expectations, but with a limited impact on the Group's value,
  - low: less material issues with a low impact on the Group's value – to be addressed through operational policies and internal targets;
- horizontally: current management of these issues by Unibail-Rodamco, identifying where new initiatives can be undertaken (on the right-hand side of the graphic) and which issues are considered to be under control.

In light of these rankings, the materiality analysis positions the energy transition as well as local economic development as major topics for Unibail-Rodamco activities. In contrast, the Group's activities being predominantly located in dense cities across continental Europe, they have a minor impact on biodiversity protection and water resources.

UNIBAIL-RODAMCO'S MATERIALITY MATRIX



2.1.2. GOVERNANCE AND CSR

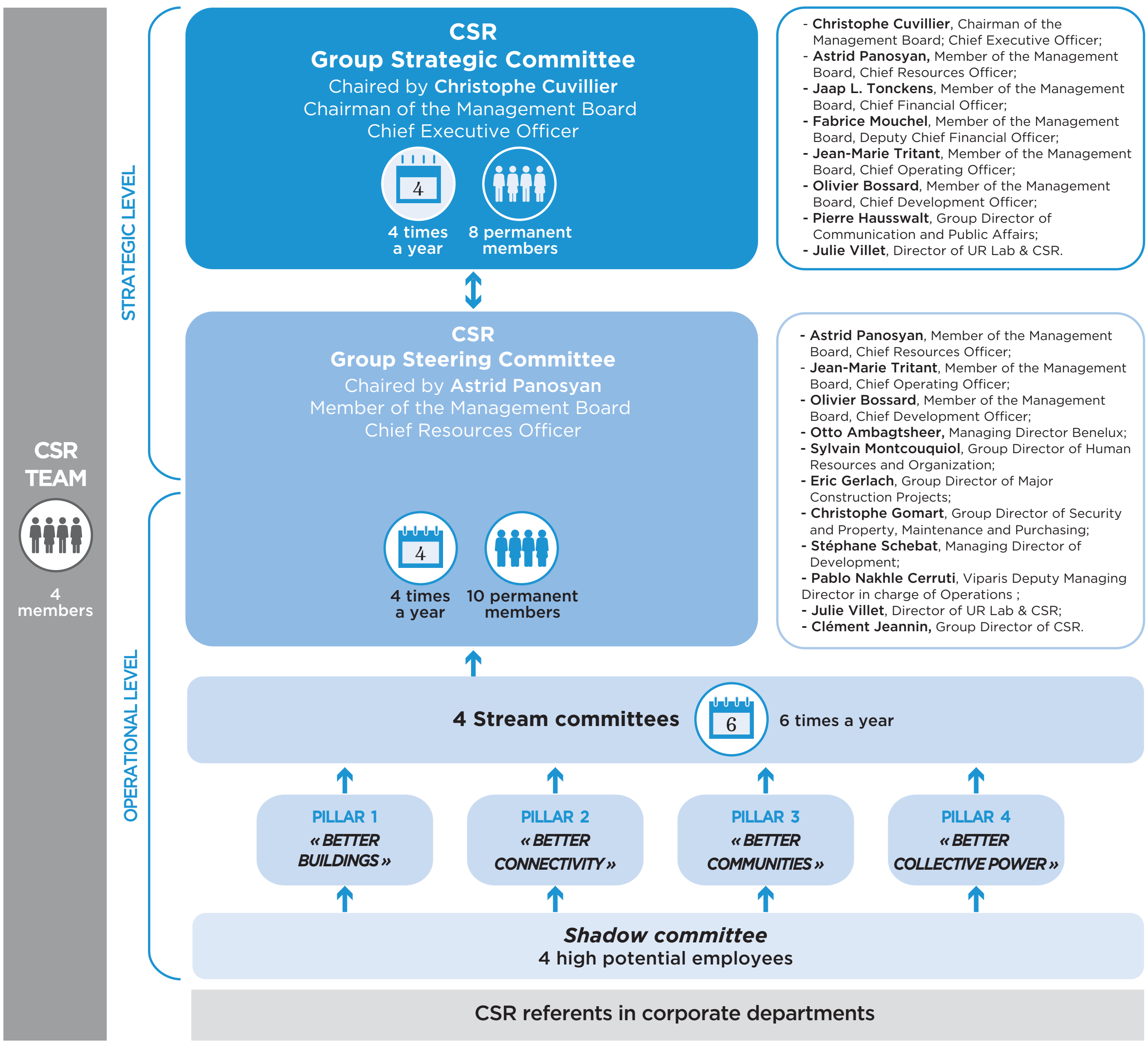
Governance of CSR and the "Better Places 2030" programme

Since January 1, 2017, the monitoring and operational implementation of the "Better Places 2030" programme are based on a governance constructed around two priorities:

- monitoring CSR performance by ensuring the full integration of the new objectives of the "Better Places 2030" programme 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" programme.

A dedicated CSR team is responsible for overseeing an supporting the implementation of the new Group strategy. This team coordinates the CSR referents in the business departments, develops tools and methodologies, supports and trains the regional teams, identifies and shares best practices, and measures CSR performance to regularly report on results and progress achieved. The team is led by Julie Villet, Group Director of UR Lab & CSR, steered by Clément Jeannin, Group Head of CSR, and overseen by Astrid Panosyan[(1)], Member of the Management Board and Chief Resources Officer.

OVERVIEW OF THE GROUP'S CSR GOVERNANCE



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

The Group CSR Strategic Committee defines the strategy, sets targets, arbitrates and monitors the implementation of the CSR programme. 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 Group CSR Steering Committee oversees the implementation of the CSR programme, defines the strategic directions and the high-priority objectives of the CSR programme, and approves and prepares the decisions which require arbitration from the Group CSR Strategic Committee. Composed of 10 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 CSR Group Strategic Committee. This committee is chaired by Astrid Panosyan, Member of the Management Board and Chief Resources Officer.

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" programme. These committees are chaired by two directors of different Group operational departments and meet six times a year with the **CSR referents** and the project managers involved in the strategic initiatives undertaken for each pillar.

The invited members are:

- Group employees involved in a project associated with the priority actions of the pillars;
- members of the **shadow committee**, comprising high-potential young talent who are responsible for contributing to the Group's CSR programme.

Integration within core processes and activities

The CSR agenda is fully integrated in core business processes, embedded into strategic and operational activities throughout the Company. Relevant management processes have been set up at each stage of the Group's business cycle, along with appropriate key performance indicators. For example:

- the due diligence process for asset acquisitions 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 (environmental performance criteria as well as criteria based on BREEAM certification operational feedback);
- each managed asset has a customised Environmental Action Plan and performance targets, which are assessed at least once a year;
- the Internal Audit Department conducts regular assessments of the management and compliance processes with the rules defined by the Group 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 ensure the promotion of equality and diversity and provide employees with the skills and opportunities required for attractive careers;
- the Group's decision-making processes incorporate CSR performance indicators in line with the "Better Places 2030" programme. Since 2017, all budget reviews performed on assets, either when selecting investments in the standing portfolio, keeping track of construction projects or making new property investment decisions, include criteria such as energy efficiency, carbon footprint, sustainable mobility, tenant involvement and social engagement. These are analysed similarly to economic and financial indicators.

The effective implementation of these processes is verified by external audits and certification schemes on an annual basis.

CSR commitment of the whole organisation

In 2017, quantitative CSR objectives were integrated in the variable remuneration of all members of the Management Board, of the Group Management Team and Country Management Teams. These CSR objectives were based on precise and quantified CSR criteria, presented in section 3.2.3 Remuneration report for 2017 financial year – Say on pay. Individual CSR objectives will be extended to all Group employees for 2018. 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 in the operations of the regional teams.

Initiatives and appropriate targets aligned with the new CSR programme have been established and will be implemented in close cooperation with each department 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 in line with "Better Places 2030" targets.

When responsibility for obtaining results is shared with other partners, especially with the co-owners of the managed assets, the Group anticipates and cooperates with them in order to meet the set targets. 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 regularly organised. Since 2016, an online CSR training module has been rolled out to all employees. In addition, dedicated technical trainings are offered to all relevant staff members. These trainings cover for example environmental certification or regulations. Notes, manuals and training materials related to new CSR topics are also drafted regularly, shared with the relevant teams, and made freely accessible on the Group's training platform ("Carbon for Dummies" presentation, instructions on "the reporting of green leases V2", etc.).

Moreover, in 2017, trainings aligned with the new strategic vision were designed and delivered within the Group to ensure full understanding of the issues and to enhance the technical skills needed to achieve some of the "Better Places 2030" objectives. Trainings specifically addressing climate change and its embedding into core business functions were delivered in 2017, such as training on the carbon footprint assessment of development projects (for more information, refer to the Sustainable Design Attitude Paragraph in Section 2.3.2.1. Environmental Management Systems).

2.1.3. FOCUS ON THE CONVENTION AND EXHIBITION BUSINESS

With 10 million annual visitors, 1,000 events and 10 sites, Viparis integrates sustainable development in its values and strategy. This commitment is acknowledged in its ISO 20121 certification, the leading international standard for the events sector, which is enforced on all its sites since 2014.

In 2017, in line with the "Better Places 2030" programme, Viparis decided to step up its CSR policy through its "Viparis 2030" strategic plan. This new CSR policy outlines Viparis's major issues and commitments for the coming years and revolves around four key themes:

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

With this new ambition, Viparis aims, as an industry leader, to play a key role in transforming industry practices to achieve greater sustainability.

To harmonise the vision and share CSR best practices within the Group, Viparis is integrated in the Group CSR governance as of January 1, 2018 (refer to Section 2.1.2).

2.2. 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.

The goal of the UN Global Compact is to promote corporate social responsibility. As a signatory to the Compact since 2004, Unibail-Rodamco is committed to embrace, support and enact within its sphere of influence the ten universally recognised principles relating to human rights, labour laws, environmental protection and anti-corruption.

2.2.1. CORPORATE GOVERNANCE

Unibail-Rodamco's governance structure and *Compliance Book* are discussed in Chapter 3. Corporate Governance and Remuneration.

2.2.2. ETHICAL CONDUCT AND ANTI-CORRUPTION POLICY

Unibail-Rodamco's Code of Ethics is discussed in Chapter 6. Risk Factors and Internal Control.

2.2.3. RISK AND CRISIS MANAGEMENT

The Group's risk management procedure is discussed in Chapter 6. Risk Factors and Internal Control.

As part of the materiality study, Unibail-Rodamco's long-term sustainability risks were assessed based on 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 greatest risks by assessing their probability and magnitude.

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.

The risks incurred by the Group's business activities could potentially expose it to the following issues: 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. In 2012, a specific study was commissioned in order to assess the Group's exposure to flood and earthquake risks for the entire portfolio (including German assets). It was concluded that very few assets are located in areas exposed to such risks. Furthermore, the Group complies with regulatory requirements in each region with regard to flooding risks, water management, and drainage systems for exceptionally heavy rainfall.

Unibail-Rodamco'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 & safety performance. The potential financial impact of identified risks is taken into account during the due diligence phase. Issues covered include especially soil pollution and the risks associated with climate change, asbestos, legionella and electromagnetic radiation.

As well as it gears its portfolio to limit its exposure to the potential effects of climate change, the Group is working to reduce the impact of its activities on the climate, through the commitments made under "Better Places 2030".

2.3. ENVIRONMENT

As part of its new CSR strategy, "Better Places 2030", the Group commits to cutting its total carbon footprint by 50% between 2015 and 2030, encompassing its entire value chain. This is the most representative and proactive commitment of its programme, and it stakes out a ground-breaking position in the listed commercial property industry. This marks the first time that this commitment applies to a complete scope of actions that cover greenhouse gas emissions related to both the Group's activities and those of its stakeholders on which the Group believes it can have an influence.

Accordingly, the Group's objective includes not only emissions from the common energy it purchases for the operation of its property complexes (Scopes 1 and 2) but especially the Scope 3 induced emissions, which represent most of the organisations' greenhouse gas emissions, notably the following:

- greenhouse gas emissions generated in the construction of its development projects, due to the energy required for the extraction, manufacturing, transport and use of construction materials;
- greenhouse gas emissions due to the private energy consumption of its tenants;
- and finally, emissions due to travel by building occupants and, especially, visitors to shopping centres, regardless of the modes of transport used.

In that respect, the reduction objective of the Group's carbon footprint between 2015 and 2030 breaks down into three complementary low-carbon objectives addressing emissions from construction, building operations and travel by visitors:

- -35% in the carbon intensity from constructing new development projects;
- -70% in the carbon intensity from operating the standing assets which are owned and managed;
- -50% in the carbon intensity from shopping centre visitors' transportation.

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

The first actions and initiatives undertaken in this framework are integrated in the different parts of this Section (energy, transport, materials, etc.), which reports on the Group's environmental performance and the achievements of this new programme through standard operational management indicators and new "Better Places 2030" indicators.

Alongside the efforts being enacted to meet the climate targets discussed above, the Group is continuing its operational actions that cover a broad environmental scope, particularly in terms of the selection of materials, water and waste management and biodiversity protection.

All the methodologies and monitoring processes relating to the environmental information disclosed in the rest of this Section appear in Section 2.7, "Reporting Methodology".

2.3.1. GROUP GREENHOUSE GAS (GHG) EMISSIONS

The carbon footprint allows to better measure the entire scope of emissions linked with the Group activities and to identify the responsibilities of the different players to enhance the Group's carbon strategy. As part of the "Better Places 2030" programme, the Group updated its carbon footprint measures for 2015 and 2017. This work was a follow-up to the first two carbon footprint calculations done in 2009 and 2012, and the methodology of which was adapted to factor in new indicators.

Methodology

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

In order to define the calculation methodology of its total carbon footprint, Unibail-Rodamco has chosen the so-called "operational control" approach for its entire value chain: consolidation of all the emissions linked with the operations over which the Group has the full authority to implement its operational policies.

The Group's carbon footprint measure includes the emissions of the following six greenhouse gases designated by the Kyoto protocol: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), sulphur hexafluoride (SF_6), hydrofluorocarbons (HFC) and perfluorinated hydrocarbons (PFC).

These greenhouse gas emissions are expressed in carbon equivalent (CO_2eq).

The scope of the Group's carbon footprint is defined as follows:

- organisational scope:
  - owned and managed assets: shopping centres and offices[1] (selection rules identical to environmental reporting scope),
  - new development projects,
  - group employees and headquarters;
- operational scope: all the activities over which the Group has direct operational control or that it can influence.

  Emissions items: The sources of emissions included in the Group's total carbon footprint are broken down per scope and entity in the table below. 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 by doing so measures the significant indirect emissions along the entire value chain. To reflect the Group's business activities in the most accurate manner, including the interactions between the Company and its stakeholders, Scope 3 has been further broken down into two categories:
  - Scope 3 managed – under Unibail-Rodamco's operational control,
  - Scope 3 related – Responsibility of stakeholders that Unibail-Rodamco can influence but does not control directly;
- Baseline year: 2015;
- Publication method: greenhouse gas emissions are preferably expressed according to the "Market-Based" approach (suppliers' emissions factors) in order to highlight the efforts made in selecting the Group energy suppliers. However, to take into account stakeholders' expectations, performances are also expressed according to the "Location-Based" approach (countries' emissions factors).

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

SCOPE 3

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

The following items are excluded from the carbon footprint because they do not apply to the Group's business or the Group cannot influence them significantly:

- direct emissions of processes excluding energy;
- biomass emissions (soil and forests);
- upstream transport of goods;
- upstream leased assets;
- downstream transport of goods;
- use of sold products;
- end of life of sold products;
- downstream franchised assets;
- other indirect emissions.

(1) *Viparis's business activities are not included in the Group's total carbon footprint. Their carbon footprint is calculated separately by Viparis.*

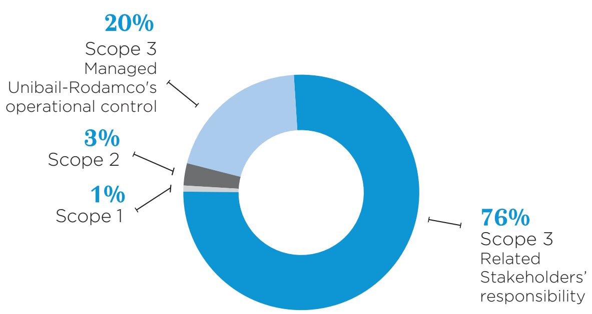
Group total carbon footprint

The Group's 2015 carbon footprint was recalculated following the methodology described above in order to establish a baseline for the "Better Places 2030" strategy.

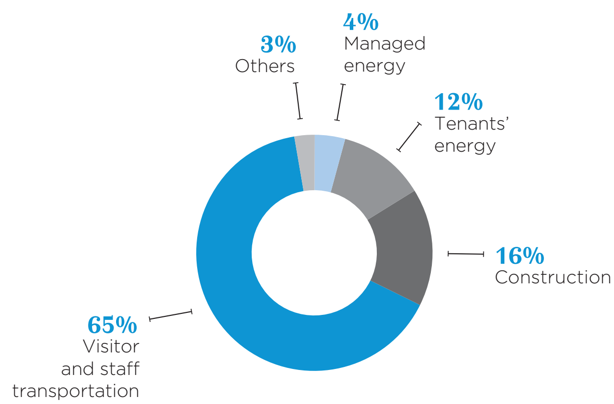
2015 GROUP CARBON FOOTPRINT FOLLOWING "MARKET-BASED" AND "LOCATION-BASED" METHODS [(1)]

	Carbon footprint (TCO_2eq)	
	"Market-Based" method	"Location-Based Based" method
Scope 1	19,508	19,508
Scope 2	58,468	93,042
Scope 3 Managed - Unibail-Rodamco's operational control	390,767	394,507
Scope 3 Related - Stakeholders' responsibility	1,525,073	1,499,009
TOTAL	**1,993,816**	**2,006,065**

SPLIT OF THE 2015 GROUP'S CARBON FOOTPRINT PER SCOPE



SPLIT OF THE 2015 GROUP'S CARBON FOOTPRINT PER ACTIVITY



These results confirm the need to factor in an expanded scope of emissions, not limited to the emissions from Group energy consumptions, and especially to act on the most important Scope 3 carbon issues such as:

- visitor and on-site employee transportation, which represents 65% of the Group's carbon footprint;
- 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 property company, the Group has made commitments in relation to the key items under Scope 3, its aim being to involve all its stakeholders in the process of change management.

GROUP CARBON FOOTPRINT : 2017 EVOLUTION COMPARED TO 2015[(2)]

	2015	2017	2017 comparable to 2015	Evolution 2017 comparable to 2015 / 2015
	Thousands TCO_2eq			%
Total energy	308	302	299	-3%
Construction	324	354	310	-4%
Visitor and staff transportation	1,300	1,400	1,300	0%
Others	62	60	60	-3%
TOTAL	**1,994**	**2,115**	**1,969**	**-1%**

(1) Greenhouse gas emissions are preferably expressed according to the "Market-Based" approach (suppliers' emissions factors) in order to highlight the efforts made in selecting the Group's energy suppliers. However, to take into account stakeholders' expectations, performances in tons of CO_2 equivalent of the 2015 Group Carbon footprint are also expressed according to the "Location-Based" approach (countries' emissions factors). Further in the document, all results related to greenhouse gas emissions are presented according to the "Market-Based" method.

(2) 2017 comparable to 2015: 2017 carbon intensities applied to 2015 constant activity volumes.

Carbon intensity from construction activity

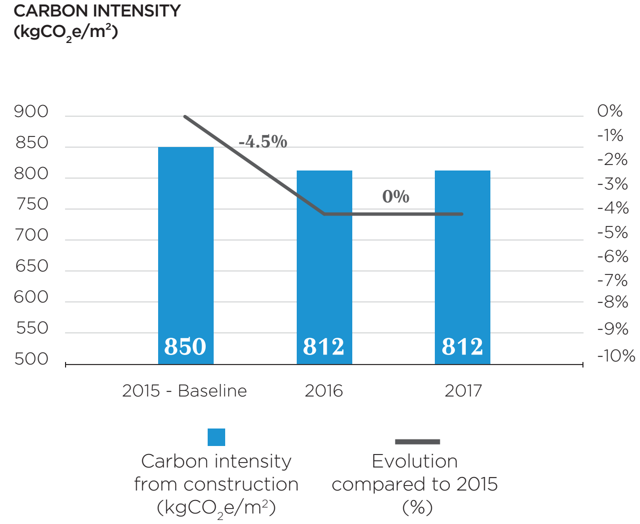
Based on the methodology created by the Group, the value of the carbon intensity of new projects for 2015 was fine-tuned in 2017 thanks to the carbon footprint measures taken for several new Group projects under construction or delivered between 2012 and 2015: Trinity (France), Wroclavia (Poland), Aéroville (France), Majunga (France), Mall of Scandinavia (Sweden). On average, the carbon intensity of these projects is measured at 850 $kgCO_2eq/m^2$ constructed[1]; this sets the 2015 baseline for carbon intensity of the construction activity.

For 2016 and 2017, the Wroclavia shopping centre in Poland and the Trinity office tower in France are the new projects included in the reporting scope. For 2017, the carbon intensity of these projects is 812 $kgCO_2eq/m^2$, which corresponds to a 4.5% reduction compared to 2015.

These projects were already under construction when the "Better Places 2030" strategy was announced. They have particularly limited low-carbon management levers. Notwithstanding, the Trinity project employs as of now low-carbon cement for its foundations and floors.

KPI: Carbon intensity of construction activity

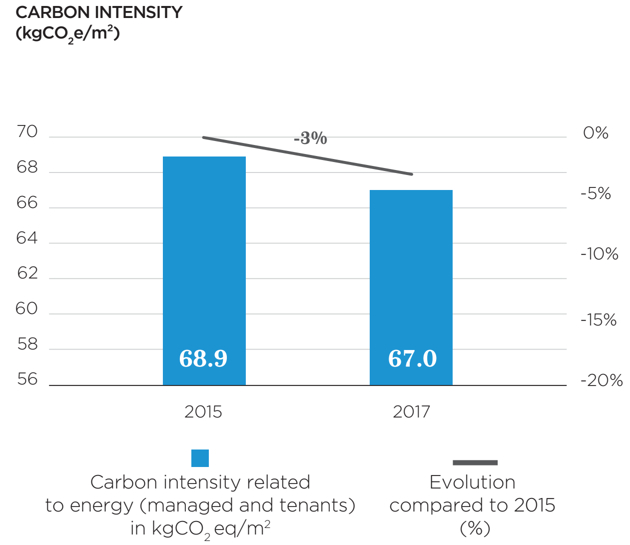
CONSTRUCTION CARBON INTENSITY ($KGCO_2E/M^2$)



Carbon intensity associated with the operation of assets

KPI: Carbon intensity of energy consumption from operation[2]

CARBON FOOTPRINT INTENSITY EVOLUTION RELATED TO ENERGY CONSUMPTION INOPERATION



Since 2015, the carbon footprint intensity related to energy decreases by 3%. This reduction is permitted thanks to an improvement of the energy mix (more important share of renewable electricity) for both managed[3] and tenants energy. For tenants electricity, it has been taken into account that some of them are already officially engaged in a 100% renewable electricity providing program for their premises.

Carbon intensity associated with the travel of shopping centre visitors and employees

KPI: Carbon intensity of transport[4]

In absolute terms, the carbon footprint related to visitors and employees transportation has increased by 8% between 2015 and 2017. It can be explained by the footfall increase by 6% and the integration of assets delivered in 2015: Mall of Scandinavia, Polygone Riviera, Minto.

After footfall growth correction, the carbon footprint intensity remains stable.

In 2018, the tracking methodology of our clients' travel modes will be reinforced in order to increase the sample sizes and to have a better consolidation of the data sources.

(1) "m^2 constructed" corresponds to gross floor area (excluding gross floor area from parkings and lift shafts).
(2) Nota: in 2016, the carbon footprint related to energy (managed and tenants' energy) has not been assessed on the total perimeter and is thus not presented.
(3) See "section" 2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (Scope 1 & 2).
(4) Nota: in 2016, the carbon footprint related to visitors' and employees' transportation has not been assessed on the total perimeter and is thus not presented.

2.3.2. PILLAR 1: LESS CARBON EMISSIONS, BETTER BUILDINGS

The first pillar of the "Better Places 2030" CSR strategy demonstrates the Group's desire to involve all of its standing assets and development projects in the quest to reduce its carbon footprint. Articulated around two complementary low-carbon targets that pertain to standing assets on the one hand and development projects on the other, this new commitment will accelerate the development of a new generation of buildings more environmentally friendly and will further enhance the reputation of the Group, which is renowned for offering facilities and services of the highest quality in step with market demands.

◆ 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 concrete terms, reducing its carbon intensity by 35% means dropping from an average of 850 kg CO_2eq/m^2 constructed in 2015 to less than 552.5 kg CO_2eq/m^2 on average by the end of 2030. These figures were specified and fine-tuned in 2017 thanks to the carbon footprint measures completed for the most recently delivered projects.

The main levers of this low-carbon construction strategy are the following:

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

◆ Reducing the carbon footprint from operating the standing assets by 70%

When it comes to standing assets, the carbon footprint consists mainly of greenhouse gas emissions from energy consumed as part of the operation of the buildings. This substantial reduction target draws on two levers simultaneously:

- accelerating the reduction of energy consumption: the main commitment of the Group with regards to energy efficiency is the 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. Accordingly, the Group has committed, starting in 2017, to installing LED lighting solutions in all its new projects and in the common areas of existing shopping centres in order to phase in new lighting systems. 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);
- completing a fast transition to lower-carbon or carbon-free energies: as for low-carbon energy, Unibail-Rodamco is committed to using 100% electricity from renewable sources (100% green electricity), both for the consumption of its assets (used in common areas and facilities), starting in 2018, and for the private consumption of its tenants, starting in 2020.

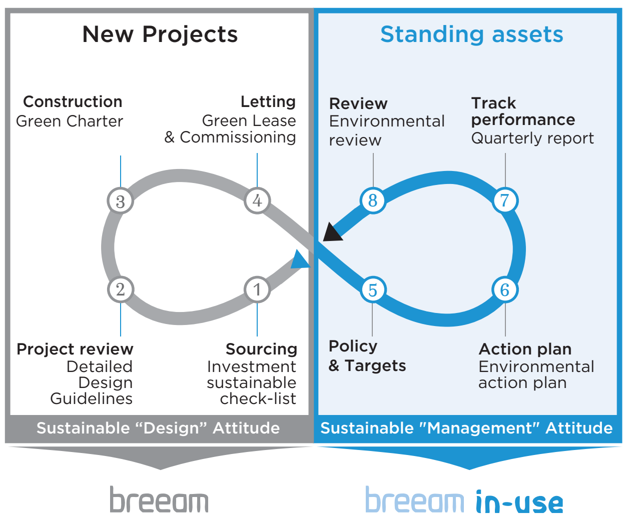
In 2015, tenants' energy consumption represented 73% of the carbon footprint from the operation of assets. Consequently, the strong engagement of tenants is vital to achieving this objective. To accomplish this, these two levers are also implemented in the private parts of the assets, in cooperation with the tenants:

- since May 1, 2017, all standard leases that are proposed to the tenants stipulate that LED lighting must be used for all lighting renewals and that 100% electricity from renewable sources must be supplied, taking effect in 2020;
- between now and 2020, Unibail-Rodamco is committed to signing partnerships with pioneering international retailers in order to speed up this transformation and spur the other tenants to adopt and roll out these solutions in their stores. To this end, the Group has set a goal of signing at least 30 LED partnerships in 2017 with its tenants that operate internationally (see results in Section 2.4.4 "Tenants & Retailers").

2.3.2.1. 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 of 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.

Sustainable Design Attitude: an EMS for development projects

A continually improving management system

The Sustainable Design Attitude ensures that all development projects, whatever their size or type, are designed in the most efficient way over the long-term in order to minimise their environmental impact. It also ensures that every development project larger than 10,000 m^2 obtains the highest levels of environmental certification (BREEAM or HQE) in line with the Group's targets: at a minimum, the BREEAM "Excellent" certification for new projects and "Very Good" for extension projects.

For each project, the "Sustainable Design Attitude" covers all four stages in the development process and involves several departments, notably Development, Security & PMPS (Property, Maintenance, Purchasing and Sustainability), Operations, Leasing, and on-site Shopping Centre Management teams:

- sourcing: sustainability and risks related to climate change are analysed and evaluated during the Group's due diligence process;
- project reviews: at the design stage, each project is assessed using the Group's in-house "Design Guidelines" to ensure the optimisation of the building and to prepare for its "BREEAM" certification;
- construction: the contractor agrees to abide by the Unibail-Rodamco Considerate Construction Charter, which is designed to limit the social and environmental effects of the construction process;
- commissioning: a commissioning process is followed to ensure that building's technical installations perform efficiently (settings and operating instructions), and that maintenance suppliers in charge of operations and running technical installations as well as shopping centre management teams are properly trained.

Since 2009 the Group's "Design Guidelines" have been applied to all new development, renovation and extension projects. The "Design Guidelines" aligned with the BREEAM certification requirements ensure that the Group's projects, whatever their size or scope, will be designed to ensure the highest attractiveness, flexibility and to be the most sustainable, with a low energy intensity and reduced GHG emissions. Best practices from the "Design Guidelines" are also leveraged to improve the energy efficiency of standing 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 of a building (*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.* 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 taking into account new studies, technologies and operational feedback from standing assets across the Group. New studies have been conducted to enrich the "Design Guidelines" with innovative solutions such as geothermal systems, lighting, materials and a revolutionary approach regarding sound design.

Since 2011, the Group's Considerate Construction Charter is applied to all new development, renovation and extension projects. It describes the Group's requirements and recommendations intended to optimise its worksites' environmental quality whilst minimising pollution for the contractors working on site, the neighbouring area and the natural environment. It integrates in every respect all the requirements set by the relevant local and national urban planning regulations, as well as the provisions related to the BREEAM certification. Since 2014, the constructors are obliged to adhere to the Group's Considerate Construction Charter when signing any contracts with Unibail-Rodamco in every region where the Group operates.

Topics covered in the Considerate Construction Charter include:

- providing information to people living nearby and limiting traffic disruptions;
- training and informing employees of construction companies;
- ensuring a proper management of risk and of hazardous products' handling;
- ensuring a 50% minimum of waste recycling (material recovery) by weight, and clear traceability of all waste managed;
- managing and limiting noise and visual pollution, as well as the risk of soil, water and air pollution;
- monitoring resources in order to reduce resource consumption.

Since 2017: Stepping up the integration of the life cycle approach into decision-making processes

Unibail-Rodamco is the first company in commercial real estate to commit to a significant reduction on a broad scope of its carbon footprint resulting from construction.

As part of the implementation of the "Better Places 2030" strategy, the Group thus systematised in 2017 the measuring of the carbon footprint of its projects from the design phase through a dynamic approach, based on a Life Cycle Assessment (LCA) combined with the Thermal Simulations that have historically been performed on the projects.

Due to the lack of sufficiently precise European guidelines, Unibail-Rodamco created in 2017 a customised methodology and tools to assess the carbon footprint of its development projects with an environmental engineering company specialising in low-carbon projects guidance. Based on the existing standards that were considered too generic (especially the ISO 14040 standard: LCA principles and framework and the EN 15978 standard: Assessment of environmental performance of buildings), this methodology was adapted to correspond to the specific attributes of the shopping centres and offices developed by the Group.

Beginning in September 2017, the Group's Development teams all received training in using this methodology and applying these targets in order to ensure that these new requirements are fully taken into account at design stage by the design team as well as all construction companies.

In this respect, 80% of development projects[1] have conducted a Life Cycle Assessment analysis in the design phase as at end 2017.

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

This approach is especially needed for in-situ renewable energy projects and more broadly for any energy efficiency solution. It is important to make sure that the carbon emissions avoided in the operation phase are not offset by a larger carbon footprint for the construction phase.

New key performance indicators for the energy and carbon performance of projects have been introduced and are presented to the Management Board members during budget reviews and development project investment committee meetings. Low-carbon solutions specific to each project are proposed and validated on that occasion. In 2017, 60% of development projects[2] have defined an Energy and Carbon solutions plan that includes additional solutions to the minimal requirements applicable to all projects. Among these requirements, energy efficiency solutions such as LED lighting are consistently implemented for shopping centres in development. In 2017, 100% of shopping centres in development[3] are entirely equipped with LEDs in the common areas.

◆ *Partnerships to speed up innovative low-carbon solutions*

When the "Better Places 2030" programme was announced in September 2016, a partnership was signed with Engie. This agreement aims to identify and develop innovative low-carbon solutions for the portfolio of shopping centres and offices in terms of renewable energy, decentralised energy 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.

In 2017, the start-up COMBO Solutions was accelerated in the Group's internal innovation programme, UR Link. For a development project in the design phase, COMBO Solutions offered Unibail-Rodamco a customised scan tool for low-carbon solutions that covered a comprehensive scope joining energy consumption and construction materials. This type of tool makes it easier to identify in the early stages of a project the factors that most noticeably affect the carbon performance, so as to design a project as efficiently as possible in keeping with its constraints (schedule, urban planning, immediate environment, etc.).

◆ Sustainable Management Attitude: an EMS for existing assets

The Sustainable Management Attitude (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 continuous improvement policy for each area covered by the Group's CSR policy, including climate change, resource use and stakeholders.

The Sustainable Management Attitude system is based on four steps of the environmental performance management process: targets' setting, establishing an environmental action plan, measuring results and reviewing the performance:

- 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 action plan covering key topics such as energy, CO_2, water, waste, transport and stakeholders is implemented and challenged for each managed site;
- quarterly report and annual report: performance is measured and assessed on a quarterly basis at the site, region and Group levels. A corrective action plan is implemented in case of deviation;
- review: the Security & PMPS (Property, Maintenance, Purchasing and Sustainability) team holds sustainability reviews at least once a year for each managed asset to check their performance and progress and to prepare the environmental action plan for the year to come.

The SMA helps ensure that the Group's standing assets will obtain the highest level of in-use certification according to the BREEM In-Use standards. The Group has indeed set the goals of obtaining by 2020 the BREEAM "In-Use" certification with, at a minimum, a rating of "Outstanding" for the "management" part for at least 80% of the portfolio of its owned & managed shopping centres, and of achieving the "BREEAM" In-Use certification with, at a minimum, a rating of "Excellent" for the "management" part for at least 90% of the portfolio of its owned & managed offices. These standards were adopted in 2011 for the shopping centres and offices in order to promote to visitors, tenants and local communities the high quality of the Group's policy and the environmental performances tied to the sound management of its assets. The SMA is fully integrated into the daily operations of teams such as Operating, Leasing, Marketing, Security & PMPS (Property, Maintenance, Purchasing and Sustainability) and Shopping Centre Management.

◆ *SMA certifications*

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.

In order to demonstrate the environmental performance of its assets, Unibail-Rodamco has indeed commissioned an independent third-party audit for each country in which it operates to assess the implementation of the Group's internal Environmental Management System by its standing assets and the certification of the compliance of these systems with the "Sustainable Management Attitude" guidelines, when it was created.

(1) Controlled development projects as at 01/01/2017 over 10,000 m² GLA, excluding renovations with no surface extension. Two of them (out of ten development projects) did not perform a life cycle analysis because design studies were temporarily stopped or already finished.
(2) Committed and controlled development projects as at 01/01/2017 over 10,000 m² GLA, excluding renovations with no surface extension.
(3) Committed development projects as at 01/01/2017 over 10,000m² GLA, shopping centres only.

Furthermore, all 11 of the assets that are owned and managed by the Group in Spain at December 31, 2017, including headquarters, are ISO 14001 certified.

These two complementary EMSs help the Group to:

- deliver sustainable and flexible projects with the highest "BREEAM" certification levels;
- 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 its environmental awareness and create a positive trend amongst Unibail-Rodamco's employees involved in the design, development, management and redevelopment of the Group's assets;
- ensure a high level of transparency and security to the Group's shareholders and investors.

In 2017, the Group defined new indicators that are incorporated into the Group's decision-making processes to steer and oversee the performance of the new CSR strategy, particularly in order to effectively direct and support the implementation of the LED technology and the purchase of green electricity in common and private areas (retailers) of the owned and managed portfolio. These indicators are provided respectively in Section 2.3.2.4, "Energy consumption", and Section 2.3.2.5, "Energy mix". Some of them were introduced in 2017 in the five-year budget review processes of the standing assets.

ISO 20121 Process – Convention & Exhibition (Viparis Group)

Viparis' ISO 20121 certification process, which began in 2013 and resulted in the certification of all of its sites in 2014, perfectly illustrates the Group's trailblazing and proactive CSR commitment.

The Viparis group became one of the first global players in the events industry to win this stringent certification for all 10 of its sites and all of its business activities. This significant achievement constitutes a distinctive competitive advantage, which is further improving its profile legibility and its business practices.

In October 2017, Viparis' ISO 20121 certification was renewed by Bureau Veritas Certification for another three years.

Viparis has a common, structured management system which is consistent with key international principles: due diligence, diversity and inclusion, integrity and transparency.

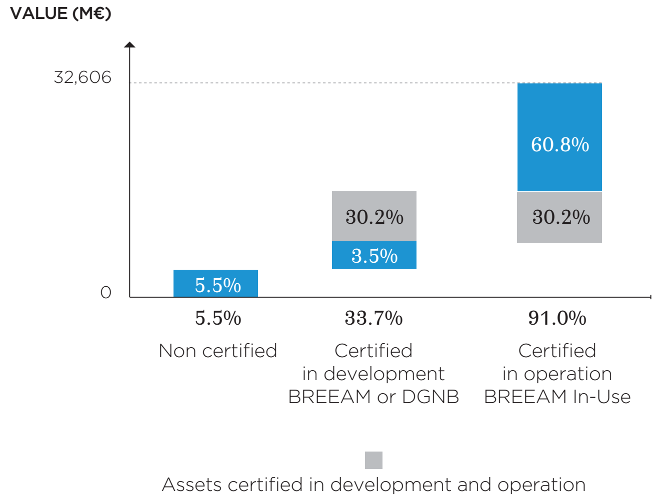
In order to encourage its employees to respect the environment in the workplace, Viparis uses an "eco-gestures" charter structured around four subject areas and 20 commitments. This charter covers the sorting of waste, energy savings, the responsible use of paper and printers, and the rationalisation of business travel.

2.3.2.2. Building environmental certification

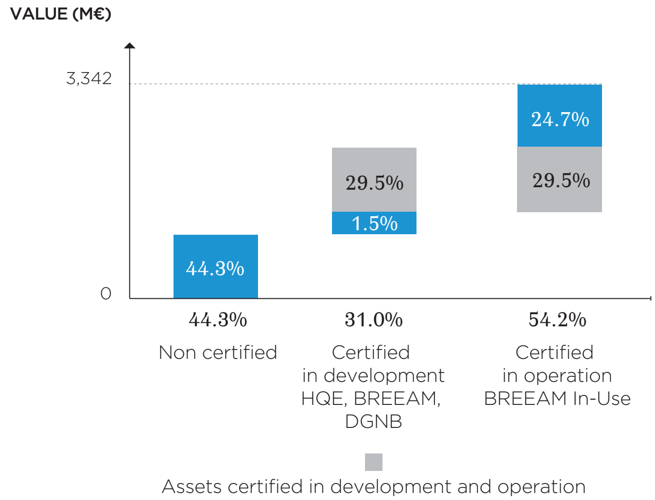
Unibail-Rodamco relies on external environmental certifications to validate the environmental performance of its assets. The Group deploys an active certification policy for both new developments and standing assets based on its two in-house Environmental Management Systems (EMS). This serves as evidence to the Group's stakeholders that Unibail-Rodamco's buildings and their responsible management processes respect the highest environmental standards available in the Real Estate sector.

At the BREAAM Awards 2017 ceremony, which recognised the best assets certified worldwide in 2016 for their environmental performance, Unibail-Rodamco took home the BREEAM/GRESB Award for Responsible Investment, which honours the organisations that are demonstrating the strongest commitment to the use of environmental building certifications in managing their portfolio.

ENVIRONMENTAL CERTIFICATION PENETRATION RATE (%) WITHIN THE TOTAL STANDING RETAIL PORTFOLIO IN VALUE (1)



ENVIRONMENTAL CERTIFICATION PENETRATION RATE (%) WITHIN THE TOTAL STANDING OFFICE PORTFOLIO IN VALUE (1)



New development projects

Unibail-Rodamco targets a BREEAM certification for all of its new developments and extensions of more than 10,000 m². BREEAM is the most widely used environmental building certification framework in Europe. Unibail-Rodamco aims to achieve a rating of "Excellent" or better for projects delivered from 2016 onwards.

(1) In terms of Gross Market Values as at December 31 2017, excluding values of shares in assets accounted for using the equity method.

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

The Docks 76 project was the first shopping centre in Europe to receive the BREEAM certification. Since, the Group has achieved a number of strong market benchmarks across Europe.

In 2017 notably, the Group confirmed its leading position in terms of environmental certification by obtaining the following certificates:

- three BREEAM certifications with an "Excellent" rating: two for the Wroclavia project in Poland (certificates for the design phase: one for the office, one for the shopping centre), thus establishing a new sectorial benchmark by obtaining the best rating for a shopping centre in Poland at the date of the certification, and one for the extension to the Centrum Chodov shopping centre in Czech Republic (design phase);
- three HQE certifications for the design phase of the following office projects in the Paris Region: Trinity, Shift, and Gaité.

KPI: BREEAM environmental certification of new developments – Shopping Centres

In 2017, 100% of the projects delivered or in a construction phase were in a BREEAM certification process.

						Performance		
				Dates		Rating		
Site name	City	Group's Region	Project type	Certification	Opening	Level	Total score (out of 100%)	m² certified (2017 consolidated GLA)
Donauzentrum	Vienna	Austria	Extension	2010	2010	Very Good	63.2%	28,000
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%	-
Centrum Cerny Most	Prague	Central Europe	Extension	2012	2013	Very Good	58.3%	106,700
El Faro	Badajoz	Spain	New Development	2012	2012	Very Good	57.4%	66,300
Taby Centrum	Stockholm	Sweden	Extension	2013	2013	Very Good	55.5%	81,400
Aéroville	Tremblay	France	New Development	2013	2013	Excellent	72.9%	-
So Ouest*	Levallois-Perret	France	New Development	2013	2012	Excellent	78.4%	54,300
Rennes Alma	Rennes	France	Extension	2014	2013	Very Good	57.1%	32,100
Mall of Scandinavia	Stockholm	Sweden	New Development	2014	2015	Excellent	77.4%	103,200
Toison d'or	Dijon	France	Extension	2014	2013	Very Good	64.9%	46,100
Polygone Riviera	Cagnes sur mer	France	New Development	2015	2015	Very Good	57.1%	73,400
Aéroville*	Tremblay	France	New Development	2015	2013	Excellent	70.5%	83,300
Carré Sénart extension	Lieusaint	France	Extension	2016	2017	Excellent	78.1%	31,448
Parly 2 - Extension Cinema	Le Chesnay	France	Extension	2016	2019	Very Good	59.7%	3,699
Wroclavia Retail	Wroclaw	Poland	New Development	2017	2017	Excellent	81.3%	72,500
Chodov Extension	Prague	Central Europe	Extension	2017	2017	Excellent	75.6%	41,817

* *BREEAM final certificate.*

Project type	Certified projects	Group's average score	
New development	7	Excellent	70%
Extension	8	Very Good	62%
TOTAL	**15**	**VERY GOOD**	**67%**

KPI: BREEAM environmental certification of new developments – Offices

In 2017, 100% of the projects delivered or in a construction phase were in a “BREEAM” and/or HQE certification process.

Site name	City	Group's Region	Project type	Dates: Certification	Dates: Opening	Performance Rating: Level	Performance Rating: Total score (out of 100%)	m² certified (2017 consolidated GLA)
Majunga	Paris region	France	New Development	2011	2014	Excellent	77.43%	-
Majunga*	Paris region	France	New Development	2015	2014	Excellent	76.20%	65,600
Village 5*	Paris region	France	Refurbishment	2015	2015	Very Good	61.79%	11,255
Village 3*	Paris region	France	Refurbishment	2016	2016	Very Good	57.90%	6,569
Village 4*	Paris region	France	Refurbishment	2017	2016	Very Good	55.30%	7,350
Wroclavia Offices	Wroclaw	Poland	New Development	2017	2017	Excellent	83.70%	8,500

* *BREEAM final certificate*

Project type	Certified projects	Group's average score	
New development	2	Excellent	77%
Refurbishment	3	Very Good	59%
TOTAL	**5**	**EXCELLENT**	**72%**

KPI: HQE environmental certification of new developments – Offices

Site name	City	Group's Region	Project type	Dates: Certification	Dates: Opening	Performance Rating: Level	Performance Rating: Energy Label	m² certified (2017 consolidated GLA)
Majunga	Paris region	France	New Development	2014	2014	Outstanding Passport	BBC/HPE	65,600
Trinity	Paris region	France	New Development	2016	2019	Outstanding Passport		48,939
Gaité Montparnasse Offices	Paris region	France	New Development	2017	2020	Outstanding Passport		11,850
Shift	Paris region	France	Refurbishment	2017	2019	Outstanding Passport		44,566
TOTAL CERTIFIED (M²)								**170,955**

As regards convention and exhibition assets (Viparis), the Hall 7 of the Paris Nord Villepinte exhibition centre is HQE (High Environmental Quality) certified, accounting for 35,000 m².

◆ Standing assets

Unibail-Rodamco aims to obtain BREEAM “In-Use” certification for all its new owned and managed assets in Europe and “BREEAM In-Use” certification for at least 80% of its shopping centres (number of assets owned and managed) by 2020 with a minimum level of “Outstanding” for the “Building Management” component (part 2) of the scheme.

2017 was a particularly active year in terms of BREEAM “In-Use” certification with 22 shopping centres obtaining certification:

- 6 new certifications: Equinoccio, Forum des Halles, Mall of Scandinavia, Minto, Höfe am Brühl and Polygone Riviera. All of these shopping centres achieved a minimum rating of “Excellent” for the Building Management (part 2). Höfe am Brühl and Polygone Riviera achieved the highest level of recognition with a certification level of “Outstanding” for the Asset component (part 1) and of “Outstanding” for the Building Management component (part 2);
- 16 re-certifications (assets certified in 2014 whose certificates expired in 2017): Aupark, Carré Sénart, Centrum Cerny Most, El Faro, Garbera, Nacka Forum, Rennes Alma, Rosny 2, Shopping City Süd, So Ouest, Solna, Täby, Ulis 2, Villeneuve 2, Wilenska and Toison d’Or, which achieved the highest level of recognition with a certification level of “Outstanding” for the Asset component (part 1) and of “Outstanding” for the Building Management component (part 2). Among these, Garbera, Shopping City Süd, Toison d’Or and So Ouest improved their certification performance compared to 2014.

In 2017, the Group once again achieved strong performances establishing local market benchmarks in different countries. 9 out of the 22 shopping centres certified in 2017 were rated at "Outstanding" level for "Building Management" (part 2) and 5 of them also achieved the "Outstanding" rating level for the Asset component (part 1). Among them, Shopping City Süd obtained the highest score of the Group standing shopping centres portfolio for the Asset component (part 1) in 2017, becoming the best certified shopping centre in Austria under the BREEAM In-Use international 2015 criteria. Centrum Chodov shopping centre, certified "Outstanding" for the Building Management component (part 2) with the highest scores under the BREEAM In-Use International 2015 scheme across Europe in 2015, remains the shopping centre with the highest score in Unibail-Rodamco's standing retail portfolio. In 2017, the Toison d'Or shopping centre obtained double "Outstanding" certification when it was re-certified under the BREEAM In-Use International 2015 criteria with the best score for the Asset component (part 1) for a shopping centre in France.

BREEAM "In-Use": Performance of the 22 certifications obtained in 2017 (owned and managed Shopping Centres)

			Performance			
			Part 1 - Asset		Part 2 - Building Management	
Group's Region	City	Asset name	Level	Total score (out of 100%)	Level	Total score (out of 100%)
Austria	Vienna	Shopping City Süd	Outstanding	87.3%	Outstanding	86.4%
Central Europe	Bratislava	Aupark	Excellent	71.1%	Excellent	70.4%
Central Europe	Prague	Centrum Cerny Most	Outstanding	85.8%	Excellent	79.9%
Central Europe	Warsaw	Wilenska	Excellent	71.4%	Excellent	76.8%
France	Paris Region	Carré sénart	Excellent	72.5%	Excellent	81.6%
France	Paris Region	Le Forum des Halles	Excellent	73.7%	Excellent	77.4%
France	Cagnes sur Mer	Polygone Riviera	Outstanding	85.7%	Outstanding	86.2%
France	Rennes	Rennes Alma	Excellent	72.6%	Outstanding	86.0%
France	Paris Region	Rosny 2	Very Good	66.6%	Excellent	79.2%
France	Paris Region	So Ouest	Outstanding	85.5%	Outstanding	89.2%
France	Dijon	Toison d'or	Outstanding	86.7%	Outstanding	88.5%
France	Paris Region	Ulis 2	Excellent	71.4%	Excellent	74.4%
France	Villeneuve d'Ascq	Villeneuve 2	Excellent	75.4%	Excellent	74.4%
Germany	Leipzig	Höfe am Brühl	Outstanding	86.3%	Outstanding	86.2%
Germany	Mönchengladbach	Minto	Excellent	73.3%	Outstanding	87.9%
Nordics	Greater Stockholm	Mall of Scandinavia	Excellent	72.6%	Excellent	75.3%
Nordics	Greater Stockholm	Nacka Forum	Very Good	69.4%	Very Good	68.1%
Nordics	Greater Stockholm	Solna	Excellent	70.3%	Very Good	64.8%
Nordics	Greater Stockholm	Täby	Excellent	74.5%	Excellent	74.8%
Spain	Badajoz	El Faro	Excellent	76.6%	Outstanding	87.9%
Spain	Madrid	Equinoccio	Very Good	67.6%	Excellent	75.2%
Spain	San Sebastian	Garbera	Excellent	78.1%	Outstanding	87.6%

As at December 31, 2017, the Group had 51 owned and managed shopping centres certified BREEAM "In-Use" in Europe, of which 32 were rated "Outstanding", accounting for 3.1 million m² consolidated GLA and 91% of the owned and managed Shopping Centres portfolio (in terms of certified assets' value, representing €29.6 billion of gross market value).

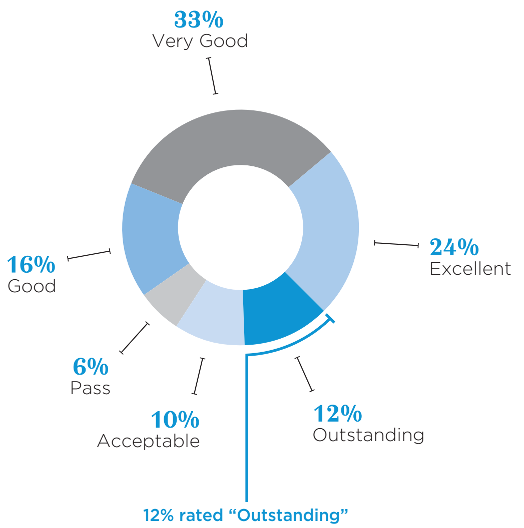
63% of the BREEAM "In-Use" certificates delivered to the Group's retail assets achieved the "Outstanding" level for the "Building Management" (part 2) component, compared to an average of 12% only for the European Retail Real Estate market[(1)] confirming the superior environmental performance of the Group's assets despite the diversity of the portfolio in terms of size, age and location.

At the end of 2017, the Group had 57 assets under BREEAM "In-Use" certification (51 Shopping Centres and 6 Office buildings), accounting for 3.4 million m² GLA.

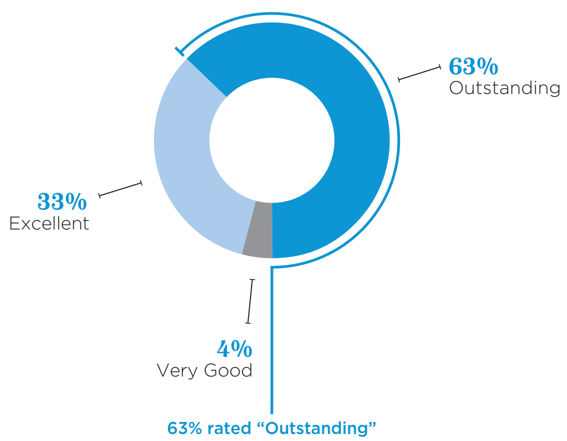
(1) Source: BRE Global "BREEAM In-Use" data (all countries in Europe except Germany, Austria, Spain & The Netherlands), DIFNI/ TÜV SÜD NSO data (Austria, Germany), BREEAM ES/ITG NSO data (Spain), DGBC data (The Netherlands), as at December 31,2017 - 313 retail assets certified under BREEAM In-Use International 2015 (Part 2).

◆ *Breakdown of BREEAM "In-Use" certifications by rating [1] (in number of assets)*

EUROPEAN RETAIL REAL ESTATE SECTOR[2]

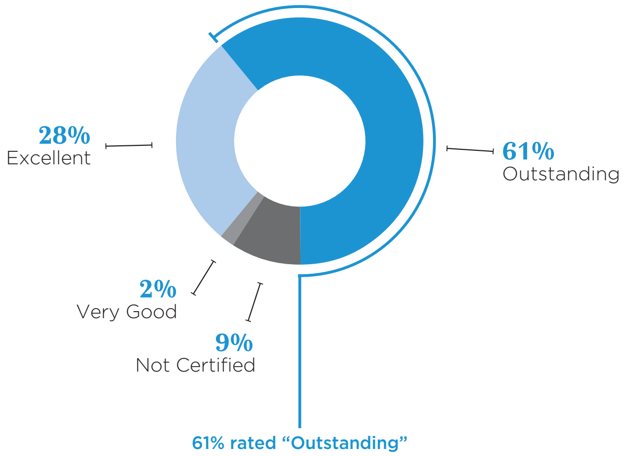


UNIBAIL-RODAMCO[3]



◆ *Breakdown of BREEAM "In-Use" certifications by rating [4] (in asset value)*

UNIBAIL-RODAMCO: 91% CERTIFIED IN VALUE (€29.6 BN)[5]



(1) *Retail assets' score in Building Management (Part 2).*
(2) *Source: BRE Global BREEAM In-Use data (all countries in Europe except Germany, Austria, Spain & The Netherlands), DIFNI/ TÜV SÜD NSO data (Austria, Germany), BREEAM ES/ITG NSO data (Spain), DGBC data (The Netherlands), as at December 31,2017 - 313 retail assets certified under BREEAM In-Use International 2015 (Part 2).*
(3) *51 owned and managed Shopping Centres as at December 31, 2017.*
(4) *Retail assets' score in Building Management (Part 2).*
(5) *Value of certified assets in terms of Gross Market Values, as at December 31, 2017, excluding values of shares in assets accounted for using the equity method.*

KPI: Environmental certifications of standing assets

BREEAM "IN-USE" – RETAIL (PER REGION)

Region	Owned and managed porfolio(2)	Total 2017 consolidated m² GLA(1)	Assets Certified(2)	Certification coverage % (in number)	% (in m² GLA)	Sites name certified as at December 31, 2017
Austria	2	261,100	2	100%	100%	Donau Zentrum(3), Shopping City Süd(3)
Central Europe	6	425,700	6	100%	100%	Arkadia(3), Galeria Mokotow(3), Centrum Chodov(3), Wilenska(3), Centrum Cerny Most(3), Aupark(3)
France	19	1,110,200	19	100%	100%	Carré Sénart(3), Part-Dieu(3), Les Quatre Temps(3), Vélizy 2(3), CNIT(3), Toison d'Or(3), Lyon Confluence(3), Carrousel du Louvre(3), Palais des Congrès de Paris(3), Rosny 2(3), Ulis 2(3), So Ouest(3), Rennes Alma(3), Villeneuve 2(3), Euralille(3), Aéroville(3), Parly 2(3), Forum des Halles, Polygone Riviera
Germany	8	547,700	6	75%	63%	Pasing Arcaden(3), Höfe am Brühl, Palais Vest(3), Gera Arcaden(3), Paunsdorf(3); Minto
The Netherlands	4	265,700	3	75%	74%	Amstelveen(3), Almere(3), Zoetermeer(3)
Nordic	5	350,600	5	100%	100%	Fisketorvet(3), Solna(3), Nacka Forum(3), Täby(3), Mall of Scandinavia
Spain	11	510,800	10	91%	92%	Parquesur(3), La Maquinista(3), Splau(3), Bonaire(3), Bahia Sur(3), Vallsur(3), Los Arcos(3), Garbera(3), El Faro(3), Equinoccio
TOTAL	**55**	**3,471,800**	**51**	**93%**	**91%**	

(1) Total GLA consolidated (owned and managed assets).
(2) In number of owned and managed assets.
(3) Assets certified for the first time before 2017 by BRE and National Scheme Operators (NSO's).

BREEAM "IN-USE" – RETAIL (GROUP TOTAL)

	2017	Cumulated (as at December 31, 2017)
Number of owned & managed assets certified	22	51
Surface certified *(m² GLA)*	1,270,400	3,162,400
Average score "Asset" (Part 1)	76.11% – Excellent	75.11% – Excellent
Average score "Building Management" (Part 2)	79.92% – Excellent	82.83% – Excellent

BREEAM "IN-USE" – OFFICES

7 Adenauer, Unibail-Rodamco's headquarters in Paris, was the first office building within continental Europe to be rated "Excellent" for both the "Asset" and "Building Management" components of the BREEAM "In-Use" International pilot scheme in 2012. In 2017, four office buildings were recertified under BREEAM In-Use International 2015 criteria: Les Villages, la Tour Ariane and le Sextant achieved an "Excellent" rating, and 7 Adenauer a "Very Good" rating for the Building Management component (part 2). The Majunga tower has been certified with an "Excellent" rating 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, 2017, 6 assets were certified representing 83% (in number according to the consolidation scope) and 54.2% (€1.8 billion in gross market value) of the owned and managed office portfolio.

BREEAM "IN-USE" – OFFICES (GROUP TOTAL)

	2017	Cumulated (as at December 31, 2017)
Number of owned & managed assets certified	5	6
Surface certified *(m² GLA)*	228,700	242,100
Average score "Asset" (Part 1)	67.96% - Very Good	65.77% - Very Good
Average score "Building Management" (Part 2)	70.38% - Excellent	71.10% - Excellent

2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (Scope 1 & 2)

As part of its active policy of optimised operation of its assets and in line with its past CSR strategy and its new "Better Places 2030" programme, the Group is monitoring the greenhouse gas emissions (GHG) related to the energy consumption of the buildings owned and managed by the Group, converted into CO_2 equivalent units (CO_2eq).

In particular, in order to manage the carbon performance of its operational activity, Unibail-Rodamco has developed carbon intensity indicators in CO_2 equivalents, per visit and per operated m². These reflect the Group's activity by offering an accurate picture of the overall carbon efficiency of a building based on its use and scope and thus allow like-for-like analysis to be carried out. Indeed, these material indicators trace the combined performance of the following main components:

- energy efficiency of the building (*i.e.* less consumption) (kWh/m²);
- carbon dependency of the primary energy mix (changes in greenhouse gas emissions rates, in CO_2eq/kWh);
- and the intensity of usage of the building (increased footfall expressed as visit/m²).

After surpassing its target of 30% cumulative reduction in carbon intensity in CO_2eq/visit for its portfolio of owned and managed shopping centres ahead of schedule in 2016 (reaching 41% cumulative reduction between 2012 and 2016), in 2017, the carbon intensity of the Group's shopping centres portfolio (CO_2eq/visit) continued to decrease significantly: -5% compared to 2016 on a like-for like basis. This strong performance was due to:

- the accelerated transition towards electricity from renewable sources under the "Better Places 2030" program which largely contributed to this decline; in 2017 for the first time for a full reporting year all managed shopping centres in Spain and Slovakia were 100% supplied in electricity from renewable sources, and German shopping centres increased the proportion of their electricity from renewable sources in 2017;
- a stable energy efficiency level of the owned and managed assets portfolio between 2016 and 2017 despite unfavourable weather conditions: +1% in energy consumptions on a like-for-like basis from 2016 to 2017;
- the improvement of 1% of the emission factors of various energy suppliers (heating & cooling district networks) from 2016 to 2017, reflecting the ongoing effort agreed to by energy producers to improve their energy mix.

As visitors' footfall in the owned and managed shopping centres stayed stable from 2016 to 2017 on a like-for-like basis, visits did not have an impact on the carbon intensity indicator this year.

The "Better Places 2030" programme is now enabling the Group to accelerate its progress and expand its efforts by involving stakeholders in reducing carbon intensity from operation of assets, in particular its tenants: the Group is now committed to a target of reducing the carbon intensity from operation of assets by 70%, including the footprint of final energy which it buys and manages for the common installations and common areas of its assets (Scope 1 & 2) as well as the footprint of the consumption of private areas (Scope 3) (see Section 2.3.1.).

KPI: Greenhouse gas (GHG) emissions from the energy consumption of standing assets (Scopes 1 & 2) (kgCO_2eq) [GRI 305-1, 305-2, 305-5]

Greenhouse gas (GHG) emissions (CO_2, CH_4, N_2O, etc.) produced by energy purchased and managed by the property manager in the year as an absolute value are calculated based on the "Energy consumption" indicator (see Section 2.3.2.4 "Energy consumption"). These emissions are expressed based on emission factors for each source of energy using the "market-based" method of the GHG protocol, according to which these factors depend on the type of energy consumed (electricity, natural gas etc.), the country, the supplier and the nature of the energy product (energy from fossil fuels or renewable sources). These are specific factors associated with the contractual commitments between the supplier and property manager which do not necessarily reflect emissions from energy produced by the grid but focus on the production and purchase of energy that is certified as being from renewable sources. The indicator distinguishes between direct greenhouse gas emissions (Scope 1: natural gas) and indirect greenhouse gas emissions (Scope 2: electricity, district heating and cooling networks).

Portfolio coverage in gross market value: 92%.

	Shopping Centres									Offices		Convention & Exhibition venues	
	Scope	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	**France**	Scope	**France**
Total 2015	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
Total 2016	58/58	50,908,446	2,975,403	27,283,606	6,413,182	5,492,640	584,662	1,990,163	6,168,791	13/13	2,366,972	9/9	6,173,591
Total 2017	55/57[(1)]	53,868,191	3,269,766	33,984,334	7,235,772	5,080,535	531,120	1,558,027	2,208,637	12/12	2,705,936	8/8	7,767,503
of which direct emissions – Scope 1	*55/57[(1)]*	*10,130,974*	*3,092,067*	*1,829,015*	*2,183,365*	*2,438,373*	*429,221*	*0*	*158,932*	*12/12*	*245,975*	*8/8*	*3,417,413*
of which indirect emissions – Scope 2	*55/57[(1)]*	*43,737,217*	*177,699*	*32,155,319*	*5,052,406*	*2,642,162*	*101,899*	*1,558,027*	*2,049,705*	*12/12*	*2,459,961*	*8/8*	*4,350,090*
2016 Like-for-like	46/57	30,189,326	2,632,749	10,626,613	5,776,339	3,642,684	479,073	1,726,191	5,305,677	10/12	1,847,183	7/8	4,590,826
2017 Like-for-like	46/57	28,452,929	2,784,710	11,996,600	6,702,561	2,838,644	531,120	1,391,031	2,208,262	10/12	2,591,469	7/8	5,651,306
Evolution 2017/2016 *(%)*	46/57	-6%	6%	13%	16%	-22%	11%	-19%	-58%	10/12	40%	7/8	23%
CUMULATIVE EVOLUTION 2017/2015 *(%)*		**-33%**	**8%**	**-11%**	**-7%**	**-51%**	**-2%**	**29%**	**-83%**		**18%**		**-26%**

(1) 2017 total scope: Gloriès and le Forum des Halles are excluded from the scope of this indicator due to works affecting the metering systems in 2017.

The Group policy regarding renewable electricity purchase enables to reduce its operations carbon footprint year over year. It also allows to encourage producers to invest in the development of clean technologies by increasing market demand these energy sources. Had the Group not introduced its policy of buying electricity from renewable sources, the greenhouse gas emissions from the energy consumption of its standing shopping centre and office assets would be 149,600 TCO_2eq for 2017[1] (Scope 1 & 2), which is 2.6 times more than with the green electricity purchasing contracts in place (emissions calculated using the GHG protocol's "location based" method of measuring greenhouse gas emissions for Scope 2, whereby the emission factors used depend solely on the type of energy consumed and the country of consumption).

KPI: Carbon intensity from energy consumption of standing assets (Scope 1 & 2) per usage (gCO_2eq/visit/year for Shopping Centres, gCO_2eq/occupant/year for Offices, gCO_2eq/m^2DOP/year for Convention & Exhibition venues) [GRI 305-4]

Numerator: Greenhouse gas emissions from the energy consumption of standing assets (Scope 1 & 2) itself related to the Energy Consumption indicator.

Denominator: usage indicator per business activity (see Reporting Methodology, section 2.7).

Portfolio coverage in gross market value: 92%.

	Shopping Centres (gCO_2eq/Visit)									Offices (gCO_2eq/occupant)		Convention & Exhibition venues (gCO_2eq/m^2DOP)	
	Scope	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	**France**	Scope	**France**
Total 2015	55/56	103	77	399	22	100	21	29	140	14/14	127,134	9/9	357
Total 2016	58/58	77	85	327	23	69	16	46	59	13/13	127,982	9/9	206
Total 2017	55/57(1)	87	92	398	30	66	19	30	87	12/12	169,472	8/8	298
2016 Like-for-like	36/57(2)	64	75	343	27	65	17	55	62	10/12	137,695	7/8	275
2017 Like-for-like	36/57(2)	61	78	387	30	72	19	40	26	10/12	195,405	7/8	370
Evolution 2017/2016 *(%)*	36/57(2)	-5%	4%	13%	13%	10%	11%	-26%	-58%	10/12	42%	7/8	35%
CUMULATIVE EVOLUTION 2017/2015 ***(%)***		**-32%**	**26%**	**-13%**	**-9%**	**-30%**	**-2%**	**17%**	**-83%**		**37%**		**-3%**

(1) 2017 total scope: Gloriès and le Forum des Halles are excluded from the scope of this indicator due to works affecting the metering systems in 2017.

(2) Excluding Galeria Mokotow, Carré Sénart, Cours Oxygène, La Part Dieu, Parly 2, Höfe am Brühl, Pasing Arcaden, Palais Vest, Fisketorvet, Eurostop Orebrö.

KPI: Carbon intensity from the energy consumption of standing assets (Scope 1 & 2) per area ($kgCO_2eq/m^2$/year) [GRI 305-4]

Numerator: Greenhouse gas emissions from the energy consumption of standing assets (Scope 1 & 2) itself related to the Energy Consumption indicator.

Denominator: surface operated in m^2 (refer to Reporting Methodology, Section 2.7).

Portfolio coverage in gross market value: 92%.

	Shopping Centres									Offices	
	Scope	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	**France**
Total 2015	56/56	21	10	87	6	13	8	3	44	14/14	8
Total 2016	58/58	16	10	72	6	9	6	5	17	13/13	8
Total 2017	55/57(1)	17	11	81	8	9	6	3	10	12/12	13
2016 Like-for-like	46/57	12	9	64	6	9	5	5	19	10/12	8
2017 Like-for-like	46/57	12	10	69	8	7	6	4	8	10/12	11
Evolution 2017/2016 *(%)*	46/57	-3%	9%	8%	22%	-22%	9%	-14%	-59%	10/12	40%
CUMULATIVE EVOLUTION 2017/2015 ***(%)***		**-32%**	**9%**	**-16%**	**-2%**	**-50%**	**-9%**	**39%**	**-85%**		**27%**

(1) 2017 total scope: Gloriès and le Forum des Halles are excluded from the scope of this indicator due to works affecting the metering systems in 2017.

(1) Scope : owned and managed shopping centres and offices.

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

KPI: Greenhouse gas emissions from leaking refrigerants (kgCO_2eq) [GRI 305-6]

		Shopping Centres						
2017	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
Refrigerants' emissions	2,059,596	530,400	469,560	721,404	174,960	76,200	0	87,072

2.3.2.4. Energy consumption

As part of its historical operational environmental performance process, Group is continuing to measure improvements in its energy efficiency by segment against the 2020 targets which involve reducing energy intensity by 25% (kWh/visit) and 35% (kWh/occupant) for owned & managed Shopping Centres and offices respectively compared with 2012 levels, and by 25% (kWh/m^2JOOC) for conference and exhibition venues compared with 2014 levels.

In 2017, Shopping Centres owned & managed by the Group were stable in terms of absolute energy consumption in kWh on a like-for-like basis. Energy efficiency efforts deployed since 2012 have led to a cumulative reduction of 17% (kWh/visit) since 2012 and of 4% since 2015.

An energy efficiency attitude is well embedded in all existing processes relating to the technical management of each asset by gradually ensuring (see "A gradual and pragmatic approach to energy savings" 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).

In order to get the best ROI on energy efficiency solutions, the Group sets daily energy optimisation as its priority. Thus, actions to optimise operations in order to improve energy efficiency 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: daily monitoring of each asset's energy consumption; identification of factors that affect energy consumption; optimisation of the running hours for each piece of equipment; seasonal action plans to adjust temperatures in line with weather conditions; strong focus on behavioural changes (for example turning out lights and using natural ventilation); and regular checks to ensure that technical equipment is working properly.

As at December 31, 2017, five assets owned and managed by the Group (Shopping Centres and Offices) were using Energy Performance Contracts. Energy performance contracts are a contractual arrangement between Unibail-Rodamco and the maintenance contractor under which the latter makes firm commitments to improve the energy efficiency of a property asset. The commitments are underpinned by bonus-malus incentive clauses/and an explicit description of influencing factors that are unrelated to the contractor's performance (weather factors, variations in activity, comfort conditions, etc.). These contracts encourage the supplier to commit to reducing energy consumption on site in order to promote its energy efficiency and manage the associated costs.

In 2016 the Group also launched a series of systematic, results-based energy audits on the basis of specifications tailored to the shopping centre sector with reports identifying quick wins as well as longer-term actions aimed at feeding into investment plans for assets. The bulk of the portfolio will have been audited by the end of 2018.

In terms of the upgrading technical equipment, the Group is systematically fitting its assets with Building Management Systems (BMS), so on-site teams can easily monitor and manage performance. 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.

In line with the objectives of its new "Better Places 2030" CSR programme, in 2017 the Group accelerated the implementation of LED lighting technology across its existing portfolio (common and private areas). Two actions were undertaken in this respect:

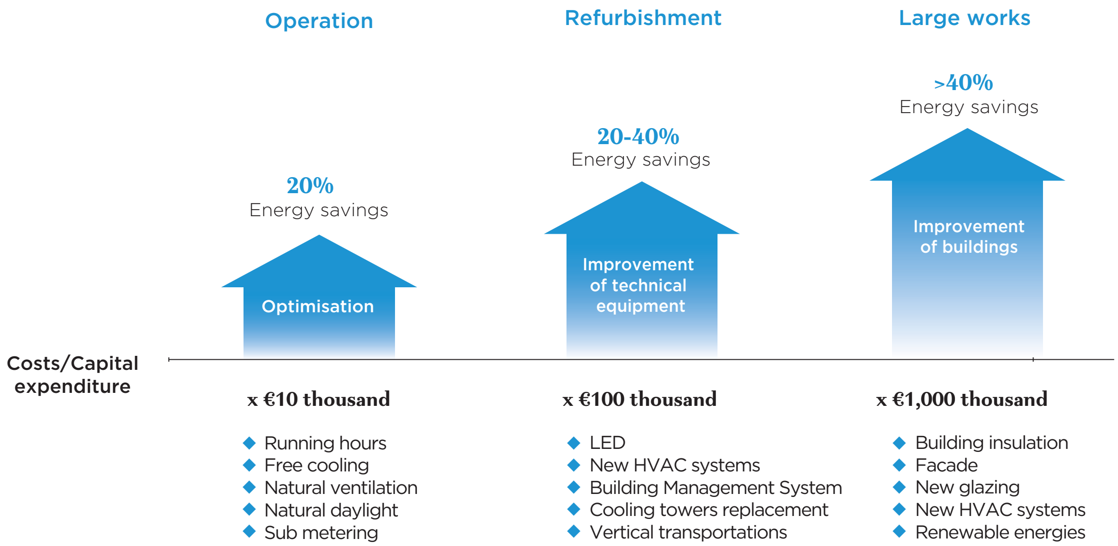
- budgets were increased in the Group assets' 2017 action plans to support the gradual replacement of existing light sources with LED (common areas, including car parks);
- retailers were gradually made aware of the LED installation programme in shopping centres owned and managed by the Group, through voluntary partnership agreements signed with international retailers and new tenancy agreements with provision for the systematic installation of LED lighting when renewing their concept, opening new stores or replacing their lighting. The breakdown of agreements between the Group and its tenants on arrangements for the installation of LED lighting is set out in Section 2.4.4 "Tenants and Retailers".

According to the LED mapping performed in 2017 in the common areas of the Group's owned and managed shopping centres, the LED equipment rate amounts to 43% in these areas. The Group has also consolidated for the first time in 2017 the roll out of LED lighting in private areas in its owned and managed shopping centres (mapping performed in 96% of its shopping centres).

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.

Through increased energy efficiency together with its work with retailers, Unibail-Rodamco limits its exposure to rising energy prices and it builds protection against the risks of supply shocks.

A GRADUAL AND PRAGMATIC APPROACH
TO ENERGY SAVINGS



KPI: Energy consumption (kWh) [GRI 302-1, 302-2, 302-4, 302-5]

Energy consumption includes both direct and indirect energy. Direct energy refers to primary source energy which is purchased and consumed on site (*e.g.* natural 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: 92%.

	Shopping Centres									Offices		Convention & Exhibition venues	
	Scope	Total retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
Total 2015	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
Total 2016	58/58	469,549,837	50,628,978	94,413,112	145,103,506	63,240,278	7,072,551	60,582,710	48,508,702	13/13	37,309,121	9/9	106,241,865
Total 2017	55/57(1)	486,739,518	53,896,392	99,703,722	133,872,948	63,820,053	6,714,228	84,953,828	43,778,347	12/12	40,120,113	8/8	110,712,485
of which direct energy (Scope 1)	*55/57(1)*	*54,805,787*	*16,727,233*	*9,894,471*	*11,811,407*	*13,190,927*	*2,321,968*	*0*	*859,781*	*12/12*	*1,330,655*	*8/8*	*18,487,265*
of which indirect energy (Scope 2)	*55/57(1)*	*431,933,731*	*37,169,160*	*89,809,250*	*122,061,541*	*50,629,126*	*4,392,260*	*84,953,828*	*42,918,566*	*12/12*	*38,789,458*	*8/8*	*92,225,219*
2016 Like-for-like	46/57	350,058,648	45,665,237	40,188,063	127,055,187	37,714,492	6,290,288	53,698,190	39,447,191	10/12	30,108,461	7/8	72,897,807
2017 Like-for-like	46/57	354,171,177	47,749,678	41,225,491	127,498,586	38,003,600	6,714,228	53,792,863	39,186,731	10/12	34,929,461	7/8	74,055,601
Evolution 2017/2016 *(%)*	46/57	1%	5%	3%	0%	1%	7%	0%	-1%	10/12	16%	7/8	2%
CUMULATIVE EVOLUTION 2017/2015 (%)		**-3%**	**3%**	**2%**	**-12%**	**3%**	**6%**	**6%**	**-10%**		**2%**		**-15%**

(1) 2017 total scope: Gloriès and le Forum des Halles are excluded from the scope of this indicator due to works affecting the metering systems in 2017.

KPI: Tenants' collected electricity consumption (kWh)

Private energy consumption by tenants includes electricity purchased by the site manager and distributed to private parts for the personal use of tenants (lighting, processes, ventilation) in the case of owned and managed shopping centres that distribute electricity to tenants and bill them for it.

	Shopping Centres[1]			
2017	Landlord: consumption of common electricity managed *(kWh)*	Tenants: private electricity consumptions (kWh)	Number of tenants	Area (GLA)
Split of electricity consumptions	63,326,499	67,335,349	1,507	497,600

(1) Scope: 5 shopping centers.

KPI: Financial impact resulting from variations in energy consumption (€) [GRI 302-4]

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 2017/2016 *(kWh)*	46/57	4,112,529	2,084,441	1,037,428	443,400	289,108	423,940	94,673	-260,460
Financial savings 2017/2016 *(€)*	46/57	-142,998	128,877	66,839	-239,148	-26,141	44,455	-88,825	-29,055

KPI: Energy efficiency per usage (kWh/visit/year for Shopping Centres, kWh/occupant/year for Offices, kWh/m² DOP/year for Convention & Exhibition centres) [GRI 302-3]

Numerator: "Energy Consumption" indicator.

Denominator: usage indicator per business activity (refer to Reporting Methodology, Section 2.7).

Portfolio coverage in gross market value: 92%.

	Shopping Centres *(kWh/visit)*									Offices *(kWh/occupant)*		Convention and Exhibition venues *(kWh/m²DOP)*	
	Scope	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	**France**	Scope	**France**
Total 2015	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
Total 2016	57/58	0.68	1.15	1.13	0.45	0.92	0.20	1.40	0.46	13/13	2,040	8/9	3,55
Total 2017	55/57[1]	0.79	1.51	1.17	0.55	0.83	0.23	1.61	0.46	12/12	2,557	8/8	4,25
2016 Like-for-like	36/57[2]	0.69	1.30	0.77	0.57	0.76	0.22	1.78	0.46	10/12	2,284	7/8	4,36
2017 Like-for-like	36/57[2]	0.69	1.34	0.84	0.56	0.77	0.23	1.75	0.46	10/13	2,679	7/9	4,83
Evolution 2017/2016 *(%)*	36/57[2]	0%	3%	9%	-2%	1%	5%	-2%	0%	10/14	17%	7/10	11%
CUMULATIVE EVOLUTION 2017/2015 (%)		**-4%**	**2%**	**5%**	**-14%**	**4%**	**5%**	**3%**	**-10%**		**19%**		**-27%**

(1) 2017 total scope: Gloriès and le Forum des Halles are excluded from the scope of this indicator due to works affecting the metering systems in 2017.

(2) Excluding Galeria Mokotow, Carré Sénart, Cours Oxygène, La Part Dieu, Parly 2, Höfe am Brühl, Pasing Arcaden, Palais Vest, Fisketorvet, Eurostop Orebrö.

KPI: Energy efficiency per area (kWh/m²/year) [GRI 302-3]

Numerator: "Energy Consumption" indicator.

Denominator: surface operated in m² (refer to Reporting Methodology, Section 2.7).

Portfolio coverage in gross market value: 92%.

	Shopping Centres									Offices	
	Scope	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	**France**
Total 2015	56/56	**146**	168	250	133	100	82	131	161	14/14	133
Total 2016	58/58	**139**	163	250	118	107	71	140	131	13/13	127
Total 2017	55/57(1)	**157**	180	238	143	111	73	185	134	12/12	144
2016 Like-for-like	46/57	**139**	163	243	137	91	69	147	141	10/12	128
2017 Like-for-like	46/57	**144**	175	239	145	92	73	159	139	10/12	149
Evolution 2017/2016 *(%)*	46/57	**4%**	7%	-2%	6%	1%	6%	8%	-1%	10/12	16%
CUMULATIVE EVOLUTION 2017/2015 ***(%)***		**-2%**	**4%**	**-4%**	**-7%**	**4%**	**-1%**	**16%**	**-20%**		**10%**

(1) 2017 total scope: Gloriès and le Forum des Halles are excluded from the scope of this indicator due to works affecting the metering systems in 2017.

KPI: Installation of LED lighting in common areas of existing shopping centres (%)

This indicator represents the percentage of LED installations in the common areas of shopping centres owned and managed by the Group.

Installation of LEDs in the common areas of standing Shopping Centres	Scope *(in number of shopping centres)*	2017(1)
Proportion of LED lighting in the common areas of existing shopping centres *(%)*	53/55	43%

(1) Measurement made at 30 June 2017 on the scope of owned and managed shopping centres at 31.12.2017.

KPI: Installation of LED lighting in private areas of existing shopping centres (%)

These indicators show the proportion of private areas as a percentage of the number of stores and in GLA of shopping centres owned and managed by the Group that are entirely fitted out with LEDs (share of LED lighting 80% or over).

Installation of LEDs in the private areas of standing Shopping Centres	Scope *(in number of Shopping Centres)*	2017
Share of private areas fully fitted with LEDs *(in number of stores)*	53/55	24%
Share of private areas fully fitted with LEDs *(in GLA)*	53/55	22%

2.3.2.5. 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 electricity derived from renewable sources is covered by mechanisms of Guaranty of Origin as defined by the 2009/28/EC European Directive. It can be for instance generated from solar, wind, oceanic, hydroelectric, biomass or geothermic resources.

As part of its "Better Places 2030" strategy, the Group has particularly accelerated its transition towards sourcing 100% of its electricity from renewable sources ("green electricity") in order to meet its target of having in 2018 all of its owned and managed assets run on this type of carbon-free electricity. Thus, in 2017, "green" electricity contracts in place in 2016 were maintained by the Group and Spain, Slovakia and Germany joined the list of countries in which for a full reporting year all of the Group's Shopping Centres ran entirely on energy from renewable sources, leaving just two of the Group's regions that are not yet run 100% on "green" electricity. In total, six of the seven regions where the Group is present ran entirely or partially on "green" electricity in 2017 and a "green" electricity contract has been signed in September 2017 for the last region not to be covered (France), to take effect on January 1, 2018.

The energy mix is a key focus. For example, the Group chooses district systems rather than natural gas to heat its buildings where possible, as in the case of the existing partnership using Climespace, a subsidiary of Engie for cold distribution to the Forum des Halles and Carrousel du Louvre. In Germany, the natural gas supplier of Minto shopping centre furthermore commits to compensate the greenhouse gas emissions linked to this energy supply to the Group.

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

This is why the Group wanted to extend this measure to shopping centre tenants who will have to sign renewable electricity supply contracts by 2020 at the latest. This commitment has been incorporated as a contractual requirement in all new tenancy standard agreements proposed by the Group since May 1, 2017. Moreover, ahead of this, in order to lay the groundwork for and accelerate this transformation, the Group has also been offering those tenants who wish to do so the opportunity to commit to using "green" electricity in the stores in its centres by signing targeted partnership agreements with leading international retailers since 2016 (refer to Section 2.4.4 "Tenants & Retailers").

Finally, some of the Group's Assets are fitted 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 has an on-site geothermal energy production unit.

KPI: Carbon weight of energy mix (gCO_2eq/kWh) [GRI 305-1, 305-2]

Numerator: Indicator "Reduction of greenhouse gas (GHG) emissions from the energy consumption of standing assets".

Denominator: "Energy consumption" indicator.

	Shopping Centres									Offices		Convention & Exhibition venues	
	Scope	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	**France**	Scope	**France**
Total 2015	56/56	146	61	348	45	133	97	22	276	14/14	61	9/9	66
Total 2016	58/58	109	59	289	44	87	83	33	127	13/13	63	9/9	58
Total 2017	55/57(1)	111	61	301	52	76	75	18	55	12/12	68	8/8	72
Evolution 2017/2016 *(%)*	46/57	-7%	0%	10%	18%	-30%	-1%	-19%	-59%	10/12	21%	7/8	24%
CUMULATIVE EVOLUTION 2017/2015 *(%)*		**-31%**	**4%**	**-13%**	**8%**	**-57%**	**-13%**	**22%**	**-81%**		**16%**		**7%**

(1) 2017 total scope: Gloriès and le Forum des Halles are excluded from the scope of this indicator due to works affecting the metering systems in 2017.

KPI: Direct and indirect final energy consumption by primary energy source (energy mix) (%) [GRI 302-1, 302-2]

Direct energy refers to the primary source of energy which is purchased and consumed on site in the same form (*e.g.* natural gas). Indirect energy refers to energy which was generated by and purchased from a third party in the form of electricity, heat or steam. Primary energy sources used to produce indirect energy are accounted for within total indirect energy in the table below.

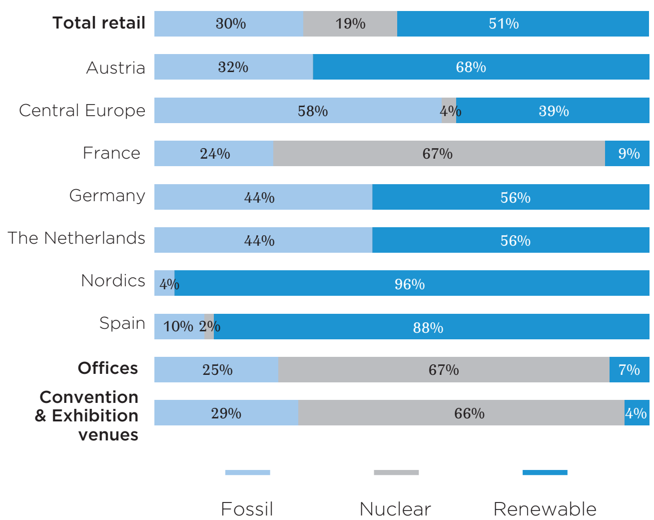
Portfolio coverage in gross market value: 92%.

	Shopping Centres								Offices	Convention & Exhibition venues
2017 *(in %)*	**Total retail(1)**	Austria	Central Europe(2)	France	Germany	The Netherlands	Nordics	Spain	**France(2)**	**France(2)**
Nuclear	**19 %**	**0%**	**4 %**	**67 %**	**0 %**	**0%**	**0%**	**2 %**	**67 %**	**66 %**
Direct natural gas	11 %	31 %	10 %	9 %	21 %	35 %	0%	2 %	3 %	17 %
Indirect natural gas	6 %	0 %	2 %	11 %	12 %	9 %	1 %	6 %	16 %	10 %
Fuel oil	1 %	0%	0%	3 %	0%	0%	1 %	0%	4 %	1 %
Coal	11 %	0%	45 %	1 %	11 %	0%	1 %	2 %	2 %	1 %
Other fossil fuels	1 %	1 %	0%	0%	0%	0%	2 %	0%	0%	0%
Sub-total: Fossil	**30 %**	**32 %**	**58 %**	**24 %**	**44 %**	**44 %**	**4 %**	**10 %**	**25 %**	**29 %**
Hydro power	26 %	52 %	15 %	6 %	50 %	0%	22 %	54 %	3 %	3 %
Wind power	10 %	0%	1 %	0%	0%	56 %	38 %	27 %	0%	0%
Solar power	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Geothermal power	1 %	0%	0%	0%	0%	0%	3 %	0%	0%	0%
Biomass based intermediate energy	9 %	15 %	15 %	3 %	6 %	0%	12 %	2 %	3 %	0%
Other renewable sources	6 %	0%	8 %	1 %	0%	0%	21 %	5 %	1 %	1 %
Sub-total: Renewable	**51%**	**68%**	**39%**	**9%**	**56%**	**56%**	**96%**	**88%**	**7%**	**4%**
TOTAL FINAL ENERGY *(KWH)*	**486,739,518**	**53,896,392**	**99,703,722**	**133,872,948**	**63,820,053**	**6,714,228**	**84 953,828**	**43,778,347**	**40,120,113**	**110,712,485**
of which direct energy	*54,805,787*	*16,727,232*	*9,894,471*	*11,811,407*	*13,190,927*	*2,321,968*	*0*	*859,781*	*1,330,655*	*18,487,265*
of which indirect energy	*431,933,730*	*37,169,160*	*89,809,250*	*122,061,541*	*50,629,126*	*4,392,260*	*84,953,828*	*42,918,566*	*38,789,458*	*92,225,219*

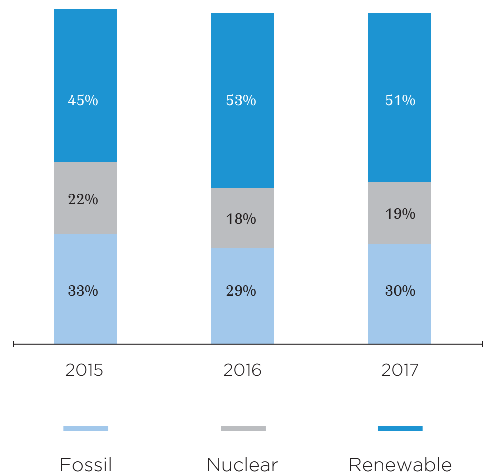
(1) 2017 total scope: Gloriès and le Forum des Halles are excluded from the scope of this indicator due to works affecting the metering systems in 2017.

(2) Gaps in totals may exist due to rounded figures.

2017 DIRECT AND INDIRECT ENERGY MIX BY REGION
(ALL OWNED & MANAGED ASSETS)



DIRECT AND INDIRECT ENERGY BY PRIMARY SOURCE
(OWNED & MANAGED SHOPPING CENTRES)



The primary energy mix varies from country to country and is mainly influenced by national electricity generation industries. The Group's voluntary low-carbon energy purchasing policy lowered the share of fossil energy in the final energy mix purchased by the shopping centres owned and managed by the Group from 42% in 2011 to 30% in 2017.

KPI: Electricity from renewable sources as a proportion of total electricity consumption of common areas and installation of assets owned & managed by the Group (%) [GRI 302-1]

The proportion of electricity from renewable sources consumed by common areas and common installations represents the amount of electricity from renewable sources purchased by a site as a proportion of the total electricity purchased by that site (refer to indicator "Energy consumption").

	Shopping Centres									Offices		Convention & Exhibition venues	
	Scope	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	**France**	Scope	**France**
Total electricity consumption 2015 (kWh)	56/56	266,272,604	29,25, 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%***
Total electricity consumption 2017 (kWh)	55/57[1]	275,707,684	28,277,096	64,522,238	81,752,073	28,645,940	3,770,220	42,143,375	26,596,742	12/12	21,369,654	8/8	76,683,364
Of which green electricity purchase 2017 (kWh)	*36/57*[1]	*163,197,860*	*28,277,096*	*33,764,487*	*0*	*2,645,940*	*3,770,220*	*42,143,375*	*26,596,742*	*0/12*	*0*	*0/8*	*0*
Of which green electricity purchase 2017 (%)	***36/57***[1]	***59%***	***100%***	***52%***	***0%***	***100%***	***100%***	***100%***	***100%***	***0/12***	***0%***	***0/8***	***0%***

(1) *2017 total scope: Gloriès and le Forum des Halles are excluded from the scope of this indicator due to works affecting the metering systems in 2017.*

KPI: Energy from renewable sources as a proportion of total consumption from heating and cooling networks of assets owned & managed by the Group (%) [GRI 302-1]

Energy from renewable sources consumed by heating and cooling networks refers to the energy from renewable sources present in the energy mix of the network powering the site as a share of total energy consumption from those networks (refer to Indicator "Energy consumption").

	Shopping Centres									Offices		Convention & Exhibition	
2017	Scope	Total Retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
Consumption of energy from district heating and cooling networks *(kWh)*	55/57[1]	156,226,047	8,892,064	25,287,011	40,309,468	21,983,187	622,040	42,810,453	16,321,824	12/12	17,419,804	8/8	14,962,559
of which share generated by renewable sources (kWh)	*55/57*[1]	*60,525,191*	*8,440,715*	*1,533,269*	*6,892,429*	*5,768,563*	*0*	*30,597,078*	*7,293,137*	*12/12*	*1,271,586*	*8/8*	*0*
of which share generated by renewable sources (%)	***55/57***[1]	***39%***	***95%***	***6%***	***17%***	***26%***	***0%***	***72%***	***45%***	***12/12***	***7%***	***8/8***	***0%***

(1) 2017 total scope: Gloriès and le Forum des Halles are excluded from the scope of this indicator due to works affecting the metering systems in 2017.

KPI: Energy from renewable sources as a share of total direct energy consumption of assets owned & managed by the Group (%) [GRI 302-1]

Energy from renewable sources as a share of the energy mix of direct energy purchased and consumed by sites (natural gas, fuel oil) is negligible in 2017 owing to high prices and the low penetration rate of this technology.

KPI: Renewable electricity produced (kWh) and greenhouse gas emissions avoided (kgCO_2eq) [GRI 302-1, 302-2, 302-5]

Electricity output from photovoltaic plants installed at nine shopping centres in Spain, Austria, and the Netherlands.

Renewable electricity produced on site is sold to the public network and not consumed on site. The greenhouse gas emissions avoided as a result of this production are the emissions that would have been generated by the production of the same quantity of final electricity based on the electricity mix in the country in question. These assets permit the electricity supplier to produce this quantity of electricity and therefore the equivalent CO_2 emissions are indirectly saved.

	2015	2016	2017
Renewable energies produced on site *(kWh)*	1,120,546	1,026,965	**1,091,554**
Corresponding greenhouse gas emissions avoided *(kgCO_2eq)*	271,762	248,430	**263,636**

2.3.2.6. 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. Certification systems and third-party audits are used to validate these guidelines and ensure that imposed standards are met.

Materials

◆ Reducing carbon impact of construction materials

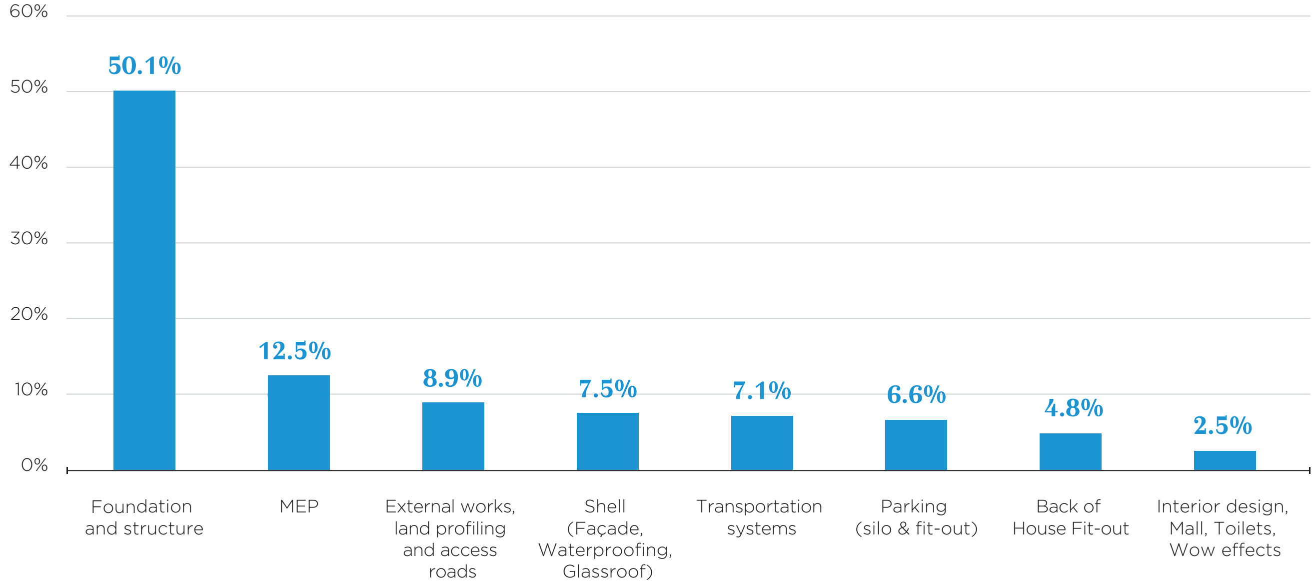
As part of its pioneering commitment to reducing its construction carbon footprint by 35% between 2015 and 2030, the Group focusses on the choice and use of the materials used in its development projects. Specifically, it involves:

- adopting a "lean material construction" approach right from the design phase (structure, façade, false ceilings, fixtures and fittings, etc.);
- using new solutions and optimised low-carbon materials (low-carbon cement, 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 – Environmental Product Declarations and "Fiches de Déclaration Environnementale et Sanitaire" in France) and energy mix in the countries where the materials are manufactured.

In 2017 a methodology for measuring the carbon footprint of new development projects was developed and rolled out by the Group across several projects under development, particularly in order to promote the use of optimal materials with a view to moving towards a smaller carbon footprint for each project.

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 Group began work on identifying and ranking materials as well as seeking alternative solutions so as to produce guidelines for development teams and suppliers (list of preferred materials and those to be avoided). Similarly, the Group is working on the last of the projects to produce guidelines on low-carbon interior design.

In the case of a conventional shopping centre project the carbon impact follows the Pareto principle: around 20% of construction materials account for 80% of the construction carbon impact of a project. Most of the carbon impact is generated by the structure of the building. This is followed by technical equipment, earthwork and road systems, building insulation (facade and waterproofing) and transport infrastructure (escalators and lifts). On average, fixtures, fittings and finishing works account for less than 3% of carbon impact.



With this in mind, the Group's priority is to work towards reducing the carbon impact of the most significant items, beginning with the structure and foundations of the building.

For example, the Group now uses low-carbon cements in the foundations of the Trinity office project, covering infrastructure of Avenue de la Division Leclerc, and composite floors of the office spaces. This type of cement, which minimises the amounts of Portland cement by adding industrial by-products to it, such as blast furnace slag, fly ash, etc., is currently being studied for other development projects.

Although there are still many regulatory hurdles to clear, such as fire safety and insurance, in order to be able to establish a strong reuse strategy in public access buildings (in French, "Établissements recevant du public", or ERP), the Group takes an interest in circular economy initiatives, reuse of materials and recovery of construction waste. In 2017, the Group participated in the Démoclès request for proposals for better waste recovery from finishing works in the construction industry in close partnership with local industries and stakeholders (see section 2.3.2.6. "Waste").

◆ Healthy interior surfaces

The materials should not exceed the emission thresholds for volatile organic compounds set by the European Union.

As such, the BREEAM certification the Group is seeking for development projects requires the use of construction products that abide by the best practices in each country, for example, A and A+ labelling in France. These recommendations also appear in the specifications for developing stores in shopping centres.

For office projects, interior air quality can be measured following the completion of works so as to certify the performance of materials used and the standard of comfort offered to future occupants.

◆ A responsible supply chain

In line with BREEAM certification requirements, the Group's materials policy specifies that at least 80% of wood used in development, extension and renovation projects must be responsibly sourced (*i.e.* from certified, managed forests with FSC or PEFC for example) and that 100% must be legally sourced. Where possible, materials certified ISO 14001 are used to attest to the responsible supply chain.

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" final certification according to the BREEAM standard for as many projects as possible. 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 for its managed assets, the Group deploys a specific addendum regarding materials in the purchasing contracts signed with the main service providers (use of less polluting materials, use of certified wood, etc.).

Water

The materiality study pointed out that water is not a key environmental issue for Unibail-Rodamco. Indeed, the assets of the Group's portfolio, as the ones of the market, are not considered as being significant water consumers. 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 WBCSD Global Water Tool, the Group simulated its exposure to water scarcity for its entire owned and managed 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.

Consequently, the Group has not set any long-term water target published in its CSR Strategy, "Better Places 2030". However, as part of monitoring policy of its resource use, reducing water consumption is still an operational target on sites and continues to be closely tracked and managed.

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 favoured 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. "Green leases" and tenants sustainability committees are used to help raise awareness and assist with water management.

At new developments and during renovations and extensions, water consumption is a determining factor in the choice of technical equipment (toilets, urinals, taps, sprinkler systems, cooling systems, etc.). The "Design Guidelines" provide clear steps on how to achieve water efficiency from the design stage.

In 2017, water efficiency at owned and managed Shopping Centres decreased by 0.66% on a like-for-like basis compared with 2016. This accounts for a cumulative trend of -21% in litres/visit since 2012 and the cumulative trend remained stable since 2015.

The variability of billing frequency and the reading of meters to allow water companies to make adjustments, which is mainly an issue in France, also introduces a degree of variability in the data reported and a possible delay in recording actual consumption.

◆ Reused water

In 2017, the shopping centres Donau Zentrum, Centrum Cerny Most, Centrum Chodov, Stadshart Almere, La Maquinista collected 163,350 m^3 of rainwater and ground water on site, which were re-used for cleaning and watering of green spaces.

Moreover 22 shopping centres across the Group reuse the water from the periodic regulatory sprinkler tests.

KPI: Water consumption (m^3) broken down by use (%) and by source [GRI 303-1]

The table below shows water purchased from the district network 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 venues	
Consumption of water from the district network.	Scope	Total retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
Total 2015	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
Total 2016	57/58	3,026,768	255,600	474,049	1,076,575	261,075	20,764	288,793	649,911	13/13	121,689	9/9	330,258
2017 Total	56/57(1)	3,042,720	260,614	479,509	983,537	264,007	21,201	380,735	653,117	12/12	125,795	7/8(2)	325,019
of which tenant consumption 2017 (%)	*56/57(1)*	*52*	*57*	*49*	*53*	*68*	*24*	*0*	*54*	*12/12*	*/*	*7/8(2)*	*/*
2016 Like-for-like	46/57	2,303,963	216,142	230,660	1,032,156	148,412	15,880	242,194	418,518	10/12	95,223	6/8	210,164
2017 Like-for-like	46/57	2,251,648	211,246	230,850	944,672	154,869	21,201	273,885	414,925	10/12	89,063	6/8	194,670
Evolution 2017/2016 *(%)*	46/57	-2%	-2%	0%	-8%	4%	34%	13%	-1%	10/12	-6%	6/8	-7%
CUMULATIVE EVOLUTION 2017/2015 *(%)*		**0%**	**3%**	**3%**	**-13%**	**10%**	**47%**	**12%**	**10%**		**-3%**		**-30%**

(1) The Forum des Halles is excluded from 2017 total perimeter due to works affecting the metering systems in 2017.
(2) Espace Grande Arche is excluded from 2017 total perimeter due to an invoicing delay.

The table below shows water withdrawals at sites from other sources (off-network) for Group assets that are diversifying their supply (rainwater, ground water etc.) and are able to account for the volumes withdrawn.

Consumption of water from other sources in 2017 *(m^3)*	Scope	**Retail(1)**
Rainwater	56/57	98,644
Groundwater (water table)	56/57	64,706
Other sources(2)	56/57	233,442
Total water withdrawals other than water purchased from the local network	56/57	396,792

(1) The French assets included in the reporting scope only draw water from the district network, so there are no additional water sources for offices and convention and exhibition centres.
(2) Surface water including marshes, rivers, lakes and sea / Waste water disposed of by another organisation (grey water) / Desalination of sea water, etc.

KPI: Financial impact due to variations in water consumption (€) [GRI303-1]

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.

Definitions:

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 consumption evolution 2017/2016 *(m³)*	46/57	10,595	-4,896	190	-24,574	6,457	5,321	31,691	-3,593
Financial savings 2017/2016 *(k€)*	46/57	-77	-12	8	-128	16	5	44	-11

KPI: Water intensity per usage (Litre/visit/year for Shopping Centres, litre/occupant/year for Offices, litre/m² DOP/year for Convention & Exhibition centres) [GRI 303-1]

Numerator: Water purchased from the district network ("Water consumption" indicator).

Denominator: usage indicator per business activity (refer to Reporting Methodology, Section 2.7)

	Shopping Centres *(litre/visit)*									Offices *(litre/occupant)*		Convention & Exhibition venues *(litre/m²DOP)*	
	Scope	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	**France**	Scope	**France**
Total 2015	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
Total 2016	57/58	4.57	7.27	5.69	3.84	3.27	0.58	6.66	6.17	13/13	6,650	9/9	11.04
Total 2017	56/57(1)	4.82	7.31	5.61	4.05	3.42	0.74	7.23	6.00	12/12	8,006	7/8(2)	12.62
2016 Like-for-like	36/57(3)	4.54	6.15	5.54	4.41	2.52	0.55	7.22	4.92	10/12	7,089	6/8	12.81
2017 Like-for-like	36/57(3)	4.51	5.93	5.60	4.15	2.62	0.74	8.47	4.89	10/12	6,794	6/8	12.98
Evolution 2017/2016 *(%)*	36/57(3)	-1%	-4%	1%	-6%	4%	35%	17%	-1%	10/12	-4%	6/8	1%
CUMULATIVE EVOLUTION 2017/2015 *(%)*		**1%**	**-2%**	**2%**	**-11%**	**/**	**48%**	**16%**	**11%**		**15%**		**-16%**

(1) The Forum des Halles is excluded from 2017 total perimeter due to works affecting the metering systems in 2017.
(2) Espace Grande Arche is excluded from 2017 total perimeter due to an invoicing delay.
(3) Excluding Galeria Mokotow, Carré Sénart, Cours Oxygène, La Part Dieu, Parly 2, Höfe am Brühl, Pasing Arcaden, Palais Vest, Fisketorvet, Eurostop Orebrö.

KPI: Water consumption per area (litre/m²/year) [GRI 303-1]

Numerator: water purchased from the district network (indicator "Water consumption").

Denominator: surface operated in m² (see Reporting Methodology, Section 2.7).

	Shopping Centres									Offices	
	Scope	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	**France**
Total 2015	56/56	838	855	1,069	903	482	482	667	1,127	14/14	474
Total 2016	57/58	827	858	1,093	860	415	438	669	1,152	13/13	413
Total 2017	56/57(1)	863	919	987	904	431	735	830	1,151	12/12	453
2016 Like-for-like	46/57	849	801	1,100	1,016	346	463	665	1,068	10/12	407
2017 Like-for-like	46/57	837	826	1,013	930	362	735	808	1,050	10/12	380
Evolution 2017/2016 *(%)*	46/57	-1%	3%	-8%	-8%	5%	59%	21%	-2%	10/12	-7%
CUMULATIVE EVOLUTION 2017/2015 *(%)*		**-2%**	**4%**	**-6%**	**-13%**	**/**	**19%**	**22%**	**0%**		**4%**

(1) The Forum des Halles is excluded from 2017 total perimeter due to works affecting the metering systems in 2017.

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 2017, 42% of waste was valorised through reuse, recycling, composting, or methanisation and 36% were valorised through energy recovery. In total, 78% of the waste generated in the Group's managed Shopping Centres is recycled, reused or valorised, 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 tenant 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, which require waste management plans and specific reduction/reuse/recycling targets as standard practice. Unibail-Rodamco's Considerate Construction Charter, which 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 people living nearby, includes waste recycling targets and financial incentives for construction contractors. 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 and demolition waste management schemes.

In 2017, the Group joined the Democlès programme, coordinated by Recylum, to bolster its waste from demolition and dismantling management policy. For example, a 90% waste recovery rate is the target for the demolition of the 3,000 car park as part of the Lyon Part-Dieu shopping centre extension project. The group is in the process of identifying a pilot project in order 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 extension, 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.).

As part of its start-up accelerator programme, in 2017 the Group selected Phenix to work on streamlining the recycling of waste produced by its assets. Two pilot projects have been set up in partnership with Phenix to create new functions in order to recycle the waste from shopping centres that would otherwise be destined for disposal.

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.

KPIs: Total waste generated (tonnes) and share of recycled and valorised waste (%) [GRI 306-2]

These indicators represent all total waste collected on site (common and tenant areas) as well as the share of waste recycled or valued using other disposal routes: recycled waste includes compost, incineration with energy recovery and landfill with energy recovery of biogas.

		Shopping Centres							
	Scope	**Total retail**	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
Total 2015	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 %*
Total 2016	55/58	65,244	5,904	9,464	23,942	5,173	626	6,763	13,372
of which recycled waste 2016 (%)	*55/58*	*36 %*	*42 %*	*34 %*	*28 %*	*66 %*	*63 %*	*40 %*	*34 %*
of which valued waste 2016 (%)	*55/58*	*37 %*	*58 %*	*13 %*	*51 %*	*22 %*	*37 %*	*60 %*	*14 %*
Total 2017	56/57(1)	70,832	6,763	8,859	25,378	5,412	495	9,683	14,241
of which recycled waste 2017 (%)	*56/57(1)*	*37 %*	*46 %*	*31 %*	*29 %*	*69 %*	*50 %*	*44 %*	*36 %*
of which valued waste 2017 (%)	*56/57(1)*	*40 %*	*54 %*	*36 %*	*49 %*	*31 %*	*49 %*	*46 %*	*16 %*

(1) Stadshart Almere shopping centre is excluded from the scope of this indicator because its waste is directly managed by the municipality.

KPI: Split of total waste by method of treatment (%) [GRI 306-2]

Weight of hazardous and non-hazardous waste broken down by treatment method.

The disposal of most hazardous waste is managed directly by the maintenance contractors who are responsible for it, using the appropriate disposal route.

2017	Total retail	Shopping Centres: Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
TOTAL WASTE *(IN TONNES)*(1)	**70,832**	**6,763**	**8,859**	**25,378**	**5,412**	**495**	**9,683**	**14,241**
Recycling/Reuse/Compost/Methanisation *(%)*	42 %	46 %	45 %	35 %	69 %	50 %	44 %	39 %
Incineration with Energy recovery *(%)*	26 %	29 %	14 %	37 %	24 %	49 %	38 %	5 %
Incineration without Energy recovery *(%)*	1 %	0 %	0 %	0 %	0 %	0 %	0 %	2 %
Landfill with energy recovery *(%)*	10 %	25 %	19 %	7 %	6 %	0 %	8 %	8 %
Landfill without energy recovery *(%)*	16 %	0 %	0 %	21 %	1 %	0 %	0 %	43 %
Managed by local authority(2) *(%)*	4 %	0 %	19 %	0 %	0 %	1 %	9 %	2 %
Other *(%)*	1 %	0 %	4 %	1 %	0 %	0 %	0 %	0 %

(1) Stadshart Almere shopping centre is excluded from the scope of this indicator because its waste is directly managed by the municipality.
(2) Information on how local authorities manage the waste they collect is not available.

KPI: Split of total waste by type (tonnes) [GRI 306-2]

	Total retail	Shopping Centres: Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain
TOTAL WASTE *(IN TONNES)*(1)	**70,832**	**6,763**	**8,859**	**25,378**	**5,412**	**495**	**9,683**	**14,241**
Cardboard	16,903	1,662	1,568	6,100	1,753	149	2,354	3,317
Pallet & Wood	1,369	123	4	317	44	0	376	505
Plastic	1,361	177	73	278	136	0	88	609
Glass	1,418	154	51	282	108	19	420	386
Ordinary Industrial Waste/Mixed waste	38,036	1,919	5,090	15,736	2,193	321	4,583	8,195
Organic Bio Waste	6,784	1,716	239	1,940	709	6	1,438	737
Cooking oil	539	478	0	1	4	0	53	4
Green waste	43	0	0	19	24	0	0	0
Metals	156	39	0	56	25	0	8	27
Batteries*	6	0	0	3	0	0	1	2
Electrical and electronic equipment waste*	46	0	1	3	2	0	37	4
Bulky waste	657	28	0	242	12	0	50	325
Other	3,512	468	1,833	401	403	0	277	131

* *Hazardous waste collected on site as part of standard operations managed by the asset property manager.*

(1) Stadshart Almere shopping centre is excluded from the scope of this indicator because its waste is directly managed by the municipality.

Biodiversity

Unibail-Rodamco has developed a clear strategy and methodology for integrating biodiversity and ecology into its activities. The Group worked closely with biodiversity experts to define and implement its approach to these issues and has incorporated these principles in the "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 plant species to choose for the development project, taking into account their relevance to local habitats and their potential to create a positive ecological impact by enhancing and/or conserving local fauna and flora. For 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 shopping centre in Sweden to obtain an overall "Excellent" rating (design stage). The development projects (new projects and extensions) delivered in 2017 have also adopted this approach, as in the case of the Chodov and Carré Sénart extensions which have achieved 90% and 70% of credits in the "Land Use and Ecology" category. Other current development projects have a specific biodiversity component with the use of green roofs in the heart of the city, such as the Gaîté Montparnasse project in Paris and the project to extend La Part-Dieu in Lyon.

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 keeping with its commitment to turn its assets into better living spaces, the Group has begun research and development into urban agriculture and beekeeping projects at a number of its assets. Other than the benefits in terms of diversification of usage and consumption patterns, this type of project also has a positive impact on promoting biodiversity in cities. As such, the Group is working with the start-up "Sous les Fraises", selected in 2016 as part of its UR Link programme, to trial urban agricultural production on the roofs of its assets. In 2017, two urban agriculture pilots were developed with "Sous les Fraises" on the roofs of the Group's assets. Moreover, a number of the Group's shopping centres already have beehives and produce their own honey. One such example is the shopping centre Mall of Scandinavia which has a green roof and an urban beekeeping centre which has housed beehives with over 250,000 bees since Spring 2016. Another is the Minto shopping centre which introduced beehives and bee-attracting plants on its roof in 2017 and which sells its own honey.

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 biodiversity impact assessments are commissioned and that the biodiversity expert's recommendations (*e.g.* choice of plant species) are implemented. 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.

2.3.2.7. Health & Safety and environmental risks and pollution

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.

As such the Group has drawn up an appropriate health and safety risk management policy which includes rules and guiding principles at Group level. These are supplemented at local level by additional procedures imposed by local legislation. This Group policy includes, in particular, an annual review of health and safety risks at standing assets and the inspection and continuous improvement of these buildings and technical equipment liable to have an impact on the environment or on personal safety. Monitoring is conducted by on-site teams and checked every year by external auditors. This proactive strategy is part of the broader and more comprehensive framework that is the Group's risk management policy which has been drawn up with the activities at each site in mind.

The main areas covered by the Group's risk management policy are air and water quality, asbestos, soil and air pollution, legionnaires' disease, electromagnetic radiation, installations classified under the European Directive for Pollution Prevention and Control, which covers the risk of soil pollution, technical and safety installations and measures such as lifts and escalators and fire extinguishing and alarm systems.

For example: in order to reduce its exposure to the risk of legionnaires' disease, as soon as possible the Group will be replacing "open" cooling towers with systems which will permanently eradicate this risk on the sites in question. The Group continued its reduction effort with 18 managed shopping centres or conference centres still equipped with "open" cooling towers under the Group's responsibility at the end of 2017, compared with 31 in 2014.

In 2017, like every year, Unibail-Rodamco continued to perform Health & Safety assessments conducted by an independent third party in each country where the Group operates. The auditor visits each asset to carry out a risk assessment based on a framework which incorporates legalisation and Group policies to check that these are being complied with. He or she awards the site a general score which reflects the extent to which health and safety risks are monitored.

There are four ratings:

A. corresponding to satisfactory risk management and monitoring;

B. corresponding to satisfactory risk management and monitoring, with improvements still needed for certain indicators;

C. areas of non-compliance requiring the implementation of corrective actions;

D. corresponds to unsatisfactory risk management and monitoring.

In addition to the risk rating and the assessment report for each asset, a personalised action plan which is followed every day by operational teams is systematically updated following each assessment in order to improve the quality of risk monitoring at each managed asset as part of a process of continuous improvement. If a D rating is given a second assessment is carried out in the month following the audit to check that any corrective actions identified have been implemented.

This in-house "Health & Safety" management system enables the Group to monitor and assess its risk performance on a day-to-day basis, and maintains a high level of risk management culture embedded within operating and shopping centre management teams. In 2017, 97% of scores obtained by audited sites (Shopping Centres, Offices, Convention & Exhibition) improved or remained stable compared with 2016. 87% of audited sites obtained an "A" level (best rating). No asset obtained a "C" rating. No D rating has been given in these last six years.

Moreover, every year the Group's Purchasing, Maintenance, Property & Sustainability Department reviews across all of the Group's regions. This exercise is a means of taking stock, on a site-by-site basis, of the actions implemented over the previous year and also of presenting and validating the action plan for the current year. The main critical points and actions implemented (or that the sites wish to implement) are addressed. Following these reviews a report is produced for each country.

The Group also places a particular emphasis on training in risk prevention. As such, all new employees of the Group's Purchasing, Maintenance, Property & Sustainability Department attend a two-day course on risk monitoring delivered by the Synergy and Expertise Department. 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.

In 2017, the Group also rolled out across all countries a regulatory monitoring tool covering health and safety and environmental matters among others.

The Group's acquisitions and developments are also covered by the policy of risk management and subject to health and safety and environmental risk analysis.

As such, Unibail-Rodamco's acquisition process incorporates an assessment of technical, regulatory, health and safety and environmental risks, including soil pollution, as part of its pre-acquisition due diligence. For new developments, the Group complies with all applicable regulation regarding health, safety and environmental matters. An assessment of the environmental impact is carried out at a very early stage. In the event that a health issue is identified (land degradation & pollution and asbestos in particular) this assessment may result in works to ensure the site is suitable for future use in order to ensure a safe environment for users, retailers and visitors. Moreover, the Group ensures that the action plans and preventative measures are implemented by contractors during construction.

There is no provision for environmental risk in the Group's accounting in 2017.

KPI: Annual risk management assessment [GRI 416-1]

Total number and percentage of owned and managed assets having been subject to a risk assessment carried out by a third party and ratings obtained and their progression.

	Shopping Centres								Offices	Convention & Exhibition venues	
2017	**Total retail**	Austria	Central Europe	Germany	France	The Netherlands	Nordics	Spain	**France**	**France**	Total Group
Total number of owned and manage assets	54	2	6	8	19	3	5	11	6	7	67
Number of owned and managed assets audited by a third party[1]	54	2	6	8	19	3	5	11	6	7	67
Assessment coverage *(%)*	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
% of audited sites in improvement or stable regarding 2016	98%	100%	100%	100%	95%	100%	100%	100%	100%	86%	97%
% of audited sites obtaining an A or B annual score	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(1) Sites not audited this year: Eurostop Örebro (divestment), Eurostop Arlanda (divestment), Arninge (divestment) and Issy Guynemer (major restructuring).

KPI: Soil pollution and site remediation

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

	2017
Monetary expenses in depollution *(k€)*	9,275
Volumes concerned *(m³)*	214,438

The increase in monetary expenses and volumes compared to 2016 is due to the start of earthworks and land profiling in construction works launched in 2017. The projects reported last year were at an advanced stage, thus there was few land profiling and earthworks.

KPI: Fines for environmental breaches [GRI 307-1]

Annual monetary value of fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

	2015	2016	2017
Monetary value of significant fines *(€)*	3,720	2,012	2,660
Total number of non-monetary sanctions	6	10	11

2.3.2.8. Comfort, Well-being and Productivity

The materiality study pointed out that comfort and well-being were not a key environmental issue for Unibail-Rodamco. Therefore, the Group did not set a long-term comfort and well-being target in its CSR "Better Places 2030" strategy. However, as part of its environmental and operational policy, the well-being and comfort of our buildings is closely monitored and managed, and is an operational target for our sites, particularly for our office buildings.

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

In the majority of our office buildings, occupants are able to directly manage comfort settings from their workstations or within their working environment, depending on the space planning chosen, including local control of artificial lighting, blinds, air temperature and ventilation flow.

In our new development projects, facades are designed to achieve a balance between thermal performance rating (insulation value, solar factor) and visual comfort (daylight illumination, glare control). Therefore, the Majunga Tower, widely glazed, has a double-skin facade with blinds built into the ventilated air gap for its south orientation. This provides protection from sunlight and glare, while providing improved insulation and high levels of natural daylight.

The acoustics of our spaces are also designed to provide the best solutions to reduce technical equipment noise levels, to reduce noise levels passing through facades, to improve interior sound absorption and insulation between premises.

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

2.3.3. PILLAR 2: LESS POLLUTING TRANSPORT, BETTER CONNECTIVITY

In the "Better Places 2030" program, Unibail-Rodamco wants to initiate a new momentum regarding sustainable transport in the regions where the Group operates. By making a commitment to transport, 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 new sustainable mobility solutions. This approach also covers two major transport-related pollution factors: visitor travel and the logistical activity of retailers.

Currently, CO_2 emissions from visitor or tenant transport are significantly higher than CO_2 emissions from the operation of the buildings themselves (see section 2.3.1. Group greenhouse gas (GHG) emissions). On average 40% of visitors 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 affects 100% of new development projects coming into the portfolio in 2020 and beyond, which will have to provide for at least one significant sustainable mode of transport (public 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 territories.

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 charging stations for electric bikes, separate bike lanes (bicycle paths) on the sites, and autonomous electric transportation when available.

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

The Group is convinced that its objectives can only be achieved by working with players in the transport sector and as such has entered into partnerships with Tesla to roll out the "destination charging" stations for their electric vehicles, as well as with the logistics firm Deret to study proposals for pooled delivery using clean vehicles at certain shopping centres.

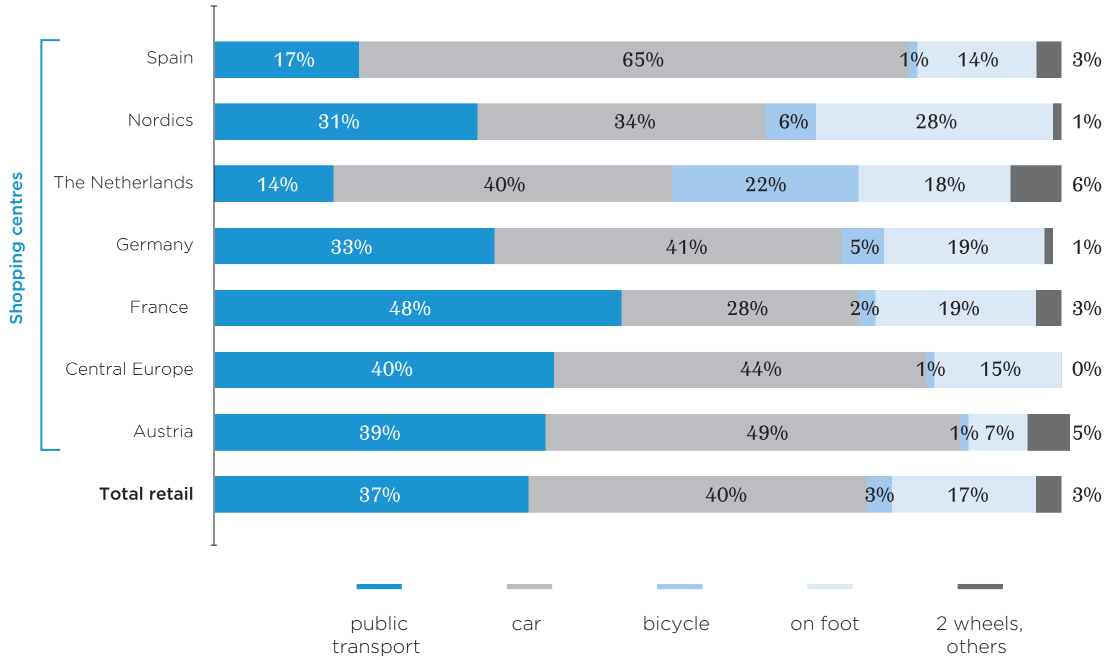
2.3.3.1. Transport of visitors and occupants

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. The marketing surveys conducted annually on the Group's shopping centres show that around 54% of customers travelled on foot or by public transport to the Group's shopping centres in 2017. 68% of the Group's owned and managed assets are connected to a cycle lane. The Offices portfolio is also quite well connected to the main transport networks.

KPI: Split of Shopping Centres' visits by transport means (%)[1] [GRI 305-3]

In 2017, the figures of the marketing surveys were updated for 100% of the owned and managed shopping centres, except for Carré Sénart, in which works were in progress during the year.

Portfolio coverage in gross market value: 95%.



KPI: Access to public transport (%)

Share of assets with excellent connections to public transport.

Definition:

Assets located less than 200 metres from a public transport station.

Assets with public transport connections, with intervals not exceeding 15 minutes, during weekdays and office hours.

	Shopping Centres									Offices		Convention & Exhibition venues	
2017	Scope	Total retail	Austria	Central Europe	France	Germany	The Netherlands	Nordics	Spain	Scope	France	Scope	France
Percentage of assets located less than 200 metres from a public transport connection	57/57	91%	100%	100%	95%	100%	100%	67%	83%	12/12	83%	8/8	88%
Percentage of assets served at least every 15 minutes during weekday office hours	57/57	81%	50%	83%	80%	100%	100%	83%	75%	12/12	100%	8/8	88%

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). Wroclavia, which opened in October 2017, is located close to Wroclav train station, 13 tram lines and to 15 bus routes. The centre has 400 bicycle parking spaces. Moreover, as at the end of 2017, 87.5% of development projects are connected to significant sustainable transport solutions (public transport).

Both to improve customer experience and as a time and fuel saving measure, the Group is rolling out smart traffic and parking management systems at its shopping centres.

The Group is encouraging the use of electric vehicles by installing recharging stations at its shopping centres throughout Europe. As of the end of 2017, 56 owned and managed assets (Shopping Centres, Offices, Conventions & Exhibition) were equipped with free electric-vehicle charging stations. A European partnership was signed with Tesla at the end of 2016 to roll out a specific charging solution in shopping centres managed by the Group. At the end of year 2017, 18 of the Group's owned and managed shopping centres had rolled out this type of charging infrastructure. In 2017, the Group opened its two first "supercharger" stations at its shopping centres Polygone Riviera (France) and Aupark (Slovakia).

(1) Gaps in totals may exist due to rounded figures.

KPIs: Proportion of existing shopping centres and shopping centres in development equipped with charging facilities for electric vehicles.

Proportion of existing shopping centres equipped with charging facilities for electric vehicles	96%
Proportion of shopping centres in development equipped with charging facilities for electric vehicles	100%

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, in 2017, the Group developed an internal tool for assessing and working on all transport issues at shopping centres which should be rolled out to all assets: the mobility action plan (*MOBAP*). In 2017, these mobility action plans were rolled out across three pilot assets prior to being rolled out on a larger scale from 2018.

2.3.3.2. Tenant logistics

Unibail-Rodamco is aiming to reduce the impact of deliveries to retailers in urban centres by optimising the load factor of 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. The ambition is to pool deliveries at a logistics base located outside the city centre; shared trucks then deliver from this remote logistics base to the shopping centre.

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.).

The ongoing Gaîté redevelopment project in Paris has already incorporated this ambition into its plans and has made a commitment to the city to roll out a pooled logistics service for retailers.

2.3.3.3. Business travel of employees

The Group's policy regarding employees' 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.

As part of the "Better Places 2030" programme, Unibail-Rodamco has 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;
- whenever a new car is ordered, the model chosen will be hybrid or electric.

As at the end of 2017, 23% 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:

- began using the Skype for Business application from January 2017, giving all staff direct and efficient access to enhanced videoconferencing;
- committed in 2016 to offset the annual greenhouse gas emissions from employees' business travel by rail and air. In 2017, 100% of greenhouse gas emissions from these business trips for the year 2016 (*i.e.* 2,815 TCO_2eq) were offset with carbon credits.

Finally, a car sharing service with electric vehicles has been in operation since 2013 in the car park of the Group's headquarters. Any employee can reserve and use one of these vehicles for his or her professional needs in and around Paris.

KPI: CO_2 emissions from employees' business travel by train and plane (tonnes CO_2eq)

The indicator is given both as an absolute value and as the ratio between CO_2 emissions from business travel and the average number of employees in 2017. Data and methodology are provided by referenced travel agencies for each region.

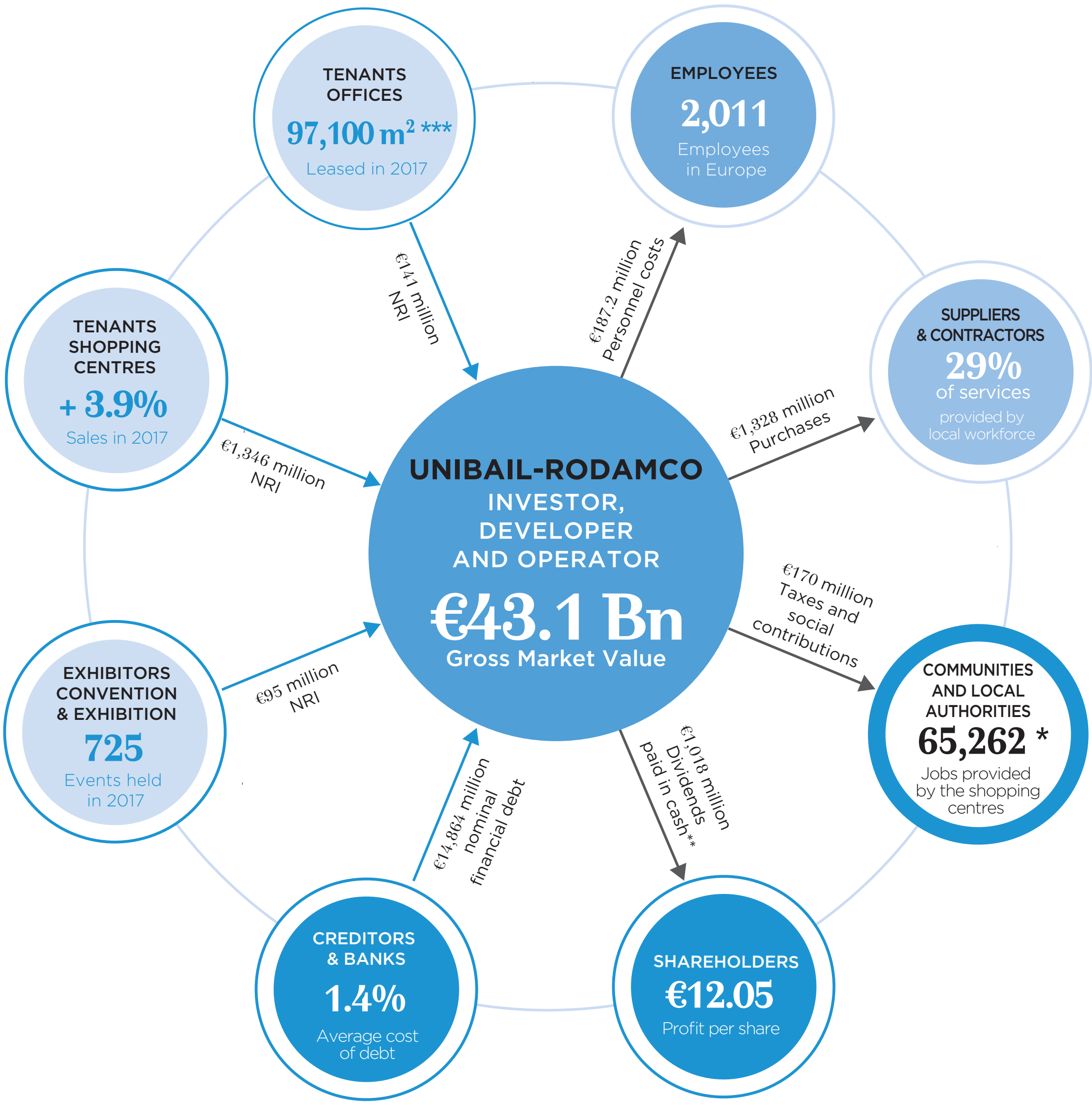
2017	Total	Headquarters & France	Austria	Germany[1]	Central Europe	The Netherlands	Nordics	Spain
TOTAL EMISSIONS *(TCO_2EQ)*	**3,749**	**1,234**	**101**	**461**	**351**	**138**	**178**	**1,286**
kg CO_2eq/employee	1,864	1,165	1,690	1,063	2,762	1,864	1,633	8,631

(1) Emissions due to business travel in Germany are estimated (data unavailable).

2.4. STAKEHOLDERS

The Group's economic success is based on the strength of its relationships with stakeholders: tenants, customers, investors, local communities, suppliers and contractors, as well as 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 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



* Economic impact study updated in 2016, Beyond Financials
** Subject to the approval of the Annual General Meeting
*** Weighted square meters

◆ Pillar 3: 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. The Group's key roles in the local economy are:

- economic driver: offering direct employment through construction and operational spending, indirect employment by tenants' sales and activities, suppliers' activities and local taxes;
- social integrator: services offered to visitors, charities, employment promotion initiatives, partnerships with local communities and NGOs, places for a unique experience (events, entertainment, shopping, etc.);
- 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 long-term partnerships with the territory's stakeholders (local residents, public authorities and associations). Extensive public consultations are held for all development and extension projects.

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 programme aimed at training and supporting the recruitment of young people cut off from the job market: the Group commits to supporting the recruitment by retailers and service providers, of 1,000 young people per year by 2020 through the programme in all shopping centres welcoming 6 million or more visits per year.

The Group is committed to supporting the development of local economic players by fostering new local retail concepts through partnerships with entrepreneurs and regional networks, by supporting initiatives that promote short channels, particularly for restaurants, or activities connected with the circular economy.

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.

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, while improving services provided in the centre. The goal is for 100% of Group operated shopping centres to use this solution by the end of 2019.

2.4.1. COMMUNITIES AND LOCAL AUTHORITIES

2.4.1.1. The Group's local economic footprint

In 2013, the Group decided to consult an independent external advisor, Beyond Financials, to perform a review of the economic contribution of its owned and managed Shopping Centres in France to the French economy. This review considered both direct (shopping centre operations involving tenants) and indirect (providers' activities) impacts. Based on a transparent and reliable methodology, the study was able to assess the economic impacts generated locally (on a local scale ranging from the city to the local region) and at national level. The study estimated the total amount of salaries paid related to shopping centre activities in France, the number of jobs created within the area and the local taxes paid through the activities of the shopping centres.

The economic impact study was updated in 2014 to include Spain and Sweden, then extended in 2015 with the aim of evaluating the total number of jobs hosted across the entire managed shopping centres portfolio, which added 21 shopping centres not evaluated in 2014. This mission focused on the hosted jobs, including Unibail-Rodamco's employees, tenants' employees, and suppliers working on site, considered as full-time employees (FTE).

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

In 2016 an economic impact study was conducted for the Mall of Scandinavia shopping centre. The Group economic impact study was therefore updated in 2016, incorporating the scope of the previous study for the following sites, which were opened in 2015:

- Mall of Scandinavia;
- Polygone Riviera;
- CentrO.

◆ 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 in all regions based on available data (accounting, surfaces, tenants, taxes).

This approach has been extended to the total managed Shopping Centres portfolio: the 2016 and 2015's extrapolation applies 2014's methodology and ratios to evaluate hosted jobs for other shopping centres (not assessed in 2015).

(1) Economic Impact of Shopping Centres: Carré Sénart in 2013, So Ouest, Aéroville, Confluence, Täby and Maquinista in 2014.

Scope

2016: 60 Shopping Centres

- France: 19 shopping centres (including Polygone Riviera);
- Spain: 12 shopping centres;
- Sweden: 7 shopping centres (including Mall of Scandinavia);
- Austria, the Czech Republic, Denmark, Germany (including CentrO), Poland, Slovakia, the Netherlands: 22 shopping centres.

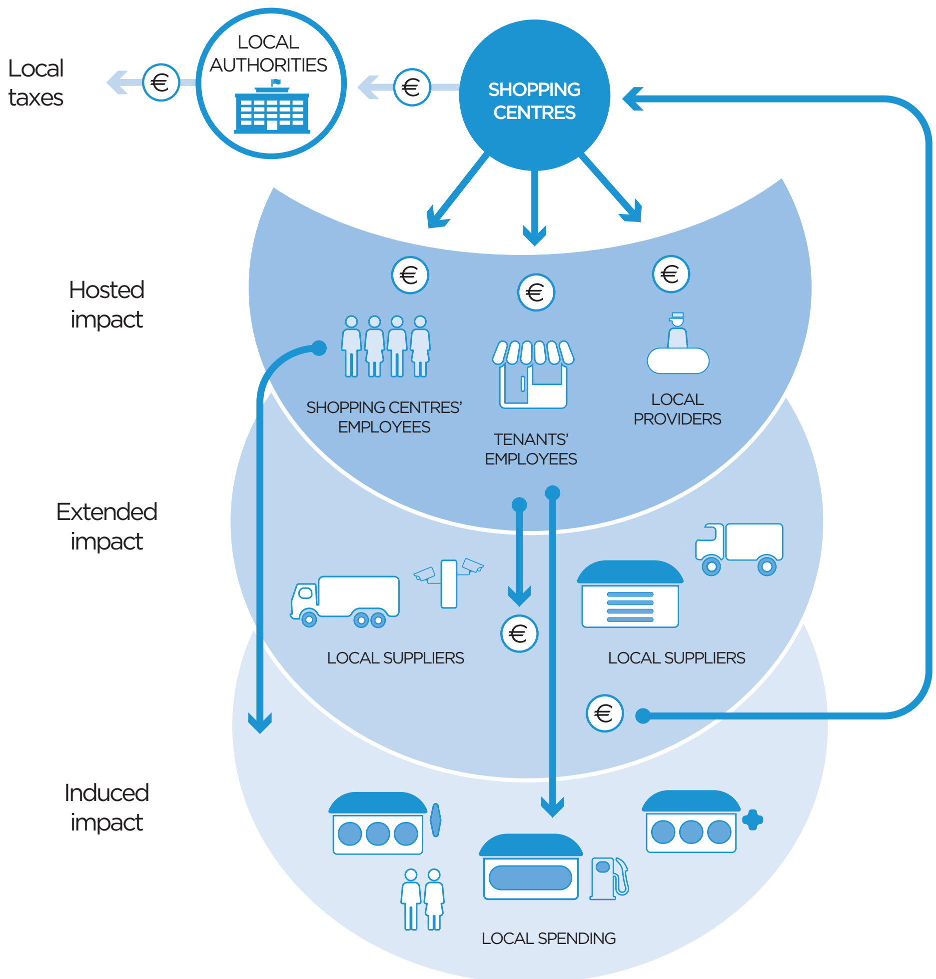
The economic impact study conducted in 2016 covers 95% of existing portfolio of Shopping Centres in value (consolidated gross market value as at December 31, 2016).

Definition

Unibail-Rodamco's local economic footprint has been assessed as follows:

- hosted impact: the direct impact analysis takes into account the number of employees (and salaries paid) working at the shopping centre (Unibail-Rodamco's staff at the shopping centres, tenants and on-site suppliers' staff);
- extended impact: the local indirect impact analysis measures the economic flows generated by Unibail-Rodamco through purchases from its different suppliers (amount of purchasing contracts converted into salaries; for rank 1 suppliers only, not the entire supply chain) and those of tenants to their suppliers (converted in jobs and in salaries; generic services: security, cleaning and maintenance). This impact does not include products sold in-store;
- induced impact: the induced impact analysis estimates the potential local spending of all employees working within the shopping centre (Unibail-Rodamco shopping centre's staff, tenants' staff and on-site suppliers' staff);
- taxes: landlords' and tenants' local taxes paid to local authorities:
  - For the landlord: Land tax, Waste tax, Value-Added Tax (Corporate tax), Office tax,
  - For the tenant: Commercial tax, Value-Added Tax (Corporate tax).

2.



Results

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

KPI: Total hosted jobs

2016

	Total Group hosted jobs (FTE)	Spain[(1)]	Sweden[(1)]	France[(2)]	Others (Austria, Czech Republic, Denmark, Germany, Poland, Slovakia, The Netherlands)[(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 (FTE)	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 of shopping centres, and extended in 2016 to Polygone Riviera and CentrO.

Conclusion

The results of Unibail-Rodamco's economic footprint study confirms the significant economic contribution of the Group and its suppliers to their 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 following issues:

- 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.

2.4.1.2. Group commitments in local communities

Each of the Group's assets provides a valuable contribution to the sustainable economic development of the local area, and creates social value for the communities in which it operates.

This commitment is made by implementing various levels of social action, using the Group's drivers and assets to raise awareness, mobilise and provide practical solutions to specific local area needs.

UR for Jobs and Solidarity Day are two major social initiatives which the Group has implemented. These two major initiatives are held every year in collaboration with public partners and local charities, and are supported by the commitment of Unibail-Rodamco employees who volunteer during their working hours (see 2.5.5.).

In 2017, 46% of the shopping centres with more than six million visits per year. (*i.e.* 26 shopping centres) set up one of these two social initiatives.

UR for Jobs ("Unibail-Rodamco for Jobs")

The Group's first social initiative covers the return to employment of young people cut off from the job market.

The UR for Jobs ("Unibail-Rodamco for Jobs") initiative aims to create employment opportunities in partnership with local public employment stakeholders and local charities. Young people who join the programme will receive free support and training designed to meet the requirements of retailers in the Group's shopping centres, and will receive coaching from Unibail-Rodamco employees. At the end of this process they will be put in contact with recruiters from the shopping centre and surrounding area for recruitment interviews.

The Group's long-term goal for the initiative is to enable 1,000 low-skilled young people per year to be hired or integrate a graduating training Programme through the UR for jobs initiative held in its shopping centres by 2020.

In 2017, the programme was implemented by 15 centres in all of the Group's regions. These 15 centres also facilitated training for 441 young people. More than 18,000 training hours were delivered (equating to an average of five days of training per candidate) and enabled the young people to make career plans, gain know-how and customer service skills and above all to improve their self-confidence.

The result of the 2017 initiative is very encouraging: 250 young people, meaning 56% of the candidates supported had found a job or begun studies leading to a qualification by the end of the programme. In addition, it provided a suitable solution to the local recruitment issues experienced by shopping centre retailers and suppliers.

The Group follows the professional evolution of the young candidates during six months after the program in order to secure a sustainable social impact of the initiative. For the 11 initiatives which have progressed enough for feedback to be obtained, the professional integration rate at 6 months or more is 31%, which corresponds to more than 120 young people who have found long-term employment or integrated a certificating training program.

◆ Solidarity Day

The Solidarity Day is the Group's second social initiative. The Solidarity Days are event lasting several days held in the Group's Shopping Centres, in partnership with one or several charities. They aim to support the community and local charities, by raising the public's awareness on priority issues affecting young people in their local areas. Many of the Group's employees took part to coordinate and animate these events.

In 2017, visitors to the Group's Shopping Centres had the opportunity to take part in fun and educational activities on equal opportunity in France, on the fight against poverty amongst young children in Sweden, Spain and the Netherlands, on environmental issues in Austria and Germany and health issue in Poland and the Czech Republic.

These events directly impacted more than 3,300 young people, through the participation in pedagogical workshops for half of them, or through financial donations or supplies collected during the events for the other half.

◆ Iconic Partnerships

In 2017, the Group entered into iconic partnerships with charities and associations in each region where it operates, including the MicKinsey Generation foundation in Spain, Joblinge in Germany and Childhood in Sweden.

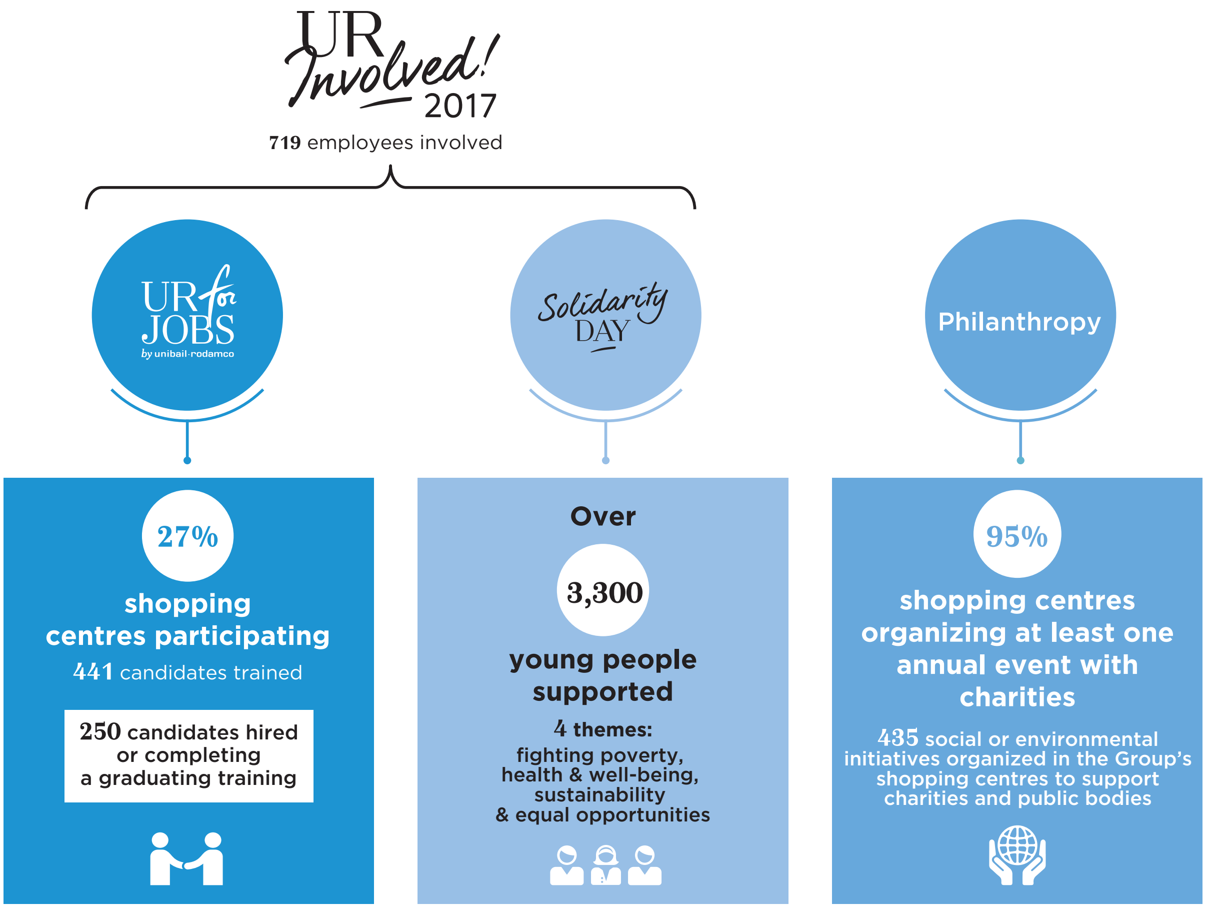
Historic partnerships have also been forged in France, with many students from the Écoles de la 2e Chance ("second-chance schools") taking part in the UR for Jobs programme and organising the Solidarity Day with Article 1 (formerly Passport Avenir and Frateli).

Finally, partnerships between shopping centres and local charities and infrastructure were strongly recommended throughout the year: 95% of the Group's shopping centres have organised at least one event in 2017 in partnership with a local charity or NGO. In total, 435 social or environmental actions providing cash or in-kind support to charities or public bodies were held in the Group's assets (providing venues, donations, collecting supplies, educational activities, etc.). These actions amounted at €2.4 million.

In 2018, all shopping centres will host at least one charity event per year.

The Group has also directly participated in philanthropic projects through donations and contributions totalling €0.5 million, and by investing €1.35 million in the eleventh Grand Prix des Jeunes Créateurs du Commerce (Grand Prize for Young Retail Entrepreneurs) to support young entrepreneurs (see section 2.4.4. Tenants & retailers).

2.



◆ Education and promotion of the real estate sector

As industry leader, Unibail-Rodamco 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 co-create the city of the future by meeting the major challenges facing modern societies.

In 2017, the Group took part in the Palladio Institute's annual cycle of conferences sponsored by the Mayor of Nantes and on the topic of "Living in the Towns/Cities of Tomorrow".

In addition to these working groups and task forces, the Foundation also finances the brightest students in the real estate field, helping them to continue their higher education or pursue research projects. In 2017, the Foundation therefore granted 16 scholarships. This year the foundation also awarded the Prix junior de l'immobilier (Junior Real Estate Prize) during the Business Real Estate Trade Fair (SIMI) hosted by one of the Group's assets which hosted more than 30,000 visitors in 2017.

The Group also organised a series of architecture conferences ("les mardis de l'architecture"), hosting well-known female architects such as Anouk Legendre and Manuelle Gautrand. 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.

2.4.2. 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 90% of its 2016 recurring earning per share as a dividend in 2017. 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.

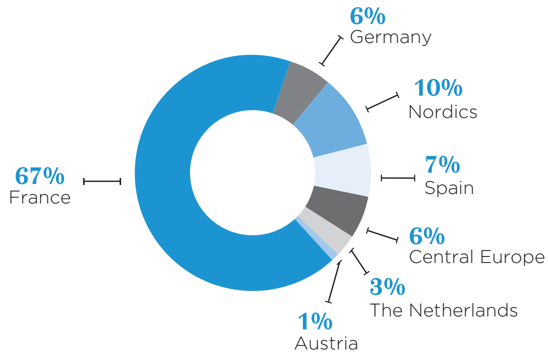
The tax position of Unibail-Rodamco reflects the geographical location of its activities. The Group declares profits and pays taxes where its activities are carried out. This translates into payments to local or national tax authorities of corporate income tax, business taxes and taxes withheld on dividend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

The Group's tax position mirrors the location of its investments. Considering its €43.1 billion portfolio and the fact that holding real estate assets requires it 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 locally and contribute significant amounts in taxes and social charges.

KPI: Taxes and social security contributions

In 2017, Unibail-Rodamco paid €170 million of local taxes and social contributions.

GEOGRAPHIC BREAKDOWN OF TAXES AND SOCIAL CONTRIBUTIONS PAID IN 2017



Furthermore, the €1.018 billion dividend payment made by Unibail-Rodamco in 2017 gave rise to an immediate payment of withholding tax, the cost of which is borne by shareholders, with an estimated amount of €133 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 billion 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 2017, 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 CRS (Common Reporting Standard) and filed in 2017 its first fiscal Country-By-Country-Report with the French tax authorities.

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

2.4.3. 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 is continuously adding to and adapting its customer service strategy for its shopping centres, known as the Welcome Attitude, which is reflecting in its "4 Star" label launched in 2012. This label improves the customer experience and ensures improved quality and services within all of the shopping centres managed by the Group. 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 680-point reference system and an external audit conducted by the world leader in certification, SGS. At the end of 2017, 31 shopping centres complied with the "4 Star label" (including the recently-opened sites at Wroclavia, Parly 2, Centrum Chodov, Glories and Bonaire), together with 17 AQS label Centres (Accueil Qualité Service – Welcome Quality Service), representing a total of 48 Centres with label awards. In 2018, an updated version of the "4 Star" label will be released to tie in with Group innovation and commitments, specifically in relation to services, digital tools and sustainable development.

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. Since 2016, all customer-facing shopping centre staff (store employees, security staff, cleaning contractor staff, etc.) receives specific training on how to interact with customers with a mental disability. 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.

Unibail-Rodamco has attempted to meet the increasing needs of its visitors and the communities in which its shopping centres operate by creating Destinations, which aim to offer a wider range of services by prioritising new partnerships, innovative concepts and exclusive services. 13 Dining Experience™ provide visitors with a wide range of dining options, from simple snacks to "bistrot-style" meals. Meanwhile, 4 Designer Gallery™ showcase a unique selection of retailers and fashion designers and local personalities in shopping centres. Fresh! ™ offers a combination of fresh and luxury products in a warm social space. Finally, Family Experience™ enables families to receive the warmest possible welcome and enjoy an unforgettable experience.

On the digital side, Unibail-Rodamco signed up almost +1.8 million new customers to its loyalty program in 2017 to reach a total of 4.2 million members. 85% of these new members came through digital channels (web and apps) compared to 37% in 2016. In 2017, the audience on the Group's digital channels also showed an increase with 53 million web sessions (compared to 52 million in 2016) and 235,000 app users (vs. 120,000 in 2016). The Group also continued the roll out and improvements of its digital services, such as a new interactive map in mobile apps for all shopping centres (introduced in Q4-2017) and "Find my car" app, now in 16 shopping centres (vs. four as at December 31, 2016). 2017 was also marked by the roll-out of Salesforce, the B2C CRM tool that will be at the heart of Unibail-Rodamco's "visitor farming" strategy in 2018. As at December 31, 2017, 55% of the portfolio is equipped with the Salesforce CRM capability. The average opening rate on email campaigns is 21.9% (vs. the retail benchmark of 20%) and the average click rate is 3.8% (vs. the retail benchmark of 2.5%).

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 2017 with 32,978 respondents; the average score across the Group was 8/10. In 2017, the satisfaction questionnaire introduced specific questions on sustainable development for the first time. In each shopping centre in which the survey was carried out, customers were asked about their views on the centre in the areas of energy consumption, sustainable mobility, economic development and social diversity.

KPI: CSR performance rating of shopping centres as perceived by visitors

CSR Criteria	% Visitor satisfaction
The centres aim to optimise their energy consumption	81%
The centres are easily-accessible using non-polluting methods of transport	87%
The centres promote economic development and support local employment	88%
The centres are part of life in the region and promote social diversity	81%

Internal quality audits were used to assess 386 services and comfort criteria for each centre, with 87/100 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: Average score in internal quality audit

	2015	2016	2017(1)
Average score in internal quality audit	92/100	94/100	87/100

(1) The decrease in the score in 2017 is due to an evolution of the audit grid, enabling to set ever more demanding quality standards.

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 attractiveness of shopping centres for their customers.

2.4.4. 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 differentiation and exclusive retail concepts which generate traffic and customer preference, 223 leases were signed with international premium retailers – as Jo Malone, Five Guys and Nespresso - in 2017. "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. In 2007, Unibail-Rodamco created the Grand Prix des Jeunes Créateurs du Commerce (Grand Prize for Young Retail Entrepreneurs) to foster, add value to and support retail innovation and business creation. Each year, the "Grand Prix" identifies over 100 high-potential concepts, and has thus contributed over the years to the emergence of a new generation of well-known retailers. In addition to the €1,350,000 in funding, the competition offers prize winners personalised support from retail experts for a successful integration into the Group's assets.

The 11th Grand Prix des Jeunes Créateurs du Commerce awarded prizes to the 3 of the most innovative new retailers on the market in 2017: Laboté and Canard Street won joint first place to be awarded the Grand Prix. Laboté is a laboratory whose mission is to rethink the way in which cosmetics are made, and to offer an individual bespoke service with no intermediaries; Canard Street offers street food based on duck and sauces/dressings. It is both a restaurant and a grocery store, and provides a home delivery service for a range of duck products. In third place, Life won the "coup de cœur" prize for its healthy food for athletes. Each sporting activity has a menu tailored to the specific nutritional needs linked to that activity.

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 2017, 5,649 tenants responded to the Group's satisfaction survey which represents a global response rate of 65%. The results showed an increase in the overall satisfaction rate, scored at 72/100 in 2017, against 69/100 in 2016. 15% of these surveys were submitted using the Connect application. These surveys help implement improvements in the shopping centres and continuously improve the customer journey together with retailers.

In addition, tenants are Unibail-Rodamco's special partners when it comes to reducing the global environmental footprint of its assets. This is indicated by both a contractual commitment (green leases), and a voluntary commitment (signed partnerships for LED and green electricity).

Green Leases

Since the end of 2009, the Group has been committed to an active policy of promoting "green leases". This approach is based on dialogue, information and sharing of best practices, and encourages tenants to play a role in the environmental performance of the sites. As well as contributing to lower common and private service charges through decreasing energy and utilities consumption, this change in behaviours is helping the Group and its stakeholders to prepare for a tougher regulatory environment in the future.

In that respect, since 2010 and ahead of all existing regulations, all new leases and renewals signed with retail and office tenants have been containing environmental clauses. The first versions of "green leases" covered 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 various measures to save energy, water and sort waste.

As part of the "Better Places 2030" commitments, this environmental appendix on leases has been 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 supporting initiatives organised by the Group to promote local employment.

This new version of the environmental appendix of leases (version 2) has a penetration rate of 54% among all leases signed in both existing and pipeline shopping centres in 2017. Due to its recent launch (May 1, 2017) and to its limitation to shopping centres in the first instance, this rate appears to be lower than the penetration rate of the first version of green leases (version 1), published for the year 2016. The latter reached 91%, thereby achieving the previous target of 90% of green leases version 1 signed before 2018 in the whole Group portfolio.

It should be noted that the first version of green leases is still applied to offices, with a penetration rate of 72% of active leases for owned and managed offices (excluding Rosny 2 lots not owned at the time the leases were signed).

KPI: Number and rate of Green Leases Version 2 among signed and active leases

Year	2017
Number of green leases version 2 signed during the year	833
% of green leases version 2 signed during the year	54%
% of green leases version 2 signed vs total active leases in the Group	8%

LED and "green" electricity partnerships

As part of the "Better Places 2030" programme, LED and "green" electricity partnerships, or "Memorandums of Understanding" (MoUs) are voluntary agreements entered into by the Group with retailers within its Shopping Centres (existing and future stores) to accelerate the transition towards a lower carbon footprint related with operations. LED lighting partnership clauses require retailers to fit out any new stores in the Shopping Centres held and managed by the Group with LED lighting from the signing date, and to gradually fit out existing stores with LED lighting when undertaking refurbishment works. Some partnerships include a clause on renewable electricity supply ("green" electricity). These partnerships with retailers are usually effective for the whole Group or one of the regions. In 2017, the Group outreached its initial objective of 30 LED partnerships signed, by committing 146 retailers to sign a partnership.

KPI: Number of LED partnerships (or Memorandums of Understanding – MoUs) signed

Year	2017
Total number of LED MoUs signed	146

CONNECT, an app designed for the employees in the Group's shopping centres

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. The Connect application was launched by the Group in 2016 and rolled out in 32 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.

KPI: Percentage of shopping centres which have rolled out the 'Connect' application, and percentage of retailers connected to the application

	2016	2017
Number of shopping centres which have rolled out the 'Connect' application	3	32
Percentage of shopping centres which have rolled out the 'Connect' application	5%	59%
Percentage of retailers connected to the application 6 months or more after its launch	NA	98%

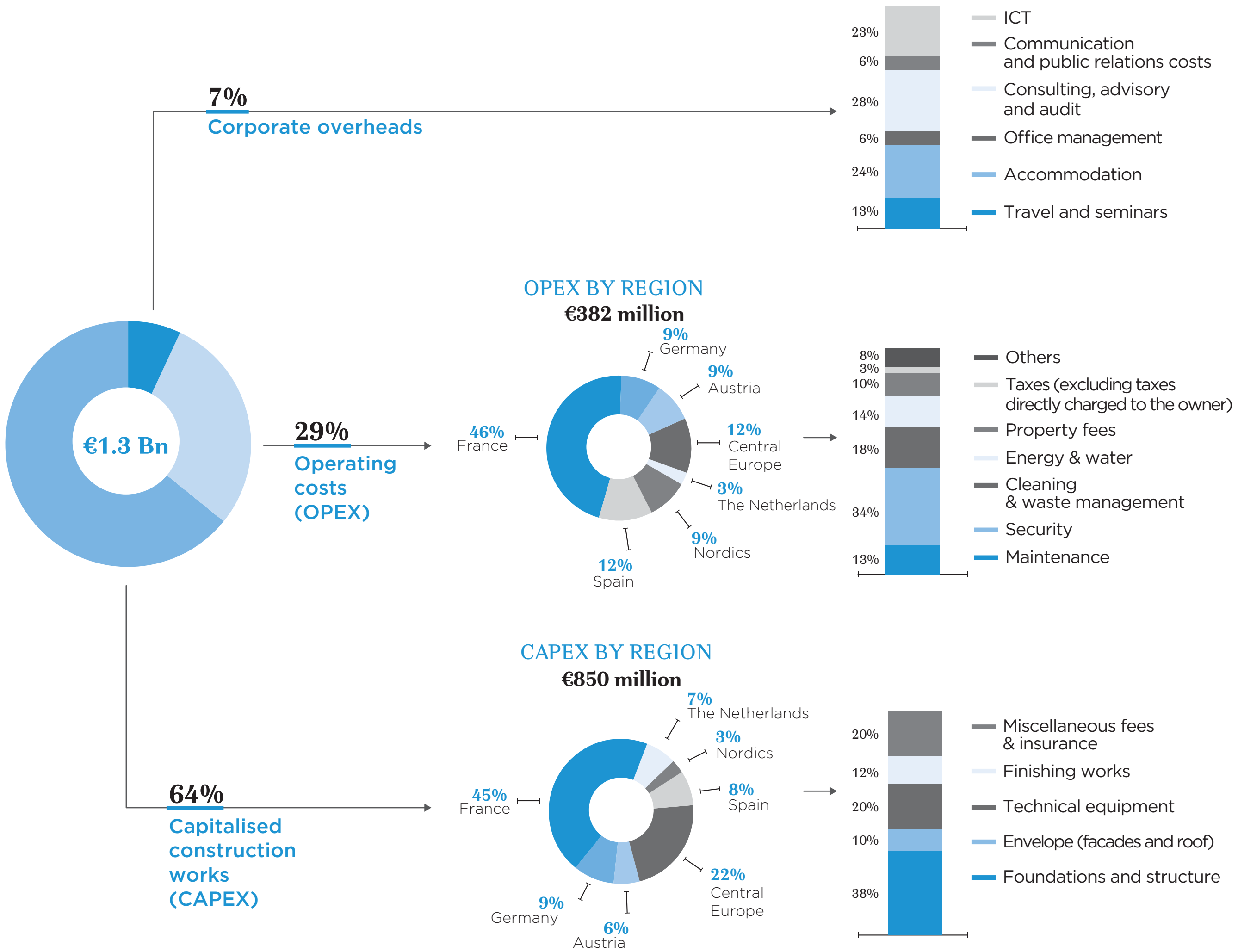
2.4.5. SUPPLIERS AND CONTRACTORS: SUPPLY CHAIN MANAGEMENT – PURCHASES MAPPING

With a procurement volume of €1.3 billion for the entire Group in 2017, 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.

KPI: Purchasing Mapping

Purchases at Unibail-Rodamco can be split into three categories:

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



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, 29% of the purchases are services on assets provided by the local workforce. These operating expenses are locally labour-intensive and to that extent are purchases that cannot be relocated. Regarding construction expenses, Unibail-Rodamco prompts its suppliers and providers to hire local workforce, notably through social integration clauses inserted in the contracts.

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 the Group procedures, all purchases must comply with the Group's Compliance Book (and specifically the Code of Ethics), the applicable local laws and regulations, especially labour laws, and the use of standard contracts which include sustainable development and ethics 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 case of a tender process and over the term of a contract, the supplier can contact the Group's Compliance Officer at any time to raise and submit a complaint. Unibail-Rodamco's Corporate Internal Audit team carries out regular audits across the Group to validate the thorough application of the Group's procurement policy and of the Group's Compliance Book, including the Code of Ethics. The anti-corruption policy set up in 2017 is detailed in section 6.2.3.11. Legal, regulatory and compliance risks.

A web solution for purchasing management was launched in the Autumn of 2017, for the European services procurement scope in the standing portfolio. The use of this purchasing platform, which integrates service providers and suppliers, makes Group procedures more robust, facilitates new and direct collaboration between all stakeholders, ensures the transparency required for all purchasing decisions, helps operational teams to select providers, and facilitates the sharing of best practices and risks mitigations. The solution should 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 employees (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. The Group in turn asks its suppliers to set out their CSR strategy 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. Concerning development projects, contracts signed with suppliers mention that Unibail-Rodamco and the companies under its control commit to reduce the carbon footprint, particularly in the construction project they undertake. A clause requests that construction companies contracting with the Group must take this commitment into account, when selecting building processes, materials, technical solutions, etc. After each project review and at all project stage, an arbitrage should be taken for carbon footprint impact for the proposed solution to be submitted to the Customer.

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 2017, an annual supplier assessment was performed for 301 contracts on key services (multi-technical, health and safety, mechanical transport, cleaning, and waste management) in 69 shopping Centres, Offices and Convention & Exhibition venues for a total contractual purchased amount of €148 million;
- in 2017, 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: Coverage of the assessment of suppliers, and total amount of contracts assessed [GRI 412-3, 414-1]

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.

	2015	2016	**2017**
Total number of contracts in force in the area managed(1)	311	324	304
Number of contracts assessed	293	318	295
COVERAGE OF THE ASSESSMENT *(%)*	**94%**	**98%**	**97%**
Value of contract, equals expenditures measured *(€)*	117,939,265	147,036,033	149,622,448

(1) Contracts for maintenance services covering a range of techniques, security, mechanical transportation, cleaning and waste management at 69 managed assets (Shopping Centres, Offices, Conventions & Exhibitions).

As part of the launch of its new procurement platform, the Group wanted to reaffirm to its suppliers the scale of its sustainable development challenges. The Group used its eight-question survey to reiterate the goals of its "Better Places 2030" strategy, and surveyed all respondents on their environmental, social and societal practices.

98% of the respondents (covering 30% of the companies registered on the platform) confirmed that they are on Board with the strategy, and that they have also implemented measures in these areas.

2.4.6. 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 and the update of consistent, shared KPIs for the industry. The indicators reported in this 2017 Annual and Sustainable Development Report have been updated in accordance with the 3rd edition of the Best Practice Recommendations on sustainability reporting (sBPR), published by EPRA in September 2017 (see cross-reference table in Section 2.9.1 EPRA Sustainability Performance Measures). 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 is a member of the Sustainability Committee of the French Council of Shopping Centres (CNCC).

The Unibail-Rodamco Group is also a member of the French Association of Private Businesses (AFEP).

2.4.7. INVESTOR AND SHAREHOLDER TRANSPARENCY

2.4.7.1. Investor Relations

The Group reports to investors on its Environmental, Social and Governance (ESG) strategy and achievements *via* regular publications to its institutional and SRI investors(1) (annual results, periodical publications and newsletters), *via* written answers to direct information requests and to a number of questionnaires sent by non-financial ratings agencies, and through holding and taking part in dedicated meetings or exchanges on sustainable development (SRI meetings, one-to-one meetings, SRI roadshows and Investor Days). In 2017, the Group therefore opted to focus on direct communication with investors based around its challenges, encouraging them to set out their CSR-related strategy, commitments and progress. The Group's CSR strategy formed the main topic of meetings with 33 investors representing 15.2% of shareholders. In 2016 this figure was 18 investors representing 6.7% of shareholders. 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. Indeed, Unibail-Rodamco is a member of a number of recognised SRI indexes and ESG benchmarks (see following Section).

(1) Socially-Responsible Investment.

2.4.7.2. ESG (Environmental, Social and Governance) ratings and awards

In 2017, Unibail-Rodamco featured in a number of prestigious SRI indices and ESG profiles or benchmarks, boosting its position as industry leader.

◆ ESG Profiles and Benchmarks

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 a crucial head start in the segment of sustainable investments: as at April 21, 2017, the Group was still ranked 3rd out of 243 real estate companies rated by Oekom research. It achieved a C+ (Prime status);
- Sustainalytics, a global leader in research and environmental, social and governance analysis (ESG) linked to Socially-Responsible Investment (SRI): in 2017 the Group jumped up one place in the rankings with 2nd position of 278 businesses in its industry. It also retained its Industry Leader status and was ranked first amongst its peers in terms of market capitalisation;
- Vigeo, a European expert in the assessment of corporate environmental, social and governance (ESG) performance: in 2017, the Group was awarded first place of 37 rated companies within the "financial services – real estate" sector. This represents a 2-point improvement on its 2016 rating by the same agency;
- the GRESB *(Global Real Estate Sustainability Benchmark)*, which is an international body which measures the sustainability performance of real estate portfolios worldwide (free float, listed and non-listed): in 2017, for the seventh year running Unibail-Rodamco was awarded the GRESB "Green Star" rating for its sustainability performance, obtaining the highest possible performance level with a rating of 5 stars. It also increased its industry ranking to 2nd place in the category of listed European commercial real estate companies;
- MSCI, a leading provider of investment decision support tools providing institutional investors with ESG ratings: in 2017 and for the fourth year in a row, Unibail-Rodamco obtained a rating of AAA (on a scale of AAA-CCC) in the MSCI ESG Ratings assessment.

◆ ESG Indices

In 2017, Unibail-Rodamco again features in a number of renowned SRI indices, including:

- FTSE4Good (since 2005): The FTSE4Good index series is made up of companies that meet globally-recognised corporate responsibility standards. In 2017, Unibail-Rodamco was confirmed as a constituent company in the index;
- 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 corporate responsibility performance. In December 2017, the Group was confirmed as a constituent company in the Euronext Vigeo World 120, Euronext Vigeo Eurozone 120, Euronext Vigeo Europe 120 and Euronext Vigeo France 20 indices;
- CAC 40® Governance index (since 2017): in December 2017, Unibail-Rodamco made the list of "Top 10 Performers" of the CAC 40® Governance index, which debuted in 2017 and ranks the CAC 40® businesses according to their responsible governance score;
- Ethibel® (Excellence since 2011, and Pioneer since 2013): The 'Ethibel Sustainability Index' (ESI) indices include companies that achieve a better than average performance in terms of sustainable development and social responsibility in their respective sectors. Unibail-Rodamco has been reconfirmed as a member of the Ethibel® Sustainability Index Excellence Europe and the Ethibel® Sustainability Index Excellence Global (last updated on September 25, 2017);
- 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 2017, Unibail-Rodamco remained a member of the STOXX® Global ESG Leaders index for the sixth consecutive year and was named industry leader;
- ECPI Indices (since 2007): ECPI is a leading rating and index company dedicated to ESG Research (Environmental, Social and Governance). In 2017, Unibail-Rodamco has been confirmed for inclusion in the following ECPI® indices: ECPI Global Eco Real Estate and Building Equity, ECPI Global Eco Real Estate & Building Liquid, ECPI World ESG Equity, ECPI Euro ESG Equity, ECPI Global Ethical Equity, ECPI EMU Ethical Equity, ECPI Euro Ethical Equity, and ECPI European Top 10 ECO Real Estate Equity.

2.4.7.3. Green Bonds

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 issuer. 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: net proceeds from issuing the "Green Bonds" are used to finance (through loans or equity) construction and/or new development projects. The Eligible Assets are defined as below:
  - new or ongoing projects (including brownfield, greenfield and/or extension/renovation projects);
  - and/or existing assets under management by Unibail-Rodamco SE or any of its subsidiaries, which:

  a) have received a "BREEAM" Certificate[1] 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 In-Use Certificate (or any equivalent certification) in respect of the asset and building management, respectively Part 1 (Asset) and Part 2 (Building Management), of at least (and including) "Very Good" under the BREEAM[1] assessment (www.breeam.org) 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 Vigéo (or any other third party appointed by the Issuer as a successor to Vigéo 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 publication: Each year, Unibail-Rodamco SE is also expected to list in its Annual and Sustainable Development Report the Eligible Assets funded by the proceeds of Bond issues, including the following indicators for these Eligible Assets: environmental impact, energy performance, impact on local communities and the well-being of visitors and tenants, to be published on the issuer's website (the "Indicators") (www.unibail-rodamco.com).

Relevant and ambitious social and environmental criteria

The social and environmental criteria have been developed with and validated by Vigéo. 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 projects: BREEAM certification with a minimum score of "Very Good"	√	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 – Monitor the environmental impacts of the eligible assets	6	3
IV – Promote sustainable and enduring relationships with tenants and visitors	1	5
V – Promote social and environmental factors with suppliers	4	4
SUB CRITERIA (TOTAL)	**17**	**13**

Green bonds issued by Unibail-Rodamco[2]

Unibail-Rodamco has issued three "green bonds":

- 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).

(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).*

(2) *Issuing of Green Bonds and allocation of funds are validated by the Group Asset & Liability Management Committee (ALM Committee, see section 6.2.2.2. Risks associated with access to funds, interest rate, counterparties and capital markets) following a specific procedure that has been formalised internally.*

	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 million	1.5 billion	€500 million
Maturity	10 years	5 years	10 years
Coupon	2.5%	Stibor 3 million +78 bps	1%

◆ Current allocation of Unibail-Rodamco's Green Bond proceeds

In accordance with the internal procedures governing the analysis, selection and monitoring of the Group's Green Bonds, proceeds from bond issues are allocated to the selected assets based on the previously-identified list of "eligible assets". In the case of an asset disposal during the funding period (*i.e.* prior to the bond issue maturity), the proceeds initially allocated to the disposed asset shall be reallocated to another "eligible asset" held by the Group, based on the same process.

This was the case in 2017: on October 2, 2017, Unibail-Rodamco disposed of the So Ouest Plaza asset, to which 24% of the GB III proceeds had been allocated for a funding period lasting until 2025. Therefore, the partner proceeds were reallocated to the extension of Carré Sénart.

The allocation of the proceeds from the three Green Bonds is illustrated below:

	GB I €750 million			GB II SEK 1.5 billion	GB III €500 million	
	Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Business	Shopping Centre	Shopping Centre	Shopping Centre	Shopping Centre	Offices	Shopping Centre
Funds allocated to projects *(%)*(1)	20%	40%	40%	100%	68%	8% +24%
GLA scope of consolidation *(m^2)*	53,500	48,500	83,300	103,200	65,600	31,448
2016 Visits *(million)*	9.4	7.4	8.7	14.1	n.a.	n.a.
Opening date to public	April 4, 2012	October 16, 2012	October 16, 2013	November 11, 2015	Delivered in July 2014	October 25, 2017

(1) Allocation carried out through internal loans.

◆ Annual report on the Unibail-Rodamco Green Bond and Use of Proceeds (for GB I and GB II issued in 2014)

CONSTRUCTION PHASE

◆ *BREEAM prerequisite*

			GB I €750 million			GB II SEK 1.5 billion
Prerequisite	Criteria	Commitments/supporting elements	Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia
Environmental certification	BREEAM	Minimum BREEAM rating of "Very Good"	Very Good(2)	Excellent(3)	Excellent(4)	Excellent(5)

(2) Has achieved an interim overall score of 59.92% and a BREEAM rating of "Very Good" under the "2008 version of BREEAM international".
(3) Has achieved a final overall score of 78.4% and a BREEAM rating of "Excellent" under the "2009 version of BREEAM Europe commercial retail".
(4) Has achieved a final overall score of 70.5% and a BREEAM rating of "Excellent" under the "2009 version of BREEAM Europe commercial retail".
(5) 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*

Domains	Criteria	Sub criteria	GB I €750 million		GB II SEK 1.5 billion	
			Lyon Confluence (Lyon)	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 ratif ication of conventions related to Human Rights, and Labour Rights **KPI: country score Vigeo (out of 100)**		97.22/100(1)		97.22/100(1)
	Democratic institutions	KPIs related to: Political Freedom and Stability; Prevention of corruption; Press freedom; Independence of the judicial system; Legal certainty **KPI: country score Vigeo (out of 100)**		88.48/100(1)		99.55/100(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)	**30 m**	**45 m**	**40 m**	**120 m**
		KPI: Distance to a public transport mode *(m)*	tramway	bus line	bus line	train
		Promote the potential use of alternative transport solution and sustainable mobility	√	√	√	√
III – Monitor the environmental impacts of the eligible assets	Environmental Management Systems (EMS)	Involvement of an external environmental consultant	√	√	√	√
	Sustainable "Design" Attitude	Commissioning Report	√	√	√	√
	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%**(2)	**-57.7%**(2)	**-55%**(2)	**-32%**(3)
	Biodiversity conservation and landscape integration	Involvement of an ecologist during the Project Phase	√	√	√	√
IV – Promote 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 – Promote social and environmental factors with suppliers	Social responsibility towards suppliers' workers	Promote if possible health & safety coordinator contract (or equivalent)	√	√	√	√
	Integration of environmental and social factor in the supply chain	Promote access control to building site	√	√	√	√
		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 2018.
(2) According to dynamic thermal simulation aligned with RT 2005 requirements.
(3) According to Swedish thermal building regulation (BBR 17).

OPERATION PHASE

◆ *BREEAM In-Use prerequisite*

			GB I €750 million			GB II SEK 1.5 billion
Prerequisite	Criteria	Commitments/supporting elements	Lyon Confluence (Lyon)	So Ouest	Aéroville	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 Re-certified on Dec. 22, 2016(2)	(P1): Excellent (P2): Outstanding Obtained on Dec. 11, 2014 Recertified on Dec. 21, 2017(3) (P1): Outstanding (P2): Outstanding	(P1): Excellent (P2): Outstanding Obtained on July 28, 2015	(P1): Excellent (P2): Excellent Obtained on Nov. 29 2017(3)

(1) According to "BREEAM In-Use International" scheme.
(2) According to "BREEAM In-Use International 2015" scheme, scores maintained.
(3) According to "BREEAM In-Use International 2015".

2.

13 sub criteria

				GB I €750 million		GB II SEK 1.5 billion
Prerequisite	Criteria	Sub criteria	Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia
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 tenant supported jobs (FTE)**	**869**[1]	**735**[1]	**1,387**[1]	**1,639**[1]
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 years after opening) **KPI: Annual health & safety audit (rating from A to D)**	**A**[2]	**A**[2]	**A**[2]	**A**[2]
	Carbon intensity management	Assess energy consumption and CO_2 emissions with potential action plan if needed **KPI: Energy intensity** *(kWh/visit)* **since measured baseline** **KPI: Carbon intensity trend** *(in CO_2/visit)* **since measured baseline**	**-42.7% kWh/Visit** **-46.3% CO_2/Visit** (2017/2013)	**-14.6% kWh/Visit** **-6.0% CO_2/Visit** (2017/2014)	**-14.9% kWh/Visit** **+19.4% CO_2/Visit** (2017/2015)	Expected in 2018 Annual Report[3]
IV – Promote 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)**	**69/100**	**75/100**	**72/100**	**74/100**
	Sustainable relations with visitors	4-Star labelling or equivalent if applicable	√	√	√	√
		Conduct satisfaction survey **KPI: Overall satisfaction score (out of 100)**	**82/100**	**78/100**	**84/100**	**87/100**
		Relevant safety management (*e.g.* video protection plan)	√	√	√	√
V – Promote 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	√	√	√	√

(1) Source: Shopping centre economic impact study performed by Beyond Financial.
(2) In-house risk audit – methodology and detailed scores in Section 2.3.2.7. Health, safety and environmental risks and pollution of the Financial Report.
(3) 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

			GB III €500 million	
Prerequisite	Criteria	Commitments/supporting elements	Majunga	Carré Sénart ext
Environmental certification	BREEAM	Minimum BREEAM rating of "Very Good"	Excellent(1)	Excellent(2)

(1) Has achieved a final overall score of 76.2% and a BREEAM rating of "Excellent" under BREEAM "2009 Europe commercial office".
(2) Has achieved a final overall score of 78.1% and a BREEAM rating of "Excellent" under "2009 BREEAM Europe commercial retail".

17 sub criteria

			GB III €500 million	
Domains	Criteria	Sub criteria	Majunga	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 Human Rights, and Labour Rights **KPI: country score Vigeo (out of 100)**	97.22/100(1)	
	Democratic institutions	KPIs related to: Political Freedom and Stability; Prevention of corruption; Press freedom; Independence of the judicial system; Legal certainty **KPI: country score Vigeo (out of 100)**	88.48/100(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 public transport** *(m)*	**440 m** La Défense Interchange	**150 m** Bus line
		Promote the potential use of alternative transport solution and sustainable mobility	√	√
III – Monitor the environmental impacts of the eligible assets	Environmental Management Systems ("Sustainable Design Attitude")	Involvement of an external environmental consultant	√	√
		Commissioning Report	√	Pending(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)	**-53.1%**(4)
	Biodiversity conservation and landscape integration	Involvement of an ecologist during the Project Phase	√	√
IV – Promote 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%**	**95%**(5)
V – Promote 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 Vigéo – February 2018.
(2) Commissioning report expected in 2018 for Carré Sénart extension.
(3) According to thermal regulation RT 2005.
(4) According to dynamic thermal simulation aligned with RT 2012 requirements.
(5) as at December 31, 2017.

OPERATION PHASE

◆ "BREEAM In-Use" prerequisite

Prerequisite	Criteria	Commitments/supporting elements	GB III €500 million Majunga	GB III €500 million Carré Sénart ext
Environmental certification	Breeam in-use	BREEAM In-Use scores minimum "Very Good" for Asset (P1) and Building Management (P2)[(1)]	(P1): Excellent (P2): Excellent Obtained on Nov. 29, 2017[(2)]	Expected in 2020 Annual Report

(1) According to "BREEAM In-Use International" scheme.
(2) According to "BREEAM In-Use international 2015".

◆ 13 sub criteria

Prerequisite	Criteria	Sub criteria	GB III €500 million Majunga	GB III €500 million 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)**	**N/A**	Expected in 2019 Annual Report
III – Monitor 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 year after opening) **KPI: Annual health & safety audit (rating from A to D)**	**A**[(1)]	Expected in 2019 Annual Report
	Carbon intensity management	Assess energy consumption and CO_2 emissions with potential action plan if needed **KPI: Energy intensity** *(kWh/occupant)* **since measured baseline** KPI: Carbon intensity trend *(in CO_2/occupant)* since measured baseline	**+35% kWh/occupant** **+53% CO_2/occupant** (2017/2016)	Expected in 2019 Annual Report[(2)]
IV – Promote sustainable and enduring relationships with tenants and visitors	Sustainable relations with tenants	Organise on site Sustainability Committee	√	Expected in 2018 Annual Report
		Conduct satisfaction survey with retailers **KPI: Overall satisfaction score (out of 100)**	**N/A**	Expected in 2018 Annual Report
	Sustainable relations with visitors	4-Star labelling or equivalent if applicable	**N/A**	Expected in 2018 Annual Report
		Conduct satisfaction survey **KPI: Overall satisfaction score (out of 100)**	**N/A**	Expected in 2018 Annual Report
		Relevant safety management (*e.g.* video protection plan)	**N/A**	Expected in 2018 Annual Report
V – Promote 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 factors 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

(1) In-house risk audit – methodology and detailed scores in Section 2.3.2.7. Health, safety and environmental risks an pollution of the Financial Report.
(2) No data available for Carré Sénart extension due to ongoing works in 2017.

◆ 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 check includes an in-depth review of the documentary evidence for each domain and criteria (for each phase) and detailed on-site audits including "Mall of Scandinavia" in 2017. The EY reasonable assurance report is available below.

Independent report of one of the Statutory Auditors on compliance with environmental and social criteria for selection and monitoring of assets eligible for Green Bonds and the allocation of funds raised under these obligations

This is a free translation into English of the original report issued in the French language and it is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and construed in accordance with, French law and applicable regulations in France.

Year ended December 31st, 2017

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 2017.

Responsibility of the company

It is the responsibility of the Company's Chairman to establish the Selection and Monitoring Criteria and ensure their implementation.

Independence and quality control

Our independence is defined by regulatory requirements and the Code of Ethics of our profession and the conditions laid down by Article L. 822-11-3 of the French Commercial Code. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards and applicable laws and regulations.

Responsibility of the statutory auditor

- It is our role, based on our work to express a reasonable assurance as to whether the assets selected for Green Bonds in effect on December 31st 2017 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 2017.

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.

1. REASONABLE ASSURANCE REPORT ON ENVIRONMENTAL AND SOCIAL CRITERIA FOR SELECTION AND MONITORING

Nature and scope of work

In order to be able to express our conclusion, we undertook the following work, between November 2017 and February 2018:

- 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 six assets monitored in the framework of bonds issued during the previous financial years (Lyon Confluence, So Ouest, Aéroville, Mall of Scandinavia, Majunga and Carré Sénart Extension).

Information or explanations on the Selection and Monitoring Criteria

- The Selection and Monitoring Criteria only cover environmental and social aspects of eligible assets, and exclude their economic aspects. These criteria are the minimum requirements to be met by eligible assets in order to be considered as Green Bonds. They are related to construction and operating phases and the monitoring of assets. The company also publishes the justification or the confirmation of the compliance with each criterion for the selected assets in the chapter « 2.4.7.3 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 or recently delivered (e.g. Carré Sénart extension, Majunga), the expected date of compliance with these criteria is specified in the detailed table by asset in the chapter 2.4.7.3 of the Management Report.

Conclusion

In our opinion, the assets selected for Green Bonds in effect on December 31st, 2017 comply, in all material aspects, with the Selection and Monitoring Criteria.

(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 2017) are available on the website of the ICMA (International Capital Market Association) http://www.icmagroup.org*

2. ATTESTATION ON FUNDS ALLOCATION

It is also our responsibility to express our conclusion on the funds allocated to the assets that were selected and on the consistency between the amount of funds allocated to these assets within the framework of the Green Bonds issuance and the accounting records and their underlying data, knowing that no new "Green Bond" was issued in 2017.

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, 2017. 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 "2.4.7.3 Green Bonds Framework and Reporting" in the 2017 Management Report;
- verify that the internal loans or financing contracts signed with the subsidiaries owning Lyon Confluence, So Ouest, Aéroville, Mall of Scandinavia, Majunga, and Carré Sénart Extension are still running on 31 December 2017, knowing that in date of the issuance of our report, on the respect of environmental and social **Selection and Monitoring** Criteria for the selected assets for "Green Bonds" and on the allocation of funds raised for these obligations in date of 31 December 2015, we verified that these contracts mention the source of the funds;
- The So Ouest Plaza asset, covered by green bonds financing since 2015 was sold at the end of 2017. The funds initially allocated to this asset were reallocated to another eligible asset (Carré Sénart Extension), in addition to the existing financing.
- verify the consistency between the information provided in the introduction of chapter "2.4.7.3 Green Bonds Framework and Reporting" of the 2016 Management Report for the year ended December 31st, 2017 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 2017 and that the funds initially allocated to So Ouest Plaza were reallocated post closure.

Paris-La Défense, the 23 of March 2018,

French original signed by:

One of the Statutory Auditors
ERNST & YOUNG Audit

Jean-Yves Jégourel

Eric Duvaud
Sustainability Expert

2.4.7.4. Green Loans

In April 2017, Unibail-Rodamco took out a Green Loan of €650 million with a banking syndicate. This was the first "green" syndicated credit facility in Europe. In addition to the usual credit rating, the credit margin for the facility is dependent on the green covenants entered into by the Group. If the green covenants are adhered to, the "green" margin, which is lower, will be applied, whereas in the case of a failure to adhere to the covenants the penalty margin will be applied. This is an innovative system whereby environmental performance has a direct impact on the price of the credit facility. The approach is complemented by a transparency obligation, whereby the Group must ensure that compliance with its green covenants is checked by an independent verifier, together with the environmental, social and societal information published in this report.

2.5. COLLECTIVE POWER @ UNIBAIL-RODAMCO

◆ Pillar 4: Better Places Less top down – Better collective power

A CSR strategy is fully effective only if supported by all and sustained by the motivation of employees and stakeholders. The achievement of the ambitions laid out in the first three « Better Places 2030 » pillars is conditioned to the involvement of the entire Group ecosystem.

For this reason, Unibail-Rodamco reinforced its Human Resources commitment towards employees with additional social and environmental ambitions:

- 100% of the Group's employees have individual CSR objectives;
- 100% of the employees are offered the volunteering program UR involved!;
- 100% of the Group's company cars gradually replaced by hybrid or electric vehicles;
- 100% of the greenhouse gas emissions related to employees' business travel by air or by train are offset through carbon credits.

2.5.1. TALENT MANAGEMENT AND ENGAGEMENT

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.

Employees receive regular support and advice on career development. They meet with their managers once a year for year-end appraisals, and also have the opportunity to provide feedback all year long through a specific process that was put in place in 2017. This gives them the opportunity to discuss their performance, objectives, career advancement and training needs.

Unibail-Rodamco's competency model was updated in 2014 to include in the appraisal methodology the six values and expected behaviours outlined in the UR Experience.

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's bi-yearly evaluation since 2014 and is now firmly embedded in the mindset and day-to-day activities of all employees.

This gives 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 2017, 234 employees made a lateral or geographical career move within the Group, 277 employees (13.7% on average) were promoted and 43 conducted an international mobility (compared to 44 in 2016).

Several talent development initiatives took place in 2017:

- a Leadership Program was launched to support the professional development of managers in the Principal grade, and to build their European network within the Group. In 2017, 12 Principals from 8 countries participated to the Program including a new training "From Management to Leadership", developed with a former McKinsey consultant and a leadership seminar;
- the Executive Leadership Development Program designed in 2016 was renewed in 2017 with experienced managers, with a view to develop the future leaders of Unibail-Rodamco;
- to harness collective intelligence and innovation, open new career perspectives and promote diversity within teams, the Group continued to develop its Innovation Champions network through its internal "Innovation Champion Graduate Programme". Either remaining in their operational roles and dedicating up to 20% of their time to innovation projects, or being involved in UR Lab, the Group's dedicated R&D team on a full-time basis. 25 employees from various functions and countries completed a phase or more of an innovation project on a Group level. All participants received specific training and coaching in areas such as brainstorming and design thinking, as well as pitched their project outcomes at various innovation meetings and workshops.

Following the 2016 edition of the UR Experience Survey which was the first survey on employee engagement for Unibail-Rodamco, over 60 actions were implemented in 2017 at Group and regional levels, covering areas such as homeworking, transparency on compensation and benefits policy, diversity and improved tools and processes, to mention a few.

2.5.2. UR ACADEMY – DEVELOPING PEOPLE

In 2017, learner experience, internationalization and innovation were the key-words for the UR Academy. To ensure that the needs are quickly met *via* PC, iPad and iPhone, the Academy has intensified the creation of e-learning and provides now 14 different modules.

To guarantee employees have the relevant knowledge and skills, training paths were created in collaboration with each department director. The Academy also wants to create iconic events like the Operating Management Conference, the EGP Seminar, the UR Fundamentals and the Trainers Club.

In 2017, Business training represented almost 67% of training hours delivered and 81% of trainees. These trainings are delivered by internal experts and senior Managers of the Group, and emphasize the importance of Unibail-Rodamco's expertise.

The UR Academy is also a powerful lever to accelerate the internationalization on the Group, by fostering newtoring between European participants, and through specific training on "Managing in Intercultural Environment".

Finally, the UR Academy continued supporting diversity with dedicated training such as "Gender balanced Leadership" and "Unlocking Potential of Women Leaders".

In figures:

2,028
number of employees trained

22.8
average number of training hours per employee

International focus
Prague, Dusseldorf, Paris and Amsterdam

Unibail-Rodamco values authentic leadership and supports future managers by developing a training path tailored to their international management environment.

A total of 14,646 personal development training hours were provided in 2017 (vs 9,900 hours in 2016), including 2,244 hours dedicated to leadership.

Similarly, to ensure the best possible preparation for future Group leaders, UR Academy held several major international events in 2017:

Name	Number of people trained in 2017	Total hours in 2017
Gender Balanced Leadership	76	308
Unlocking Potential of Leaders/Women @ UR	42	630
From Management to Leadership	36	1,044
Intercultural Training	40	320.5

Since 2017, the Learning Management System is available for all Regions and allows employees to access the training offer of the Academy. The learner experience was greatly improved with the creation of a knowledge bank providing all training materials, accessible to all employees in the Group at any time. A Q&A section has also been created to help users navigate the platform.

KPI:TRAINING [G4-LA9]

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

	2015	2016	2017
Total hours attended	41,023	43,404	45,832
Average number of hours per employee(1)	20.6	21.8	22.8

(1) Based on average headcount for the year.

2.5.3. ATTRACTING THE BEST

With the support of Universum, the global leader in employer attractiveness research and insights, Unibail-Rodamco formalized for the first time its Employer Value Proposition through the definition of 3 main themes: Inspiring Impact, Stimulating Challenges and Empowering Talent. This new employer branding identity resulted in the launch of an external communication campaign in September 2017 on offline & online media.

The Group consolidated its partnership with the CEMS Global Alliance, with the renewal of the mandate of Unibail-Rodamco Group HR Director as Member of its Executive Board. In 2017, 25% of graduates recruited through the European Graduate Programme (EGP) hold a CEMS Master's degree.

Overall, trough the European Graduate Programme, the Group recruited 48 young graduates in 2017 from among Europe's most prestigious universities, engineering and business schools, increasing international and gender diversity. The Group led a total of 159 EGP assignments during the year. For the third year in a row in Germany, the European Graduate Programme won the 2018 Graduate Trainee Award in recognition of its status as one of the best programmes of this type.

The URmall business game was held for the fourth time and attracted 245 candidates across Europe to work on the Group's strategy to build better places. 45 students were chosen during a regional selection phase held in 8 European capital cities. In all, 21 finalists were given the opportunity to travel to the Group's Headquarters in Paris to work in teams on potential start-up collaborations with Unibail-Rodamco and present their findings to the Management Board.

Rewarding the quality of the Group's career opportunities and attractiveness, Unibail-Rodamco received in 2017 a number of awards:

- it was certified once again as one of the "most attractive employer" for French students, and for the first time for Dutch students as well (Universum survey 2017). On a similar survey for experienced professionals, Unibail-Rodamco was recognized as an attractive employer in France, Sweden and the Netherlands;
- Unibail-Rodamco reiterated its commitment to training young talent when it was selected among 1,500 companies to receive the Happy Trainees label for the third year in a row. Some 94.7% of our trainees recommend the Company, giving us an overall score of 4.31/5 as regards to their experience with the Group;
- finally, Unibail-Rodamco France received the "HappyAtWork for Starters" label delivered by choosemycompany.com. The Company was ranked fifth as a great place to start a career, in the category of companies with fewer than 1,000 employees.

While maintaining the focus on internal mobility, several key senior management-level recruitments were made in 2017, bringing to the Group a variety of experience and a more international profile. At Group level, 26 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.

To speed up recruitment, the Group launched a referral programme called *coopt@ur*. 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 her/his choice.

Since the launch of the program in October 2016, 160 eligible candidates were referred in all countries and 20 were successfully recruited. €21,000 were donated all over Europe to charities through this referral programme.

Unibail-Rodamco continued to reinforce its presence on professional social networks such as LinkedIn, with its almost 34,000 followers. The Group enriched its editorial line with 121 posts published in 2017, representing a 40% increase since 2016, while the average number of likes on these posts increased in 2017 by 27%.

Employee turnover in 2017, 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 2016, stood at 17.3% (compared with 17.1% in 2016).

KPI: Recruitment [G4-10, G4-LA1]

Total new employees (excluding trainees)

Employees by contract type	2016	2017
Permanent contracts	357	315
Fixed-term contracts	55	51
Apprenticeships [1]	19	25
TOTAL	**431**	**391**

(1) Excluding traineeships.

KPI: Departures [G4-LA1]

Total number of departures (excluding trainees)

Reasons for departure	2016	2017
Resignations	163	171
Dismissals	66	58
Mutual agreements	57	57
Retirements	14	11
Departures during trial period	25	38
Expiry of fixed-term contracts	46	53
Outsourcing	26	4
Death	2	1
TOTAL	**399**	**393**

2.5.4. EQUAL OPPORTUNITY AND INCLUSION

Average headcount for the Group in 2017 was 2,012 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.

Since 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.

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 forms of discrimination and harassment. Candidates are encouraged to submit anonymous CVs through the Group's corporate website.

Pursuant Sapin II law regarding whistleblowing policy, Unibail-Rodamco has completed its reporting system by encouraging company staff and contractors to reveal or report any fact relating to a crime, offense or a serious and manifest violation of French law or regulation to the Compliance Hotline.

Since 2015, the Group has been developing its Equal Opportunities project to promote diversity in its Talent Management policy. Action plans involving KPI monitoring have been launched on a region-by-region basis under the sponsorship of the Human Resources Department.

In 2017, 30.4% of positions at Principal grade and above were held by women, compared to 28.4% in 2016.

The Women@UR network is now present in all regions. It includes a mentoring programme and events with well-known guest speakers. The Regional Managing Director for Central Europe and the Director of Human Resources for Spain are sponsors for the Women@UR initiative at Group level, thus ensuring its European dimension.

A half-day seminar on Gender Balanced Leadership was designed to raise awareness on managing diversity in the workplace and 83 top managers were trained. A two-day leadership development course designed in conjunction with McKinsey was held for the sixth consecutive year and 42 women were trained in 2017.

In 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 French recruitment team participates in forums on 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 26 disabled employees in 2017. An action plan entitled "Handicap and Performance" was put in place in France, which included a quizz launched during the European disability employment week as well as training on how to recruit, welcome and work with disabled people. In several countries, the Group also purchases office supplies from companies that employ people with disabilities.

KPI: Employment by country [G4-10, G4-LA12]

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

	2016	%	2017	%
Austria	56	2.8%	60	3.0%
Czech Republic	47	2.4%	49	2.5%
Denmark	8	0.4%	8	0.4%
France (1)	1,022	51.3%	1,059	52.6%
Germany	467	23.5%	434	21.6%
Netherlands	68	3.4%	74	3.7%
Poland	62	3.1%	69	3.4%
Slovakia	10	0.5%	9	0.4%
Spain	153	7.7%	149	7.4%
Sweden	97	4.9%	101	5.0%
TOTAL	**1,990**	**100.0%**	**2,012**	**100.0%**

(1) Including all Viparis employees (379 in 2016 and 376 in 2017)/employees seconded to CAML (1 in 2016 and 1 in 2017).

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, 2017

27% On site

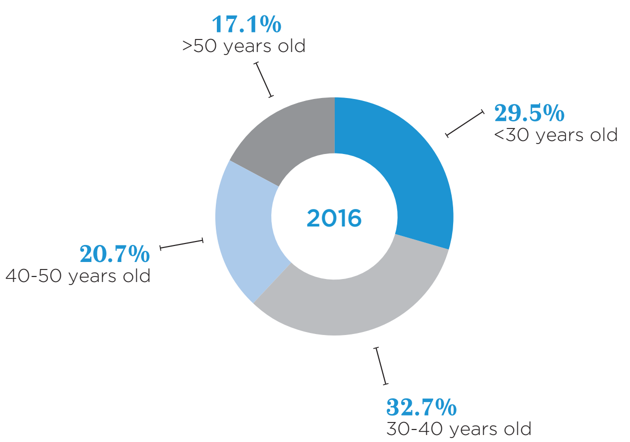
19% Convention & Exhibition venues

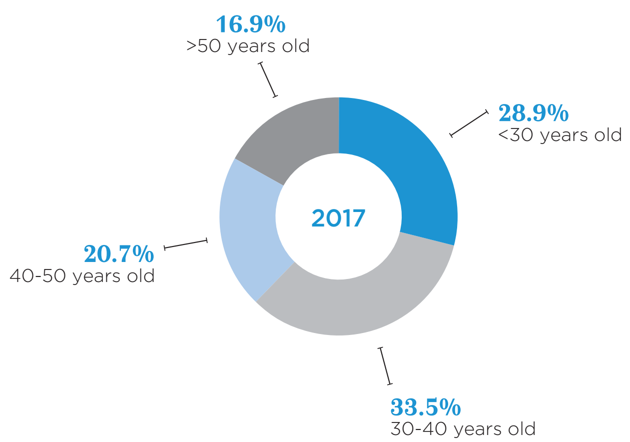
24% Operations

30% Support functions

KPI: Employment by age [G4-10, G4-LA12]

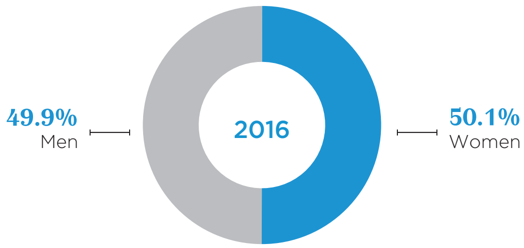
Workforce as at December 31, 2017

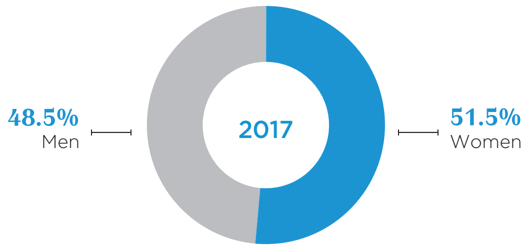




KPI: Employment by gender [G4-10, G4-LA12]

Workforce as at December 31, 2017





2.5.5. EMPLOYEE COMMITMENTS AND CSR

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 asset in direct contact with the local communities.

Individual Targets

Employees of Unibail-Rodamco are actively involved, accountable of their own contribution to collective success through individual CSR objective. In 2017, members of the Management Board, the Group Management Team and the management teams in each of the countries (68 people in total) have been assigned CSR objectives, used to determine their year-end Short-Term Incentive.

A number of (both general and specialist) training courses have been updated to raise employees' awareness of the importance of their actions and the relevance of the strategy on a day-to-day basis.

Launch of the UR Involved! Programme

2017 was also the year in which the UR Involved! ("Unibail-Rodamco commits") Programme was launched. The Programme offers each of the Group's employees (excluding Viparis) the opportunity to dedicate a working day to supporting social action.

Each employee was able to select one of the 27 social initiatives set up by the Group in 2017 to match their interests and geographical or time preferences.

44% of Unibail-Rodamco employees (*i.e.* 719 employees) volunteered to spend one day supporting young job seekers, help charities overall running educational workshops or refurbishing care centres for disadvantaged children.

Employees spent more than 4,400 working hours (representing more than 550 working days) working actively to help young people to build the world of the future.

Promoting Eco-gestures at Work

To be consistent and set an example, change is also driven by offering all its employees the work setting and resources needed to improve their habits and reduce their impact on the environment. In particular, as regard 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 are offset through a reforestation or ecosystem preservation program.

In order to make offices more sustainable and environmentally friendly, all employees were encouraged to express their suggestions on how to make their workplace much "greener" by launching a Group "Work greener" contest. As a result, actions were taken such as electronic pre-paid lunch, card instead of paper voucher, reduction of the number of individual printers, changing plastic cups and plastic bottles to personal mugs and glass bottles, as working consistently on implementing new suggested ideas.

Supporting partnerships to foster Better Places

The success of the "Better Places 2030" strategy and the speed with which it is implemented depend on stakeholders' contributions. They are thus involved in innovative initiatives and strategic partnerships to accelerate the transition. Unibail-Rodamco develops 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. 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.

UR Link, the Group's start-up accelerator programme is a concrete example of the action of the Group and its employees to engage with its ecosystem to find solutions.

Since its creation, UR Link has supported 19 start-ups, seven of which have CSR ambitions, with regard to the circular economy, mobility, urban agriculture and back-to-work plans.

The third season of the UR Link programme saw Unibail-Rodamco continuing to address CSR themes by working on pilot projects with *Phenix* to optimise and reduce centre waste, and with *Combo Solutions* to simulate the carbon impact generated by our asset development and operations. In 2017, the Group also tested a UR Link rollout to the Germany region.

A key element in this programme is the involvement of Unibail-Rodamco employee. Indeed, each start-up is supported during the four months of acceleration by one or two employees who help them test and prove their concept in one of the Group's asset.

This added value is essential for the accelerated start-ups and a key element of success of the programme. After three seasons, over 40 Unibail-Rodamco employees have been involved in supporting start-ups and dedicating a significant time.

2.5.6. WELL-BEING AT WORK

2.5.6.1. Work life Balance

Better collaboration and work-life balance have been identified as areas of improvement in the 2016 UR Experience survey. In a fast-paced and stimulating work environment, the Group always pays attention to the way its employees work together and keeps improving it. To foster better collaboration within the Group and as part of the UR Experience, the Together@Work charter, launched in 2017, defines six smart behaviours in the workplace. From valuing everyone's time to being tech smart, they focus on what each employee can do individually and collectively to encourage work-life balance and a productive and sustainable work environment, while supporting long-term engagement and the Group's performance. To raise awareness on these smart behaviours, the Together@Work charter has been included in the newcomers' presentation and in managerial trainings.

A homeworking initiative was launched in France in 2016. Today, 60 people across Europe are benefiting from this flexwork arrangement. This will be extended in the course of 2018.

In 2013, the Group signed the parenthood charter.

2.5.6.2. Working Environment

The *WorkSmarter* initiative, launched in 2014, still 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 countries 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.

In May 2017, *7Garden* was inaugurated, a urban agricultural rooftop, in line with Unibail-Rodamco's CSR strategy "Better Places 2030", and a workspace composed of 3 outdoor meeting spaces. Located at the Group's headquarters in Paris, the rooftop-terrace was created by Sous les Fraises, a UR Link startup and a pioneer in the organic production of edible plants in urban areas.

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.

Local initiatives in all regions encourage sports and healthy activities and family friendly practices.

In the Nordics, the Company subsidizes and promotes employee participation in different running competitions and yoga-classes are held by employees for employees. Furthermore, the Nordics contribute with a fixed monetary reimbursement amount for individual health and well-being activities per year. Breakfast meetings are organized once a month on different topics, two of these included work environment and work-life balance.

In France, 54 employees took part in the *Foulées de l'Immobilier* sports event in support to the Abbé Pierre Foundation in 2017. The "vitality room" offers sports classes, relaxation sessions including yoga, free balance, Pilates and cross-training and also conferences on well being topics. In the Netherlands, the following events were supported: a breakfast seminar on workstress & health and free medical health checks for all employees above 40.

In Austria childcare vouchers were implemented. They can be used with more than 100 institutions who offer childcare during the year, enabling a better work-life balance.

In Germany a Health Day was conducted for the first time, including workshops and information on a healthy lifestyle. Health check-ups were also offered to our employees throughout the year.

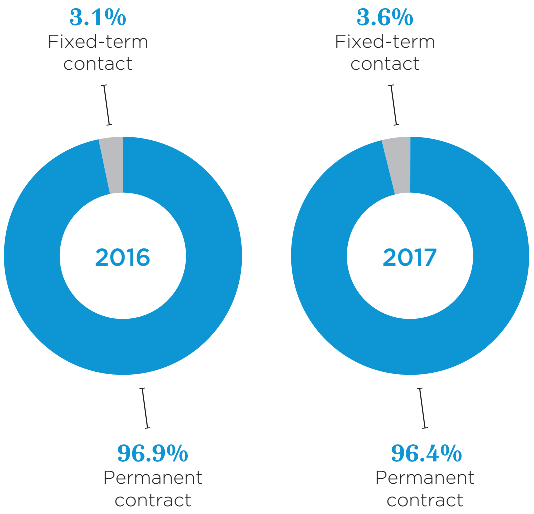
In Spain, UR running events have been launched which have entailed the participation of several team members in Madrid, such as the "Carrera de las Empresas" where different companies participate.

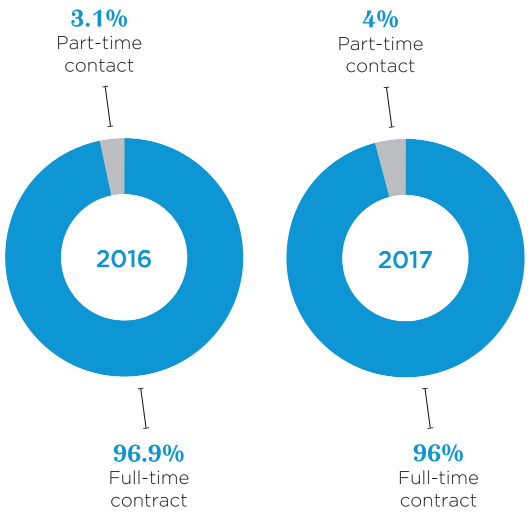
Most countries in which the Group operates offer their employees fresh fruit or complimentary drinks. The Group organises Christmas parties for its employees and also invites them to openings of new shopping centres such as Carré Sénart, Glories or Wroclavia.

The Group continued its risk prevention training strategy in 2017, 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.

KPI: Employment contracts [G4-10]

Headcount as at December 31, 2017





In 2017, sick leave represented 10,305 working days (2.4% of total working days) and days of absence for work-related/commuting accidents or illness represented 694 working days (0.2% of total working days):

- absenteeism is monitored in each region and information is sent to management on a regular basis;
- causes of work-related accidents are analysed and measures are taken to prevent them recurring. Injury frequency and severity rates in 2017 were 3.30% and 0.10%, respectively[1].

KPI: Absenteeism [G4-LA6]

Accident type	2016 Number of incidents	**2017 Number of incidents**
Work-related accidents causing injury	11	11
Commuting accidents causing injury	13	15
Work-related/commuting accidents causing death	0	0

	2016 Number of working days	2016 Ratio	**2017 Number of working days**	**2017 Ratio[1]**
Lost days for work-related/commuting accidents	629	0.1%	694	0.2%
Lost days for work-related illness	0	0.0%	0	0.0%
Lost days for sick leave	12,925	3%	10,305	2.4%
Lost days for personal/family events	1,263	0.3%	1,388	0.3%
TOTAL	**14,817**	**3.4%**	**12,387**	**2.8%**

(1) The absenteeism ratio is calculated in working days: total number of days absent in 2017 divided by the average number of working days in 2017 multiplied by average headcount in 2017.

The absenteeism ratio does not include absence for maternity/paternity/parental leave, representing 15,144 working days (3.43% of total working days). The absenteeism ratio does not include other absences such as sabbatical leave, which represents 1,181 working days (0.27% of total working days).

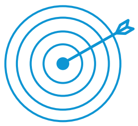
(1) The frequency rate is the number of work-related accidents in 2017 multiplied by 1,000,000 and divided by the number of hours worked. The injury severity rate is the number of days lost due to work-related accidents in 2017 multiplied by 1,000 and then divided by the number of hours worked.

2.5.7. REWARDS & RECOGNITION

Unibail-Rodamco's rewards and recognition 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

A competitive total remuneration

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

Group Compensation and Benefits team and Regional Directors of Human Resources use benchmarks from established external professionals and *ad-hoc* studies to ensure attractiveness of Unibail-Rodamco's compensation package compared to relevant markets.

Total remuneration(1)	2014/2015	2015/2016	2016/2017
Annual increase in average salary, including STI	3.20%	3.85%	4.09%

(1) Based on like-for-like headcount.

A differentiated and selective rewarding

The STI rewards individual annual performance, personal engagement, team spirit, coherence to the Group's values and contributions to the Group's initiatives.

LTI aims to attract, reward and retain key talent for the future of the Group, engaging beneficiaries with Unibail-Rodamco's long-term performance through this equity compensation tool.

Variable remuneration	2015	2016	2017
STI beneficiaries(1)	66.4%	73.2%	78.3%
Stock option and Perfomance Shares beneficiaries	15.2%	16.3%	16.3%

(1) STI paid in year Y to employees on the payroll at December 31 of year Y-1.

In 2017, 611,611 performance Stock-Options and 39,770 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.

In addition, the Group employer contribution to the employee savings plan in 2017 was €578,667.

As at December 31, 2017, 76.9% of eligible employees (excluding Viparis) were Unibail-Rodamco shareholders through the Group's Savings Plan.

A non-discrimination policy

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

	2015/2016		2016/2017	
	Female	Male	Female	Male
Salary increase beneficiaries[1]	48.2%	46.0%	51.9%	52.0%
STI beneficiaries[2]	70.3%	75.9%	78.8%	77.7%

(1) Based on like-for-like headcount
(2) STI paid in year Y to employees on the payroll at December 31 of year Y-1.

A structured validation process

Fixed salaries and short-term Incentives are decided year end for all employees. Every decision carefully balances the role, seniority, performance, and contribution to Group initiatives and the Group's values. The Group values achievements, and also the manner in which they are carried out.

Unibail Rodamco's compensation policy is applied consistently, through a thorough process, with no compensation decision taken by only one person. Once a year, a 360° review 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 across functions and often members of the Management Board.

2.5.8. 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 60 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, 2017, 68.70% of employees were covered by a collective agreement.

2.

2.6. 2017 ACHIEVEMENTS & "BETTER PLACES 2030" OBJECTIVES

After launching "Better Places 2030", the Group adjusted its long-term CSR targets to align with the material issues identified through the materiality study that was done in 2012 and then updated in 2015.

Pillars	Material issue	Target/engagement	Scope (1)	Deadline	Progress	Actions
1 **Less carbon emissions, better buildings**	**Construction and carbon**	Reduce by 35% the construction carbon footprint *(CO_2/m²)* by 2030 compared to the 2015 level	C + B	2030	13%	In 2017, the carbon construction footprint decreased by 4,5% compared to the 2015 level.
		Implement low-carbon solutions in all new projects	C + B	2020	60%	In 2017, 60%(2) of development projects have defined an Energy and Carbon solutions plan that includes additional solutions to the minimal requirements applicable to all projects.
		Define the Group methodology for measuring the carbon footprint of a construction project and train the development teams	C + B	2017	100%	Unibail created in 2017 a customised methodology and tools to assess the carbon footprint of its development projects with an environmental engineering company specialising in low-carbon projects guidance. Beginning in September 2017, the Group's Development teams all received training in using this methodology and applying these targets in order to ensure that these new requirements are fully taken into account at design stage by the design team as well as all construction companies.
		Perform a Life Cycle Assessment (LCA) at design stage for all extension and new projects (over 10,000 m²) in order to identify the levers for reducing their carbon footprint (3)	C + B	2017	80%	The Group systematized in 2017 the measuring of the carbon footprint of its projects from the design phase through a dynamic approach, based on a Life Cycle Assessment (LCA) combined with the Thermal Simulations that have historically been performed on the projects. 80%(4) of development projects have conducted a Life Cycle Assessment analysis in the design phase as at end 2017.
		Systematically select LED lighting for the common areas of construction projects	C	Permanent	100%	In 2017, 100% of shopping centres in development(5) are entirely equipped with LEDs in the common areas.
		Define and integrate carbon performance indicators into Group and decision-making processes (6A, BP)	C + B	2017	100%	The Group's decision-making processes incorporate CSR performance indicators which are consistent with the "Better Places 2030" programme. Since 2017, all budget reviews performed on assets, either when selecting investments in the standing portfolio, keeping track of construction projects or making new property investment decisions, include criteria such as energy efficiency, carbon footprint and sustainable mobility.
		Obtain minimum "Very Good" "BREEAM" certification for extension projects and minimum "Excellent" for new projects (over 10,000 m²)	C + B	Permanent	100%	In 2017, 100% of the retail projects delivered or in a construction phase were in a BREEAM certification process. In 2017, 100% of the offices projects delivered or in a construction phase were in a "BREEAM" and/or HQE certification process. All extensions are certified with a minimum "Very Good" level. The only new project delivered in 2017 (Wroclavia) is certified BREEAM "Excellent".

Pillars	Material issue	Target/engagement	Scope [1]	Deadline	Progress	Actions
		Reduce by 70% the carbon footprint associated with operations by 2030 compared with the 2015 level	C + B	2030	4%	In 2017, the carbon footprint associated with operations decreased by 3% compared with the 2015 level.
		Improve the energy efficiency *(kWh/visit)* at owned & managed shopping centres by 25% by 2020 compared to the 2012 level (managed scope)	C	2020	68%	Energy intensity decreased by 17.2% compared with the 2012 level.
		Improve the energy efficiency *(kWh/occupant)* at owned & managed office buildings by 35% by 2020 compared to the 2012 level (managed scope)	B	2020	14%	Energy intensity decreased by 4.9% compared with the 2012 level.
		Improve the energy efficiency *(kWh/m² JOOC)* at owned & managed Viparis sites by 25% by 2020 compared to the 2014 level (managed scope)	E	2020	11%	Energy intensity decreased by 2.8% compared with the 2014 level.
		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)	C	2020	54%	The new version of the environmental appendix of leases (version 2) has a penetration rate of 54% among all leases signed during the year in both existing and pipeline shopping centres, and 8% among total active leases in the Group.
		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)	C	2020	72%	As at December 31, 2017, 58% of the managed shopping centre portfolio was certified BREEAM In Use "Outstanding" for the "management" part (32 out of 55 managed shopping centres).
1 Less carbon emissions, better buildings	**Energy, carbon and certifications**	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)	B	2020	74%	As at December 31, 2017, 67% of the managed office portfolio was certified BREEAM In Use "Excellent" for the "management" part (4 out of 6 managed offices).
		Purchase 100% of electricity from renewable sources for all assets owned and managed by the Group (common energy)	G	2018	44%	44% of electricity purchased by assets owned and managed comes from renewable sources. In total, six of the seven regions where the Group is present ran entirely or partially on "green" electricity in 2017. 51% of the energy consumed by managed shopping centres comes from renewable sources.
		Systematically use LED lighting solutions for the common areas of shopping centres owned and managed by the Group	C	Permanent	43%	According to the LED mapping performed in 2017 in the common areas of the Group's owned and managed shopping centres, the LED equipment rate amounts to 43% in these areas.
		Roll-out the new version of the "green lease" incorporating mandatory use of LED lighting and electricity from renewable sources	C	2017	100%	As part of the "Better Places 2030" commitments, a new version of the environmental appendix on leases has been rolled-out in 2017. This includes 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 supporting initiatives organised by the Group to promote local employment.
		Sign 30 LED partnerships with international retailers	C	2017	100%	In 2017, 146 LED partnerships were signed.

Pillars	Material issue	Target/engagement	Scope [1]	Deadline	Progress	Actions
2 Less polluting transport, better connectivity	**Sustainable mobility and transport**	Reduce by 50% the transport carbon footprint by 2030 compared to the 2015 level	C	2030	0%	In 2017, the transport carbon footprint has remained stable compared to the 2015 level.
		Increase to 75% the proportion of visitors travelling to managed shopping centres by a sustainable means of transport (like-for-like scope)	C	2030	76%	In 2017, 57% of visitors travelled to managed shopping centres either by public transports, bike or on foot.
		Ensure that all new development projects include at least one sustainable transport solution	C	2020	87,5%	As at the end of 2017, 87.5% of development projects are connected to significant sustainable transport solutions (public transport).
		Create an action plan for each centre which encourages the deployment of "soft" transport solutions (carsharing, bicycle access, electric shuttles, etc.)	C	2020	5%	In 2017, the Group developed an internal tool for assessing and working on all transport issues at shopping centres which should be rolled out to all assets: the mobility action plan (*MOBAP*). In 2017, these mobility action plans were rolled out across three pilot assets prior to being rolled out on a larger scale from 2018.
		Deploy a recharging infrastructure specifically designed for electric vehicles in 100% of shopping centre car parks owned and managed by the Group	C	2020	96%	96% of existing owned and managed shopping centres are equipped with charging facilities for electric vehicles.
		Develop partnerships with sustainable mobility and transport operators	C + B	2020	100%	The Group is convinced that its objectives can only be achieved by working with players in the transport sector and as such has entered into partnerships with Tesla to roll out the "destination charging" stations for their electric vehicles, as well as with the logistics firm Deret to study proposals for pooled delivery using clean vehicles at certain shopping centres.
		Test at one site a pilot shared urban logistics solution for deliveries to retailers ("UR Delivery")	C	2017	50%	The Group has launched the "UR Delivery" project, a pooled logistics service for the tenants of small stores in downtown shopping centres. The ongoing Gaîté redevelopment project in Paris integrates this pooled logistics service for retailers.
3 Less local unemployment, better communities	**Support for employment and local economic initiatives**	Enable 1,000 young people every year to get a long-term job or a qualifying training programme through the "UR for Jobs" programme implemented in 100% of shopping centres which welcome over 6 million visits per year	C	2020	25%	In 2017, 27% of owned and managed shopping centres welcoming over 6 million visits organised the UR for Jobs initiatives. 250 candidates were hired or are now completing skills training.
		Organise an annual event in partnership with local and national associations at 100% of owned and managed shopping centres	C	2018	95%	In 2017, 95% of shopping centres organised at least one social or environmental initiative.
		Roll-out the "UR for Jobs" programme in 15 shopping centres with the objective of providing a job or a course leading to a qualification for 225 young people in 2017	C	2017	100%	In 2017, the UR for Jobs programme was implemented in 15 shopping centres. 250 candidates were hired or are now completing skills training.
		Deploy DEX in 12 owned and managed shopping centres	C	2019	100%	In 2017, Dining Experience has been rolled-out in 13 owned and managed shopping centres.
	Development of services	Equip 100% of owned and managed shopping centres with the "Connect" application	C	2019	59%	In 2017, 59% of owned and managed shopping centres were equipped with the "Connect" application.
		Roll-out the "Connect" application in 30 owned and managed shopping centres in 2017	C	2017	100%	In 2017, the "Connect" application has been rolled-out in 32 owned and managed shopping centres.

Pillars	Material issue	Target/engagement	Scope [1]	Deadline	Progress	Actions
4 Less top down, better collective power	**Governance and performance**	Define an individual contribution or CSR objectives for all Group employees	G	2018	50%	A toolkit to support the adoption of individual CSR objectives has been designed and shared in 2017 within the Group, preparing the rollout in 2018.
		Implement the new Group CSR Governance (committees and CSR referents)	G	2017	100%	In 2017, a dedicated four-member CSR team was created, in order to implement the new Group strategy. It oversees the CSR referents and coordinates the Group CSR Strategic committees, the Group CSR Steering committees and the Stream committees.
		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	100%	In 2017, members of the Management Board, the Group Management team and the management teams in each of the countries (68 people in total) have been assigned CSR objectives, used to determine their year-end short-term incentive.
	Involving and raising awareness of staff	Reduce paper consumption by staff (annual processes digitalised)	G	2020	86%	In 2017, in order to make offices more sustainable and environmentally friendly, all employees were encouraged to express their suggestions on how to make their workplace much "greener" by launching a Group "Work greener" contest. Six out of seven regions have defined at least one action aiming at reducing paper consumption by staff.
		100% of the Group's company car fleet hybrid or electric	G	2020	23%	As at the end of 2017, 23% of the Group's vehicle fleet was hybrid or electric.
		100% of employees take part in UR Involved!	G	2018	44%	In 2017, 44% of Unibail-Rodamco employees (*i.e.* 719 employees) volunteered to spend one day supporting young job seekers, help charities overall running educational workshops or refurbishing care centres for disadvantaged children.
		Involve 40% of Group employees in UR Involved, which will be inaugurated in 2017	G	2017	100%	See above.
		Offset 100% of employee business travel (plane and train) through a carbon offset programme	G	2017	100%	In 2017, 100% of greenhouse gas emissions from employees business travel (plane and train) for the year 2016 (*i.e.* 2,815 TCO_2e) were offset with carbon credits.
	Partnerships	Develop partnerships with our stakeholders (large companies, start-ups and research centres)	G	Permanent	100%	When the "Better Places 2030" programme was announced in September 2016, a partnership was signed with Engie. Plus, UR Link, the Group's start-up accelerator programme is a concrete example of the action of the Group and its employees to engage with its ecosystem to find solutions. Since its creation, UR Link has supported 19 start-ups.
	Innovation	Continue the start-up incubation programme (UR-Link) and incubate at least 10 start-ups a year	G	2017	100%	UR Link, the Group's start-up accelerator programme is a concrete example of the action of the Group and its employees to engage with its ecosystem to find solutions. Since its creation, UR Link has supported 19 start-ups.

(1) Scope: C = Shopping Centres; B = Offices; E = Convention & Exhibition; G = Entire Group.
(2) Committed and controlled development projects as at 01/01/2017, over 10,000m² GLA, and excluding renovations with no surface extension.
(3) Excluding projects whose design is completed or whose work is in progress.
(4) Two of them (out of ten development projects) did not perform a life cycle analysis because design studies were temporarily stopped or already finished.
(5) Committed development projects as at 01/01/2017, over 10,000m² GLA, shopping centres only.

The Group is also continuing to address and manage operational targets. The table below restates the targets set before "Better Places 2030" was launched:

- with a deadline of 2016 but completed in 2017;
- with a deadline of 2018 or later but already completed in 2017;
- with a deadline of 2020 and in progress.

Targets that date to before 2016 but are restated in Better Places 2030 are included in the first table.

Targets with a deadline of 2016 and reported as 100% achieved in the 2016 report are no longer shown this year.

	Material issue	Targets that date prior to "Better Places 2030".	Scope [1]	Deadline	Progress	Actions
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)	C	2020	92%	In 2017, 40% of visitors came to the Group's managed shopping centres by car.
	Responsible supply chain	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)	C+B	2017	100%	As part of the implementation of the "Better Places 2030" strategy, the Group thus systematised in 2017 the measuring of the carbon footprint of its projects from the design phase through a dynamic approach, based on a Life Cycle Assessment (LCA) combined with the Thermal Simulations that have historically been performed on the projects.
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	C	2020	100%	In 2017, carbon intensity (CO2 emissions/visit) at managed shopping centres decreased by 43% relative to 2012.
		Define the Group's low carbon vision and action plan for new development project	C	2018	100%	"Better Places 2030": The Group has set its vision and priorities with a 35% reduction target of the carbon footprint from construction in 2030 (relative to 2015).
	Waste	Aim to send zero waste to landfill by 2020	C	2020	84%	In 2017, 16% 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	C	2020	46%	In 2017, the waste recycling rate reached 37%.
	Visitors & Customers	Extend the service quality programme within the Group and achieve at least 48 managed Shopping Centres successfully audited according to the "4 Star" label by 2016	C	2016	100%	At the end of 2017, 31 shopping centres complied with the "4 Star label" (including the recently-opened sites at Wroclavia, Parly 2, Centrum Chodov, Glories and Bonaire), together with 17 AQS label Centres (Accueil Qualité Service – Welcome Quality Service), representing a total of 48 Centres with label awards.
		Obtain minimum B score for all managed asset in "health & safety risks" assessment measured through the annual third-party audits	G	Permanent	100%	In 2017, 100% of audited sites obtained either A or B score.
	Suppliers	Carry out a pilot for a web-solution supporting the Group's purchasing processes and policy	G	2016	100%	A web solution for purchasing management was launched in the Autumn of 2017, for the European services procurement scope in the standing portfolio.

(1) Scope: C = Shopping Centres; B = Offices; E = Convention & Exhibition; G = Entire Group.

	Material issue	Targets that date prior to "Better Places 2030".	Scope [1]	Deadline	Progress	Actions
Engaging Business and People	**Employee attraction, retention & engagement**	Increase and nurture our innovative culture and community of innovative champions	G	2017	100%	In 2017, 25 employees took part in the Innovation Champion Graduate Program.
		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	100%	Since 2017, the Learning Management System is available for all Regions and allows employees to access the training offer of the Academy. The learner experience was greatly improved with the creation of a knowledge bank providing all training materials, accessible to all employees in the Group at any time.
	Tenant attraction, retention & engagement	Exceed 90% of "green lease" for total active Retail and Offices portfolio by 2016	C + B	2016	100%	The new version of the environmental appendix of leases (version 2) has a penetration rate of 54% among all leases signed in both existing and pipeline shopping centres. Due to its recent launch (May 1st, 2017) and to its limitation to shopping centres in the first instance, this rate appears to be lower than the penetration rate of the first version of green leases, published for the year 2016. The latter reached 91%, thereby achieving the previous target of 90% of green leases version 1 signed before 2018 in the whole Group portfolio.

(1) Scope: C = Shopping Centres; B = Offices; E = Convention & Exhibition; G = Entire Group.

2.7. REPORTING METHODOLOGY

2.7.1. REPORTING METHODOLOGY FOR ENVIRONMENTAL AND SOCIETAL DATA

The Group uses a variety of tools, processes and indicators to monitor the performance of the assets owned and managed by the Group. These methods are used to structure the Group's environmental and societal management approach, track results and inform its stakeholders about performance.

Unibail-Rodamco continuously improves its environmental and societal 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 four years, the Group has been using and developing a new reporting tool in order to gather and standardise all 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 the majority of their environmental and societal data using this unique tool within a workflow. The tool is now an integral part of environmental and societal performance management at sites owned and managed by the Group.

In 2017, some environmental and societal data were tracked and managed through special reporting tools other than this tool. This was the case for data related to the roll-out of the Group's new CSR strategy, "Better Places 2030". These data will be phased in to the Group's main reporting tool.

2.7.1.1. 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 owned and managed assets. Definitions of each KPI are provided at the top of the relevant data tables.

Since 2012, the Group has added data and KPIs to comply with Article 225 of the French Grenelle II law on businesses' transparency obligation regarding social and environmental reporting, and on the law's implementing measures (43 items). A content index for Article 225 appears in Section 2.9.3, "Grenelle II, Article 225".

For effective management of the new "Better Places 2030" CSR strategy, the Group also defined and adopted new KPIs in 2017. These indicators are described and reported in this document.

In June 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 2017 Annual and Sustainable Development Report also complies with the *Best Practices Recommendations on Sustainability Reporting* established by EPRA, which were updated in September 2017. For the sixth time in a row, Unibail-Rodamco received the EPRA Gold Award in 2017 for completing its 2016 reporting in accordance with the EPRA Sustainability BPR.

Unibail-Rodamco, which was a trailblazer in 2013 for being among the first entities to follow the new GRI *(Global Reporting Initiative)* guidelines, has continued to comply with the updated versions of these standards. In 2016, the Group took the so-called *core approach* to publishing its reporting in line with the GRI G4 framework, and in 2017 it began to comply with the new GRI Standards, which were published in October 2016 in keeping with the GRI G4 guidelines.

The content indexes with the EPRA and GRI indicators appear in Section 2.9.1, "EPRA Sustainability Performance Measures", and Section 2.9.2, "GRI Standards of this report".

2.7.1.2. Reporting values

Indicators are expressed in absolute value (*e.g.*, energy and water consumption, CO_2 emissions, amount of waste) or in the form of ratios to express efficiency and comparable trends.

In addition to the standard intensity that gives the ratio between information used 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: with the maximum surface of all the publicly accessible common areas (including the shopping centre's management officers) and the GLA delivered with common utilities such as energy or water depending on the indicator;
- for Offices: with 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) by the maximum capacity (number of occupants allowed simultaneously in the asset according to current French regulations) and number of working stations in the building (*i.e.*, energy, CO_2 emissions, water/occupant);
- for Convention & Exhibition venues: the annual total surface occupied when the spaces are open to the public is tracked based on the leases for the spaces (energy, CO_2 emissions, water/m^2 on days when open to the public).

2.7.1.3. Reporting scope

The historical environmental indicators (energy efficiency, greenhouse gas emissions and resource use) cover the Shopping Centres, Offices and Convention & Exhibition venues owned and managed by Unibail-Rodamco, for which these data may be verified and measured, and represent 92% of the total gross market value of the consolidated portfolio at December 31, 2017. Exclusions from the reporting scope are specified in the tables presenting each indicator where applicable. Control of operation and operational management of the data produced take precedence when identifying the scope of each indicator. When an indicator covers a narrower scope, this is specified in its description.

In 2017, Unibail-Rodamco reported energy and water data for all of its owned and managed assets (all sectors combined), and waste data for all of its managed Shopping Centres, unless otherwise stipulated in the presentation of each indicator.

Historical 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 owned and 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 comparable portfolio scope (particularly in terms of the monitored assets). This scope includes assets that were owned and 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).

As part of its new "Better Places 2030" strategy, the Group has also committed to monitoring its environmental and societal performance over and above its owned and managed assets and beyond the direct management of its operational scope of its performance. This initiative involves formulating commitments that pertain to its expanded accountability, namely, its construction activities (assets under development) and the activities of its stakeholders (tenants, visitors, etc.). Accordingly, some indicators are also tracked in this scope of expanded accountability. This applies to the Group total carbon footprint, which covers an expanded reporting scope (cf. Section 2.3.1, "Group greenhouse gas (GHG) emissions"), and indicators on the incorporation of environmental criteria beginning from building design (*e.g.*, certification of assets, fitting assets under development with LEDs, etc.). This is specified in their description.

2.7.1.4. 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 (Y) 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.

Owned assets in total reconstruction during the year Y (100% of the area under works) are excluded from the reporting scope of year Y.

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 2017, some changes in the portfolio impacted the reporting scope as follows:

- since the 2015 reporting, Germany has become a region in its own right (it was previously integrated into the Central Europe region). However, the German assets not owned but managed by the Group for a third party are not included in the reporting;
- the management mandate of Usine Mode et Maison has been outsourced since 2015, it is thus excluded from the reporting;
- 2017 asset disposals are fully excluded from the reporting scope: 70-80 Wilson (offices, France), Arninge Centrum et Eurostop Arlanda (shopping centres, Sweden);
- two new shopping centres and offices delivered in 2015 entered the 2017 reporting scope: Mall of Scandinavia (shopping centre, Sweden) and So Ouest Plaza (offices, France);
- two assets owned and in complete restructuring in 2017 (100% of the surface under works) are excluded from the reporting scope en 2017: Leidsenhage (future Mall of the Netherlands, The Netherlands) and Issy Guynemer (future Shift, France);
- Wroclavia (Poland), new opening in 2017 that will be incorporated into the total reporting scope in 2019, when its consumption will be available over 12 rolling months;
- So Ouest Plaza (France), sold late 2017, will be excluded from the reporting scope over 12 rolling months in 2018.

Assets included in the 2017 reporting scope for environmental KPIS

Region	Number of assets	Assets	Reporting areas for standard intensity of energy and carbon indicators[1]	Denominators for intensity of use indicators[3]
Austria	2	Donau Zentrum (inclus Dux), Shopping City Süd (inclus Mux)	299,476 m^2	35,651,013 visits
Central Europe	6	Aupark, Centrum Cerný Most, Centrum Chodov, Arkadia, Galeria Mokotów, Wilenska	418,126 m^2	85,431,396 visits
France	20	Aéroville, Carré Sénart (including Shopping Parc), Carrousel du Louvre, CNIT Retail, 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	1,005,055 m^2	285,056,462 visits
Germany	8	Gera Arcaden, Gropius Passagen, Höfe am Brühl, Pasing Arcaden, Paunsdorf Center, Ruhr Park, Minto, Palais Vest	576,324 m^2	77,153,394 visits
The Netherlands	3	Stadshart Almere, Stadshart Amstelveen, Stadshart Zoetermeer	91,910 m^2	28,592,446 visits
Nordics	6	Eurostop Örebro, Fisketorvet, Nacka Forum, Mall of Scandinavia, Solna Centrum, Täby Centrum	458,866 m^2	52,675,666 visits
Spain	12	Los Arcos, El Faro, Bahía Sur, Barnasud, Bonaire, Equinoccio, Garbera, La Maquinista, Las Glorias, Parquesur, Splau, Vallsur	380,448 m^2	108,861,284 visits
Offices	12	7 Adenauer, Capital 8,Espace 21 (Villages 3, 4, 5, 6, 7, Village commerce), Majunga, Tour Ariane, Sextant, So Ouest Plaza Espace 21 (Villages 4, 5, 6, 7, Village commerce), Majunga, Tour Ariane, Sextant	277,755 m^2 [2]	15,494 occupants
Convention & Exhibition venues	8	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	583,200 m^2 [2]	26,025,055 m^2 occupied per day open to the public *(m^2 day open)*

(1) See the definition of reporting area for Shopping Centres above in Reporting value – standard intensity indicators.
(2) Surface according to consolidation; see section 1.4. Portfolio.
(3) See the definition of denominators used for intensity of use calculation above 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	9,200 m^2
Sweden	4	Eurostop Örebro Offices and hotel, Nacka Forum Office, Solna Office and residentials, Täby Office	69,900 m^2
Denmark	1	Fisketorvet Office	857 m^2

2.7.1.5. Reporting period and reference year

Most environmental and societal data are reported as at December 31 of the reporting year ended, for one calendar year. However, given the scheduling requirements for the release of the Financial Report (1st quarter of the following year), some environmental data are reported for a rolling 12-month period (4th quarter of the previous financial year and 1st, 2nd and 3rd quarters of the reporting year ended): data on energy and water consumption.

The Group has traditionally reported its performance as measured over the period from 2012 to 2020, in accordance with the targets set (*e.g.*, energy intensity and carbon intensity indicators). After announcing its new CSR strategy, "Better Places 2030", in 2016, the Group introduced new indicators and a new reference year: 2015. Some of the new indicators that were established have a later reference year, and this is specified in their description. The measurement of historical indicators whose reference year is 2012 and whose target value had not yet been achieved as of 2016 has been preserved (energy intensity indicator).

Calculation of evolutions:

Two modes of calculations of evolutions have been defined: an annual evolution on a rolling 12-months period, and a cumulative evolution since the baseline year. The cumulative evolution rate between the baseline (N0) and the current year (N) is the result of the cumulative annual evolutions on a rolling like-for-like scope. Given the dynamic management of Unibail-Rodamco's portfolio (asset acquisition and disposal), the consideration of a constant scope on a long period of time would lead to the inclusion of a limited number of assets in the scope and would not be representative of the overall Group performance. For this reason, the option taken consists in the calculation of this cumulative evolution rate allowing to measure performance on a larger operational scope. Evolutions are calculated using this methodology for indicators related to energy, water and carbon.

2.7.1.6. 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. Energy data is made available monthly as a minimum requirement and can sometimes be measured on a real-time basis. Regular, detailed monitoring of these indicators ensures that performance issues are identified and corrected swiftly at asset level. 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 best practices between the various sites and enables corrective action plans to be implemented swiftly;
- annually for all other environmental and societal indicators, and for additional data needed to calculate certain indicators, such as greenhouse gas emissions factors and footfall in shopping centres.

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. It is central to the management of the sites by the Technical Managers. To make the most of the tool's many features, two training sessions were given by the Security & PMPS (Property Maintenance and Purchasing) team. New employees also received training in 2017.

The IT solution is composed of a predefined workflow including a mandatory validation step. It is a three-level process:

- contributors: the on-site Technical Managers enter the raw data that are collected into the online tool. They are in charge of the site's environmental action plan and they track and assess their performance compared to their annual target;
- validators: the property managers, responsible at the regional level for several assets, validate the information sent by the contributors and challenge their results;
- administrator: the Security & PMPS (Property Maintenance and Purchasing) Department consolidates the data that have previously been validated, and with assistance from the Group CSR team it measures the Group's performance compared to the long-term targets.

This IT solution homogenises, automates and safeguards the reporting process and the indicator calculation for the Group's entire managed portfolio.

2.7.1.7. 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

- The Group's Annual and Sustainable Development Report presents all the indicators and their annual and combined changes by business segment (Shopping Centres, Offices, Convention & Exhibition venues) and by region (country or group of countries based on the regional organisation of operational management within the Group).
- In this report, material key performance indicators are presented in tables, and indicators used for tracking and managing the "Better Places 2030" strategy are summarised in a content table that shows their progress compared to the targets in Section 2.6, "2017 achievements and 'Better Places 2030' objectives".
- For the main material KPIs, a hedge ratio is given in Group portfolio value, *i.e.*, gross market values of reported assets divided by Group total gross market value.
- Since the CSR targets were updated to use 2015 as the reference year, the Group has been measuring its progress compared to this new reference year and its 2030 targets, and it continues to track the indicators with a 2012 reference year for past targets that have not been achieved.
- In accordance with EPRA's Best Practices Recommendations on Sustainability Reporting, Unibail-Rodamco provides the absolute values on the like-for-like scope for all the material key performance indicators.

◆ Continuous updates in environmental reporting and data quality improvement

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 2017, the Asset Booklets of managed shopping centres were updated by the shopping centres' Technical Managers.

On-site internal audits of environmental and societal reporting are done regularly: a sample of assets is audited each year by the Security & PMPS (Property Maintenance and Purchasing) team to check the accuracy and compliance of their reporting with the Group's Reporting Guidelines.

Since 2015, the data quality has improved thanks to the implementation of the new environmental and societal reporting tool. The tool's architecture is programmed to precisely identify the scope of the reported assets, categorised by business segment: Shopping Centres, Offices, Convention & Exhibition venues, and other buildings such as hotels and residential. This last category brings changes and more clarity in terms of the historical data that were 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 in order to comply fully with the Group's Reporting Guidelines.

Moreover, additional features of the tool were activated in 2016: a standard set of key indicators was created and provided to all the Technical Managers to help them analyse their environmental performance in more detail and thereby make it easier to detect potential data-entry errors and significant disparities.

Identifying uncertainty as regards the Group total carbon footprint

Given the range of topics dealt with and the fact that the processed information can only be partially managed (particularly for Scope 3), with the current knowledges it is impossible to quantify margins of error for the Group total carbon footprint calculations. We have therefore completed a qualitative analysis of margins of error for the three main areas of Construction, Operation and Mobility.

Construction:

Margins of error may be related to:

- the quality of the environmental data used (Environmental Product Declaration);
- the quantities of materials used for each new development project;
- the tracking of construction cost trends over time (economic ratios) based on a like-for-like approach.

In order to reduce uncertainty, the calculation methods that the Group developed in 2017 ensure that environmental data (emission factors) cover the entire life cycle. Quantities of materials used are questioned by construction managers during product reviews (to optimize construction costs and carbon impact).

Operation:

Margins of error may be primarily linked to energy consumption or to the carbon emission factor.

For managed energy sources:

- energy consumption for managed sources is based on invoices issued by energy suppliers (metered or estimated). Estimated invoices may result in under or over-estimations which are usually resolved during the following year;
- carbon emission factors justified by energy providers thanks to their energy mix.

For non-managed energy sources:

- private energy consumptions are calculated by using ratios from the Group's portfolio, where the landlord provide electricity directly to the tenants. The sample size should be representative of the Group's centres;
- the carbon emission factors are calculated based on conservative assumptions (particularly for energy Scope 3) as it is impossible to know exactly which energy mix each tenant will use.

Mobility:

Margins of error may be related to the number of visitors to each site, to the assessment of modal shares, to the assessment of the distances covered by each mode of transport (catchment areas), to the occupancy rate for cars and finally to the emission factors used for each mode of transport.

The following changes will be applied to marketing surveys (core data source) in 2018 to ensure that the entered data is reliable: Increase of sample size (approximately 20,000 responses instead of the current 500), distance automatically calculated using postcodes rather than the current journey time method. Mobility is going to be the main work area as it regards the Group carbon footprint assessment in 2018.

2.7.2. REPORTING METHODOLOGY FOR SOCIAL DATA

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 Decembr 31, 2017.

Reporting tool

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 accross the Group) and a new payroll tool for France.

2.7.3. AUDIT AND CERTIFICATION OF REPORTING BY AN INDEPENDENT THIRD PARTY

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, and in accordance with Article 225 of the French Grenelle II law, the third-party auditor thoroughly checks the information and KPIs published by the Group covering the 43 topics of this article (see assurance report in Section 2.8, "Independent verifier's report on consolidated social, environmental and societal information included in the management report").

In 2017, the audit included a comprehensive on-site review of the data reported by seven key assets: Carrousel du Louvre, Euralille, Mall of Scandinavia, Paris Nord Villepinte, Vélizy 2, Arkadia and Galeria Mokotów.

The auditor was also 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 2017, the audit covered: Aéroville, Lyon Confluence, So Ouest, Mall of Scandinavia, Carré Sénart extension and Majunga.

2.8. 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 31st 2017

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 2017, presented in 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 used by the company (hereafter referred to as the "Criteria"), of which a summary is included in the management report 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. 822-11-3 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;

It is however not our responsibility to attest the compliance with other applicable legal provisions, in particular those pursuant to law no. 2016-1691 of 9 December 2016, known as Sapin II (anti-corruption law).

Our verification work was undertaken by a team of six people between September 2017 and February 2018 for an estimated duration of eleven weeks.

We conducted the work described below in accordance with the professional standards applicable in France and the Order of 13 May 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. 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 2 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.

(1) Scope available at www.cofrac.fr.
(2) ISAE 3000 – Assurance engagements other than audits or reviews of historical information.

2. LIMITED ASSURANCE ON CSR INFORMATION

Nature and scope of the work

We undertook ten interviews with people responsible for the preparation of the CSR Information in the CSR, Synergies and Expertise, Security and Real Estate Engineering, Finance and Treasury 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[(1)]:

- At the level of the consolidating entity, 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[(2)], 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 13% of the gross leasable area (assets owned and managed as of the 31st of December, 2017), 19% of the energy consumption of the 2017 reporting scope, considered as a significant indicator of the environmental component. The sample selected for the social indicators represents 9% of the workforce at the end of the year.

For the other consolidated CSR information, we assessed their consistency in relation to our knowledge of the company.

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, March 23, 2018

French original signed by:

Independent Verifier
ERNST & YOUNG et Associés

Eric Duvaud
Partner, Sustainable Development

Bruno Perrin
Partner

(1) ***KPIs (Environmental, societal and social):***
Quantitative information: *certifications of new developments and standing assets, in particular the share of BREEAM In-Use certifications for all of the Group's shopping centers and among them the share with an "Oustanding" level, energy consumptions and greenhouse gas emissions per square meter and per visit, , the share of sorted managed waste and the recovery rate, Group greenhouse gas emissions (scope 1 and 2 and the assessment of scope 3), the deployment rate of LED lamps in the common and private areas of the assets in operation, the share of green leases "V2" in developing and operating assets, the share of developing and operating shopping centers equipped with electric charging parking spaces, water consumptions ; the share of shopping centers of more than 6 million visitors having implemented the UR for Jobs initiative, the number of people having found a job through the UR for Jobs program, the total workforce, the absenteeism rate, the share of employees volunteering at UR for Jobs or Solidarity Day events.*
Qualitative information: *the company's organisation to take into account environmental matters and environmental assessment approaches, actions implemented to improve energy efficiency and reduce greenhouse gas emissions, the territorial, economic and social impact of the Company in terms of employment and regional development (deployment of the UR for Jobs and Solidarity Day programs), measures implemented in favor of customers health and safety, the human resources policy, social relations, policies implemented in training the workforce, the commitment of employees to CSR policy.*

(2) ***Environmental and Societal Indicators:*** *Arkadia and Galeria Mokotow (Shopping Centers, Poland), Carrousel du Louvre, Euralille and Vélizy 2 (Shopping Centers, France), Mall of Scandinavia (Shopping Center, Sweden) and Paris Nord Villepinte (Congress and Exhibitions, France).* ***Social indicators:*** *Nordic countries and Poland.*

2.9. CONTENT INDEXES

2.9.1. EPRA SUSTAINABILITY PERFORMANCE MEASURES

In 2017, Unibail-Rodamco received the EPRA Gold Award, for its exceptional compliance in its sustainability reporting 2016 with the EPRA Best Practice Recommendations on sustainability reporting (EPRA sBPR).

The indicators reported in the 2017 Annual and Sustainable Development Report comply with the third edition of the EPRA (sBPR) published in September 2017. The table below shows the cross-check results between the EPRA guidelines and Unibail-Rodamco report.

Code	Indicator	Description	Reported	Cross- reference	External assurance
PERFORMANCE MEASURES					
Elec-Abs	Total Electricity consumption *(annual kWh)*	Total amount of electricity consumed from renewable and non-renewables sources, whether imported and generated onsite		KPI: Energy consumption (kWh)	√
				KPI: Direct and indirect final energy consumption by primary energy source (energy mix) (%)	√
		Proportion of electricity consumption from purchased and self-generated renewable sources		KPI: Electricity from renewable sources as a proportion of total electricity consumption of common areas and installation of assets managed by the Group (%)	√
		Self-generated electricity that is exported/sold		KPI: Renewable electricity produced (kWh) and greenhouse gas emissions avoided (kgCO_2e)	√
Elec Lfl	Like-for-like total electricity consumption *(annual kWh)*	Total electricity consumed on a like-for-like scope		KPI: Energy consumption (kWh)	√
DH&C-Abs	Total district heating & cooling consumption *(annual kWh)*	Total amount of indirect energy consumed from district heating & cooling systems		KPI: Energy consumption (kWh)	√
		Proportion of energy consumption from district heating and cooling from renewable sources		KPI: Energy from renewable sources as a proportion of total consumption from heating and cooling networks of assets owned & managed by the Group (%)	√
DH&C-Lfl	Like-for-like total district heating & cooling consumption *(annual kWh)*	Total amount of district heating & cooling consumed on a like-for-like scope		KPI: Energy consumption (kWh)	√
Fuels-Abs	Total fuel consumption *(annual kWh)*	Total amount of fuel used from direct (renewable and non-renewable) sources		KPI: Energy consumption (kWh)	√
		Proportion of the total amount of fuel consumption that is consumed within the organisation from renewable sources		KPI: Energy from renewable sources as a share of total direct energy consumption of assets owned & managed by the Group (%)	√
Fuels-Lfl	Like-for-like total fuel consumption *(annual kWh)*	Total amount of fuels consumed on a like-for-like scope		KPI: Energy consumption (kWh)	√
Energy-Int	Building energy intensity *(kWh/person/year or kWh/m²/year or kWh/revenue/year)*	Amount of energy normalised by an appropriate denominator		KPI: Energy efficiency (kWh/visit/year per usage for Shopping Centres, kWh/occupant/year for Offices, kWh/m² DOP/year for Convention & Exhibition centres)	√
				KPI: Energy efficiency per m² *(kWh/m²/year)*	√

Reported *Not reported*

Code	Indicator	Description	Reported	Cross- reference	External assurance
GHG-Dir-Abs	Total direct greenhouse gas (GHG) emissions *(annual metric tonnes CO_2eq)*	Total amount of direct greenhouse gas emissions emitted from fuels burned on site		KPI: Greenhouse gas (GHG) emissions from the energy consumption of standing assets (scopes 1 & 2) ($kgCO_2eq$)	√
				Group total carbon footprint	√
		Fugitive emissions		KPI: Greenhouse gas emissions from leaking refrigerants ($kgCO_2e$)	
				Group total carbon footprint	√
GHG-Indir-Abs	Total indirect greenhouse gas (GHG) emissions *(annual metric tonnes CO_2eq)*	Total amount of indirect greenhouse gas emissions generated by off-site generation of electricity, heat or steam		KPI: Greenhouse gas (GHG) emissions from the energy consumption of standing assets (scopes 1 & 2) ($kgCO_2eq$)	√
				Group total carbon footprint	√
GHG-Dir-LfL	Like-for-like total direct greenhouse gas (GHG) emissions *(annual metric tonnes CO_2eq)*	Total amount of direct greenhouse gas emissions on a like-for-like scope		KPI: Greenhouse gas (GHG) emissions from the energy consumption of standing assets (scopes 1 & 2) ($kgCO_2eq$)	√
GHG-Indir-Lfl	Like-for-like total indirect greenhouse gas (GHG) emissions *(annual metric tonnes CO_2eq)*	Total amount of indirect greenhouse gas emissions on a like-for-like scope		KPI: Greenhouse gas (GHG) emissions from the energy consumption of standing assets (scopes 1 & 2) ($kgCO_2eq$)	√
GHG-Int	Greenhouse gas (GHG) emissions intensity from energy consumption of buildings *(kg CO_2eq/m^2/year, kg CO_2eq/person/year, kg CO_2eq/revenue/year)*	Total amount of direct and indirect GHG emissions generated from energy consumption normalised by an appropriate denominator		KPI: Carbon intensity from energy consumption of standing assets (Scope 1 & 2) per usage (gCO_2eq/visit/year for Shopping Centres, gCO_2e/occupant/year for Offices, gCO_2eq/m^2JOP/year for Convention & Exhibition venues)	√
				KPI: Carbon intensity from the energy consumption of standing assets (Scope 1 & 2) by area ($kgCO_2e/m^2$/year)	√
				KPI: Carbon intensity of energy consumption from operation	√
Water-Abs	Total water consumption *(annual m^3)*	Total amount of water withdrawn (including intermediaries and abstraction of cooling water)		KPI: Water consumption (m^3) broken down by use (%) and by source	√
		Water sources (ground, rainwater, etc.)		KPI: Water consumption (m^3) broken down by use (%) and by source	√
Water-Lfl	Like-for-like total water consumption *(annual m_3)*	Total amount of water withdrawn on a like-for-like scope		KPI: Water consumption (m^3) broken down by use (%) and by source	√
Water-Int	Building water intensity *(litres/person/day or m^3/m^2/year) or (litres/m^3/revenue/year)*	Total amount of water withdrawn normalised by an appropriate denominator		KPI: Water intensity per usage (litre/visit/year for Shopping Centres, litre/occupant/year for Offices, litre/m^2 DOP/year for Convention & Exhibition centres)	√
				KPI: Water consumption per area (litre/m^2/year)	√
Waste-Abs	Total weight of waste by disposal route *(annual metric tonnes and proportion by disposal route)*	Total amount of non-hazardous and hazardous waste produced and disposed of by disposal routes		KPIs: Total waste generated (tonnes) and share of recycled and valorised waste (%)	√
				KPI: Split of total waste by method of treatment (%)	√
Waste-Lfl	Like-for-like total weight of waste by disposal route *(annual metric tonnes and proportion by disposal route)*	Total amount of waste (hazardous and non-hazardous) produced and disposed of by disposal routes (recycling, composting, etc.) on a like-for-like scope		KPIs: Total waste generated (tonnes) and share of recycled and valorised waste (%)	√

Reported *Not reported*

Code	Indicator	Description	Reported	Cross- reference	External assurance
Cert-Tot	Type and number of sustainability certified assets *(total number and percentage by certification/rating/ labelling scheme)*	Percentage of assets within a portfolio that have formally obtained sustainability certification, rating or labelling		Environmental certification penetration rate (%) within the total standing Retail portfolio in value	√
				Environmental certification penetration rate (%) within the total standing Office portfolio in value	√
				KPI : Environmental certifications of standing assets	√
				KPI: BREEAM environmental certification of new developments – shopping centres	√
		Total number of assets that have achieved a certification, rating or labelling within a portfolio and level of certification attained		KPI: BREEAM environmental certification of new developments – offices	√
				KPI: HQE environmental certification of new developments – offices KPI: HQE environmental certification of new developments – offices	√
				Breeam “in-use” : performance of the 22 certifications obtained in 2017 (owned and managed shopping centres)	√
				Breakdown of breeam “in-use” certifications by rating (in number of assets)	√
Diversity-Emp	Breakdown of employees by gender	Proportion of male and female employees		KPI: Employment by gender	√
Diversity-Pay	Differences in remuneration between men and women	Ratio of average salary for men and average salary for women			
Emp-Training	Employee training and development	Total number of training hours delivered		KPI: Training	
Emp-Dev	Employees performance review	Proportion of employees who have had an annual review		"A structured validation process" (2.5.7. Rewards and recognition)	
Emp-Turnover	Hires and turnover rate	Number and ratio of new hires		KPI: Recruitment	√
		Number of employees departures and turnover rate		KPI: Departures	√
H&S-Emp	Employees health and safety	Frequency rate of workplace accidents, severity rate, absenteeism rate, equivalent in percentage of working days, type of workplace accidents		KPI: Absenteeism	√
H&S-Asset	Building safety	Proportion of assets that have undergone a health and safety assessment		KPI: Annual risk management assessment	√
H&S-Comp	Building compliance	Number of incidents of non-compliance related to building health and safety		Corrective measures in case of non-compliance detected through the annual audit (2.3.2.7. Health & Safety and environmental risks and pollution).	√
Comty-Eng	Community commitment, measures of impact and development programmes	Proportion of assets that have conducted measures of impact and development programmes		Proportion of owned and managed shopping centres implementing the UR for Jobs programme (2.4.1.2. Group commitments in local communities)	√
				KPI: Total hosted jobs	√
Gov-Board	Composition of the highest governance body	Composition of the Supervisory Board		3.1.2.1 Supervisory Board composition and diversity	
Gov-Select	Procedure for selecting and appointing members of the highest governance body	Selection and appointment of the Supervisory Board members		3.1.2.1 Supervisory Board composition and diversity	
Gov-Col	Procedure for managing conflicts of interest	Procedures for preventing and managing conflicts of interest by the Supervisory Board		“Management of conflicts of interest” (3.1.2.5 Additional information relatedto Management Board and Supervisory Board Members)	

Reported *Not reported*

Code	Indicator	Description	Reported	Cross- reference	External assurance
OVERARCHING RECOMMENDATIONS					
	Organisational boundaries	Organisational structure by type of asset (subsidiaries, associates, etc.) and financial/operational leases		1.3. Business overview	√
	Coverage	Percentage of assets within the organisational boundary included in data disclosed for each sustainability performance measure		Coverage given in every KPI tables	√
				2.7.1.3. Reporting scope	√
	Estimation of Landlord-obtained utility consumption	Methodology used to estimate utility consumption		2.7.1. Reporting methodology for environmental and societal data	√
				KPI: Tenants' collected electricity consumption (kWh)	√
				KPI: Carbon intensity of energy consumption from operation	√
	Third Party Assurance	Level of third party assurance according to AA1000 or ISAE3000		2.7.3. Audit and certification of reporting by an independent third-party	√
				2.8. Independent verifier's report on consolidated social, environmental and societal information presented in the management report	√
	Boundaries – reporting on landlord and tenant consumption	Absolute consumption (only Landlord-obtained energy/water)		KPI: Energy consumption (kWh)	√
				KPI: Water consumption (m^3) broken down by use (%) and by source	√
		Private consumption (tenant-obtained consumption) collected by the Landlord		KPI: Tenants' collected electricity consumption (kWh)	√
				KPI: Water consumption (m^3) broken down by use (%) and by source	√
		Intensity sustainability performance measures (denominators: managed floor area or occupancy)		2.7.1.2. Reporting values	√
	Segmental analysis (by property type, geography)	Concordance with property typology adopted in financial reporting		1.3. Business overview	√
				2.7.1.3. Reporting scope	√
	Disclosure on own offices	Own office performance measure		1.3. Business overview	√
				Assets included in the 2017 reporting scope for environmental KPIs: Unibail-Rodamco's headquarters is reported within the Offices portfolio -France	√
	Narrative on performance	Commentaries/ explanations on environmental performance		2.3. Environment	√
	Location of EPRA Sustainability Performance Measures in company's report	EPRA and environmental measures included in the annual report		2.9.1. EPRA Sustainability Performance Measures	
	Reporting period	Disclosure of historical data for absolute and intensity performance measures		2.7.1.5. Reporting period and reference year	√
	Materiality	Materiality survey and adherence to GRI standards		2.1.1. Meeting the major real estate challenges	√
				2.9.2 GRI Standards	

Reported *Not reported*

2.9.2. GRI STANDARDS

The concordance table below shows where the information required under the new "GRI Standards" published in October 2016 has been disclosed in this 2017 Annual and sustainable development report. For the fifth year in a row, this table has been produced in accordance with the "core approach" method of the GRI guidelines. It complies with all 33 reporting requirements of the Core Option. Unibail-Rodamco has identified 12 material topics. Each of them complies with all reporting requirements of the management approach, and of at least one topic-specific disclosure. The Group also reports compliance with the GRI Standards for 6 additional topics.

Disclosure Number	Disclosure Title (Individual disclosure items "a", "b", "c", etc. are not listed here)	Reported	Cross-reference	External assurance
GENERAL DISCLOSURES				
102-1	Name of the organisation		7.1. Information on the company	√
102-2	Activities, brands products and services		1.3. Business overview	
102-3	Location of headquarters		7.1. Information on the company	√
102-4	Location of operations		1.3. Business overview	
102-5	Ownership and legal form		7.1. Information on the company	√
102-6	Markets served		1.3. Business overview	
102-7	Scale of the organisation		1.3. Business overview 2.5. Collective Power @ Unibail-Rodamco 4.1. Business review and 2017 results	√
102-8	Information on employees and other workers		2.5. Collective Power @ Unibail-Rodamco	√
102-9	Supply chain		2.4.5. Suppliers and contractors: Supply Chain Management – Purchases Mapping	√
102-10	Significant changes to the organisation and its supply chain		4.1. Business review and 2017 results 2.4.5. Suppliers and contractors: Supply Chain Management – Purchases Mapping	√
102-11	Precautionary Principle or approach		2.2.3. Risk and crisis management 2.3.2.1. Environmental management systems 6. Risk factors and internal control	√
102-12	External initiatives		2.2. Corporate governance, ethical conduct and risk management 2.4.7. Investor and shareholder transparency 2.9. Content indexes 3. Corporate Governance and remuneration	√
102-13	Membership of associations		2.4.6. Professional organisations	
102-14	Statement from senior decision-maker		8.1. Statement of the persons responsible for the Registration Document	
102-15	Key impacts, risks and opportunities		2.1.1. Meeting the major real estate challenges 2.2.3. Risk and crisis management 6.2. Main risk factors & mitigating measures 2.6. 2017 achievements & "Better Places 2030" objectives	√
102-16	Values, principles, standards and norms of behaviour		3. Corporate Governance and remuneration 2.2. Corporate governance, ethical conduct and risk management 6.1.3. Internal Control System	√
102-17	Mechanisms for advice and concerns about ethics		2.2.3. Risk and crisis management 6.2. Main risk factors & mitigating measures	√
102-18	Governance structure		3. Corporate Governance and remuneration 2.1.2. Governance and CSR 2.2. Corporate governance, ethical conduct and risk management	√
102-19	Delegating authority		2.1.2. Governance and CSR	√
102-20	Executive-level responsibility for economic, environmental and social topics		2.1.2. Governance and CSR	√
102-21	Consulting stakeholders on economic, environmental and social topics		2.4. Stakeholders	√
102-22	Composition of the highest governance body and its committees		3.1. Management and Supervisory Boards	√
102-23	Chair of the highest governance body		3.1. Management and supervisory boards	√
102-24	Nominating and selecting the highest governance body		3.1. Management and supervisory boards	√
102-25	Conflicts of interest		3.1. Management and Supervisory Boards 3.1.2.5. Additional information related to Management Board and Supervisory Board Members	√

Reported *Partially reported*

Disclosure Number	Disclosure Title Individual disclosure items (“a”, “b”, “c”, etc.) are not listed here	Repor-ted	Cross-reference	External assurance
102-26	Role of highest governance body in setting purpose, values and strategy		2.1.2. Governance and CSR 3.1. Management and Supervisory Boards	√
102-28	Evaluating the highest governance body’s performance		2.1.2. Governance and CSR 3.1. Management and Supervisory Boards 3.1.2.4. Evaluation of the Supervisory Board 3.2 Remuneration	√
102-29	Identifying and managing economic, environmental and social impacts		1.3. Business overview 2.1.1. Meeting the major real estate challenges 2.1.2. Governance and CSR 2.3. Environment 2.4. Stakeholders	√
102-30	Effectiveness of risk management processes		2.1.2. Governance and CSR 3. Corporate Governance and remuneration 6.2. Main risk factors & mitigating measures	√
102-31	Review of economic, environmental and social topics		2.1.2. Governance and CSR	√
102-32	Highest governance body’s role in sustainability reporting		2.1.2. Governance and CSR	√
102-33	Communicating critical concerns		2.2. Corporate governance, ethical conduct and risk management 6.2. Main risk factors & mitigating measures	√
102-35	Remuneration policies		2.1.2. Governance and CSR 3. Corporate Governance and remuneration	√
102-36	Process for determining remuneration		2.5.7. Rewards & recognition 3. Corporate Governance and remuneration	√
102-37	Stakeholders’ involvement in remuneration		2.5.7. Rewards & recognition 3. Corporate Governance and remuneration	√
102-40	List of stakeholder groups		2.4. Stakeholders	√
102-41	Collective bargaining agreements		2.5.8. Labour relations	√
102-42	Identifying and selecting stakeholders		2.4. Stakeholders	√
102-43	Approach to stakeholder engagement		2.4. Stakeholders	√
102-44	Key topics and concerns raised		2.1.1. Meeting the major real estate challenges 2.1.2. Governance and CSR 2.4. Stakeholders	√
102-45	Entities included in the consolidated financial statements		1.4. Portfolio 4. Business review as of december 31, 2017 5.1. Consolidated financial statements 5.2. Notes to the consolidated financial statements (Note 3. Scope of consolidation)	√
102-46	Defining report content and topic boundaries		2.1.1. Meeting the major real estate challenges 2.7. Reporting methodology	√
102-47	List of material topics		2.1.1. Meeting the major real estate challenges	√
102-48	Restatements of information		1.3. Business overview 2.7. Reporting methodology 5.2. Notes to the consolidated financial statements	√
102-49	Changes in reporting		2.7.1.4. Changes in reporting scope	√
102-50	Reporting period		2.7.1.5. Reporting period and reference year 4. Business review as of december 31, 2017	√
102-51	Date of most recent report		TBD	
102-52	Reporting cycle		2.7 Reporting methodology	
102-53	Contact point for questions regarding the report		8.1. Statement of the persons responsible for the Registration Document	
102-54	Claims of reporting in accordance with the GRI Standards		2.9.2. GRI Standards	
102-55	GRI content index		2.9.2. GRI Standards	
102-56	External assurance		2.7.3. Audit and certification of reporting by an independent third-party	√

Reported *Partially reported*

Disclosure Number	Disclosure Title Individual disclosure items ("a", "b", "c", etc.) are not listed here	Repor-ted	Cross-reference	External assurance
MANAGEMENT APPROACH				
Energy & carbon				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challenges 2.3.1. Group greenhouse gas (GHG) emissions 2.7. Reporting methodology	√
103-2	The management approach and its components		2.3.2. Pillar 1: Less carbon emissions, better buildings 2.3.3. Pillar 2: Less polluting transport, better connectivity	√
103-3	Evaluation of the management approach		2.6. 2017 Achievements & Better Places 2030 objectives	√
Building labels & standards				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challenges 2.3.1. Group greenhouse gas (GHG) emissions 2.7. Reporting methodology	√
103-2	The management approach and its components		2.3.2.2. Building environmental certification	
103-3	Evaluation of the management approach		2.6. 2017 Achievements & Better Places 2030 objectives	√
103-2	The management approach and its components		2.3.2.2. Building environmental certification	
103-3	Evaluation of the management approach		2.6. 2017 Achievements & Better Places 2030 objectives	√
Waste				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challenges 2.7. Reporting methodology	√
103-2	The management approach and its components		2.3.2.6. Use of ressources	√
103-3	Evaluation of the management approach		2.6. 2017 Achievements & Better Places 2030 objectives	√
Sustainable procurement				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challenges 2.4. Stakeholders	√
103-2	The management approach and its components		2.4.5. Suppliers and contractors: Supply Chain Management – Purchases Mapping	√
103-3	Evaluation of the management approach		2.6. 2017 Achievements & Better Places 2030 objectives	√
Transport connectivity & accessibility				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challenges 2.3.1. Group greenhouse gas (GHG) emissions 2.7. Reporting methodology	√
103-2	The management approach and its components		2.3.3. Pillar 2: Less polluting transport, better connectivity	√
103-3	Evaluation of the management approach		2.6. 2017 Achievements & Better Places 2030 objectives	√
Customer and visitor attraction, retention & engagement				
103-1	Explanation of the material topic and its boundary		1.3. Business overview 2.1.1. Meeting the major real estate challenges 2.4. Stakeholders	√
103-2	The management approach and its components		2.4.3. Visitors & customers	√
103-3	Evaluation of the management approach		2.4.3. Visitors & customers 2.6. 2017 Achievements & Better Places 2030 objectives	√
Tenant attraction, retention & engagement				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challenges 4.1.2. Business review by segment	
103-2	The management approach and its components		2.4.4. Tenants and retailers	√
103-3	Evaluation of the management approach		2.4.4. Tenants and retailers 2.6. 2017 Achievements & Better Places 2030 objectives	√
Local economic development				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challenges 2.4. Stakeholders	√
103-2	The management approach and its components		2.4.1. Communities and local authorities 2.4.2. Tax authorities and taxation	√
103-3	Evaluation of the management approach		2.6. 2017 Achievements & Better Places 2030 objectives 5.2. Notes to the consolidated financial statements (note 8. Taxes)	√
Community well-being				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challengesComfort, Well-being and Productivity 2.4. Stakeholders	√
103-2	The management approach and its components		2.4.1. Communities and local authoritiesComfort, Well-being and Productivity	√
103-3	Evaluation of the management approach		2.6. 2017 Achievements & Better Places 2030 objectives	√

Reported *Partially reported*

Disclosure Number	Disclosure Title Individual disclosure items ("a", "b", "c", etc.) are not listed here	Reported	Cross-reference	External assurance
Crime & safety				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challenges	√
103-2	The management approach and its components		2.3.2.7. Health & Safety and environmental risks and pollution 6.2. Main risk factors and mitigating measures 6.2.3. Operational risks inherent to business activities	√
103-3	Evaluation of the management approach		2.3.2.7. Health & Safety and environmental risks and pollution 2.6. 2017 Achievements & Better Places 2030 objectives 6.2. Main risk factors and mitigating measures	√
Technology & digital				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challenges	√
103-2	The management approach and its components		2.4.3. Visitors & customers 2.4.4. Tenants & retailers 2.5.2. UR Academy – Developing people	√
103-3	Evaluation of the management approach		2.6. 2017 Achievements & Better Places 2030 objectives	√
Employee attraction, retention & engagement				
103-1	Explanation of the material topic and its boundary		2.1.1. Meeting the major real estate challenges 2.7. Reporting methodology	√
103-2	The management approach and its components		2.1.2. Governance and CSR 2.5. Collective Power @ Unibail-Rodamco	√
103-3	Evaluation of the management approach		2.5. Collective Power @ Unibail-Rodamco 2.6. 2017 Achievements & Better Places 2030 objectives	√
ECONOMIC				
Economic performance				
201-1	Direct economic value generated and distributed		2.4. Stakeholders 5.1. Consolidated Financial Statements	√
201-2	Financial implications and other risks and opportunities due to climate change		2.2.3. Risk and crisis management 2.3.1. Group greenhouse gas (GHG) emissions 2.3.2.4. Energy consumption 6.2. Main risk factors and mitigating measures	√
201-3	Defined benefit plan obligations and other retirement plans		2.5.7. Rewards & recognition 3. Corporate governance and remuneration 5.2. Notes to the consolidated financial statements (Note 10. Employee remuneration and benefits)	√
Market presence				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		2.5.7. Rewards & recognition 3. Corporate governance and remuneration	√
202-2	Proportion of senior management hired from the local community		2.4.1. Communities and local authorities 2.4.5. Suppliers and contractors: Supply Chain Management – Purchases mapping 2.5.3. Attracting the best 2.5.4. Equal opportunity and inclusion 2.5.7. Rewards & recognition	√
Indirect economic impacts				
203-1	Infrastructure investments and services supported		2.3.2. Pillar 1: Less carbon emissions, better buildings 2.3.3. Pillar 2: Less polluting transport, better connectivity 2.4.1. Communities and local authorities 2.4.1.1. The Group's local economic footprint 2.4.5. Suppliers and contractors: Supply Chain Management – Purchases Mapping	√
203-2	Significant indirect economic impacts		2.4.1.1. The Group's local economic footprint	√
Procurement practices				
204-1	Proportion of spending on local suppliers		2.4.5. Suppliers and contractors: Supply Chain Management – Purchases Mapping	√
Anti-corruption				
205-1	Operations assessed for risks related to corruption		2.2. Corporate Governance, ethical conduct and risk management 6.1.2. Group Risk Committee 6.1.3. Internal Control System 6.2.3. Operational risks inherent to business activities	√
205-2	Communication and training about anti-corruption policies and procedures		2.2. Corporate governance, ethical conduct and risk management 6.2.3.11. Legal, regulatory and compliance risks	√
ENVIRONMENT				
Energy				
302-1	Energy consumption within the organization		2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (scope 1 & 2) 2.3.2.4. Energy consumption	√
302-2	Energy consumption outside of organisation		2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (scope 1 & 2) 2.3.2.4. Energy consumption	√
302-3	Energy intensity		2.3.2.4. Energy consumption	√
302-4	Reduction of energy consumption		2.3.2.4. Energy consumption 2.6. 2017 achievements & "Better Places 2030" objectives	
302-5	Reductions in energy requirements of products and services		2.3.2.1. Environmental Management Systems 2.3.2.4. Energy consumption	√

Partially reported

Disclosure Number	Disclosure Title Individual disclosure items (“a”, “b”,“c”, etc.) are not listed here	Reported	Cross-reference	External assurance
Water				
303-1	Water withdrawal by source		2.3.2.6. Use of resources	√
303-3	Water recycled and reused		2.3.2.6. Use of resources	√
Emissions				
305-1	Direct (Scope 1) GHG emissions		2.3.1. Group greenhouse gas (GHG) emissions 2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (scope 1 & 2)	√
305-2	Energy indirect (Scope 2) GHG emissions		2.3.1. Group greenhouse gas (GHG) emissions 2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (scope 1 & 2)	√
305-3	Other indirect (Scope 3) GHG emissions		2.3.1. Group greenhouse gas (GHG) emissions 2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (scope 1 & 2)	√
305-4	GHG emissions intensity		2.3.1. Group greenhouse gas (GHG) emissions 2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (Scope 1 & 2)	√
305-5	Reduction of GHG emissions		2.3.1. Group greenhouse gas (GHG) emissions 2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (scope 1 & 2) 2.6. 2017 achievements & “Better Places 2030” objectives	√
305-6	Emissions of ozone-depleting substances (ODS)		2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (scope 1 & 2) 2.3.2.6. Use of resources2.3.2.7. Health & Safety and environmental risks and pollution	√
Effluents and Waste				
306-2	Waste by type and disposal method		2.3.2.6. Use of resources	√
Environmental Compliance				
307-1	Non-compliance with environmental laws and regulations		2.3.2.7. Health & Safety and environmental risks and pollution	√
Supplier Environmental Assessment				
308-1	New suppliers that were screened using environmental criteria		2.4.5. Suppliers and contractors: Supply Chain Management – Purchases Mapping	√
SOCIAL				
Employment				
401-1	New employee hires and employee turnover		2.5.3. Attracting the best	√
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		2.5.7. Rewards & recognition 10.3. Employee benefits	√
Occupational Health and Safety				
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities		2.5.6. Well-being at work	√
Training and Education				
404-1	Average hours of training per year per employee		2.5.2. UR Academy – Developing people	√
404-2	Programmes for upgrading employee skills and transition assistance programs		2.5.2. UR Academy – Developing people	√
404-3	Percentage of employees receiving regular performance and career development reviews		2.5.1. Talent management and engagement 2.5.7. Rewards & recognition	√
Diversity and Equal Opportunity				
405-1	Diversity of governance bodies and employees		2.5. Collective power @ Unibail-Rodamco 3. Corporate governance and remuneration	√
405-2	Ratio of basic salary and remuneration of women to men		2.5.7. Rewards & recognition	√

Reported *Partially reported*

Disclosure Number	Disclosure Title Individual disclosure items ("a", "b", "c", etc.) are not listed here	Reported	Cross-reference	External assurance
Non-discrimination				
406-1	Incidents of discrimination and corrective actions taken	Partially reported	2.5.4. Equal opportunity and inclusion 6.2.3.11. Legal, regulatory and compliance risks	√
Human Rights Assessment				
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Reported	2.4.5. Suppliers and contractors: Supply Chain Management – Purchases Mapping 6.2.3.11. Legal, regulatory and compliance risks	√
Local Communities				
413-1	Operations with local community engagement, impact assessments, and development programs	Partially reported	2.3.2.1. Environmental Management Systems 2.4.1. Communities and local authorities	√
413-2	Operations with significant actual and potential negative impacts on local communities	Reported	2.3.2.1. Environmental Management Systems 2.4.1. Communities and local authorities	√
Supplier Social Assessment				
414-1	New suppliers that were screened using social criteria	Partially reported	2.4.5. Suppliers and contractors: Supply Chain Management – Purchases Mapping	√
Customer Health and Safety				
416-1	Assessment of the health and safety impacts of product and service categories	Reported	2.3.2.7. Health & Safety and environmental risks and pollution	√
Marketing and Labelling				
417-1	Requirements for product and service information and labelling	Reported	2.3.2.1. Environmental Management Systems 2.3.2.2. Building environmental certification	√
Socioeconomic Compliance				
419-1	Non-compliance with laws and regulations in the social and economic area	Reported	2.3.2.7. Health & Safety and environmental risks and pollution 6.2.3.11. Legal, regulatory and compliance risks	√

Reported *Partially reported*

2.9.3. 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 2017, and according to Article 225 requirements (French Grenelle law), the EY audit firm performed a review of the Group's disclosures covering all the information covered by the Article and has notably performed an in-depth review of the most material topics and key performance indicators (see assurance statement in the section 2.8. Independent verifier's report on consolidated social, environmental and societal information presented in the management report). The table below shows the concordance between legal requirements and Unibail-Rodamco's audited disclosures published in the present chapter.

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".

2.

Article 225 nomenclature	Description	References	Materiality[1]
I. SOCIAL INFORMATION			
I. A – Employment	Total number and breakdown of employees by gender, age, and geographical zone	KPI: Employment by gender KPI: Employment by age KPI: Employment by country	M
I. A – Employment	New hires and dismissals	KPI: Recruitments KPI: Departures 2.5.3. Attracting the best	P
I. A – Employment	Salaries and their evolution	2.5.7. Rewards & recognition Annual increase in average salary Proportion of employees benefiting from STI Proportion of employees benefiting from stock option and performance shares Proportion of employees benefiting from salary increase	P
I. B – Labour organization	Working time organisation	2.5.6. Well-being at work	P
I. B – Labour organization	Absenteeism	KPI: Absenteeism	M
I. C – Social Relations	Organisation of social dialogue (procedures for consultation and negotiation)	2.5.8. Labour relations	P
I. C – Social Relations	Review of collective agreements	KPI: Collective bargaining	P
I. D – Health & Safety	Health and safety conditions at work	2.5.6. Well-being at work	P
I. D – Health & Safety	Review of the agreements signed with trade unions or staff representatives on health and safety at work	2.5.8. Labour relations	P
I. D – Health & Safety	Occupational accidents, including the frequency and severity rates, and occupational diseases	KPI: Absenteeism	P
I. E – Training	Implemented training policies	2.5.2. UR Academy – Developing people	P
I. E – Training	Total number of hours trained	KPI: Training	M
I.F – Equality of treatment	Implemented policies and measures in favour of equality between women and men	2.5.4. Equal opportunity and inclusion Proportion of men and women benefiting from a salary increase (2.5.7. Rewards & recognition)	P
I.F – Equality of treatment	Implemented policies and measures for employment and integration of disabled people	2.5.4. Equal opportunity and inclusion	P
I.F – Equality of treatment	Implemented policies and measures to fight discrimination	2.1.2. Governance and CSR 2.2. Corporate governance, ethical conduct and risk management 2.5.4. Equal opportunity and inclusion	P
I.G – Respect/Promotion of ILO Principles	For freedom of association respect and right to collective bargaining	2.5.8. Labour relations	N/A
I.G – Respect/Promotion of ILO Principles	To the elimination of discrimination in matters of employment and profession	2.4.5. Suppliers and contractors: Supply Chain Management and Purchases Mapping 2.5.8. Labour relations	P
I.G – Respect/Promotion of ILO Principles	To the elimination of forced or compulsory labour	N/A	N/A
I. G – Respect/Promotion Principles OIT	To the effective abolition of child labour	N/A	N/A

Article 225 nomenclature	Description	References	Materiality[1]
II. ENVIRONMENTAL INFORMATION			
II.A – Overall environmental policy	Group's organisation to take into account environmental matters and environmental assessment approaches or certification	2.1.2. Governance and CSR 2.3.2.1. Environmental Management Systems (EMS) 2.7.1. Reporting methodology for environmental and societal data 2.3.2.2. Product labelling: Environmental certification KPI: Environmental certification of new developments KPI : Environmental certification of standing assets 2.6. 2017 Achievements and "Better Places 2030" objectives	M
II.A – Overall environmental policy	Training and informing activities conducted on employees for the protection of the environment	2.5.2. UR Academy – Developing people 2.1.2. Governance and CSR	P
II.A – Overall environmental policy	Resources devoted to the prevention of environmental risks and pollution	2.3.2.7. Health & Safety and environmental risks and pollution KPI: Annual risk management assessment	P
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)	2.3.2.7. Health & Safety and environmental risks and pollution (no provision for environmental risks)	P
II. B – Pollution	Prevention, reduction or compensation measures for air rejections, water and soil discharge that seriously harm the environment	2.3.1. Group greenhouse gas (GHG) emissions 2.3.2.6. Use of ressources 2.4.5. Suppliers and contractors: Supply Chain Management – Purchases mapping	P
II. B – Pollution	Consideration of noise pollution and any other form of pollution specific to an activity	2.3.2.1. Environmental Management Systems (EMS) (Considerate Construction Charter) 2.3.2.7. Health & Safety and environmental risks and pollution	P
II. C – Circular economy	Actions taken in support for the prevention, recycling and waste disposal	2.3.2.6. Use of ressources (Waste) KPI: Total waste (tonnes) and shares of recycled and valued waste (%) KPI: Split of total waste by disposal route (%) KPI: Split of total waste by type (tonnes)	P
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	2.3.2.6. Use of ressources (Water) KPI: Water consumption (m3) broken down by use (%) and by source KPI: Intensity of water use (litre/visit/year for Shopping Centres, litre/occupant/year for Offices, litre/m2 JOP/year for Convention & Exhibition centres) KPI: Water consumption per m2 (litre/m^2/year)	P
II. C – Circular economy	Consumption of raw material and measures taken to improve their use efficiency	2.3.2.6. Use of ressources	P
II. C – Circular economy	Energy consumption	KPI: Energy consumption (kWh) KPI: Energy efficiency PER USAGE (kWh/visit/year for Shopping Centres, kWh/occupant/year for Offices, kWh/m2 DOP/year for Convention & Exhibition centres) KPI: Energy efficiency per m^2 (kWh/m2/year) KPI: Direct and indirect final energy consumption by primary energy source (energy mix) (%) KPI: Tenants' collected electricity consumption (kWh)	M
	Use of renewable energies	2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (Scope 1 & 2) - Focus on renewable electricity KPI: Renewable electricity produced (kWh) and greenhouse gas emissions avoided ($kgCO_2e$)	
	Measures taken to improve energy efficiency	2.3.2.4. Energy consumption 2.6. 2017 Achievements and "Better Places 2030" objectives	
II. C – Circular economy	Land use	2.3.2.7. Health & Safety and environmental risks and pollution - Soil depollution and prevention in case of acquisition KPI: Soil pollution and site remediation	P

Article 225 nomenclature	Description	References	Materiality[1]
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	2.3.1. Group greenhouse gas (GHG) emissions	M
		2.3.2.3. Direct and indirect greenhouse gas emissions from standing assets (Scope 1 & 2)	
		2.3.2. Pillar 1: Less carbon emissions, better buildings	
		KPI: Carbon intensity of construction activity ($kgCO_2/m^2$)	
		KPI: Carbon intensity of energy consumption from operation ($kgCO2/m^2$)	
		KPI: Carbon intensity of transport ($kgCO2/m^2$)	
		KPI: Greenhouse gas (GHG) emissions from the energy consumption of standing assets (scopes 1 & 2) ($kgCO_{2eq}$)	
		KPI: Carbon intensity from energy consumption of standing assets (Scope 1 & 2) PER USAGE (gCO_{2eq}/visit/year for Shopping Centres, gCO_{2e}/occupant/year for Offices, gCO_{2eq}/m^2JOP/year for Convention & Exhibition venues)	
		KPI: Renewable electricity produced (kWh) and greenhouse gas emissions avoided ($kgCO_2e$)	
		KPI: Carbon intensity from the energy consumption of standing assets (Scope 1 & 2) by AREA ($kgCO_{2e}/m^2$/year)	
		KPI: Split of Shopping Centres' visits by transport means (%)	
II. D – Climate change	Adaptation to climate change impacts	2.1.1. Meeting the major real estate challenges	P
		2.1.2. Governance and CSR	
		2.3. Environment	
II. E – Biodiversity protection	Measures taken to preserve or develop biodiversity	2.3.2.6. Use of ressources	P
III. SOCIETAL INFORMATION			
III. A – Territorial, economic and social impact of the Company	In terms of employment and regional development	2.4.1. Communities and local authorities	M
		2.4.1.1. The Group's local economic footprint	
		2.4.1.2. Group commitments in local communities	
III. A – Territorial, economic and social impact of the Company	On local population	2.5. Collective Power @ Unibail-Rodamco	P
		2.4.1. Communities and local authorities	
III.B – Relationships with interested in the Company's business	Dialogue conditions with said persons or organisations	2.4. Stakeholders	M
		2.4.3. Visitors & customers (customers' satisfaction surveys)	
		2.4.4. Tenants & retailers (tenants' satisfaction surveys; Green Leases version 2)	
		KPI: Green Leases version 2	
		2.6. 2017 Achievements and "Better Places 2030" objectives	
III.B – Relationships with persons or organisations interested in the Company's business	Partnerships or sponsorships	2.4.1.2. Group commitments in local communities	P
		2.5.5. Employee Commitments and CSR	P
III.C – Subcontractors and suppliers	Consideration of social and environmental issues in the procurement policy of the Company	2.4.5. Suppliers and contractors: Supply Chain Management – Purchases mapping	M
		KPI: Coverage of the assessment of supplier performances, and total amount of contracts assessed	
III.C – Subcontractors and suppliers	The importance of subcontracting and addressing suppliers' social and environmental responsibility	2.4.5. Suppliers and contractors: Supply Chain Management – Purchases mapping	M
		2.6. 2017 Achievements and "Better Places 2030" objectives	
III. D – Fair practices	Actions taken against corruption	2.2.2. Ethical conduct and anti-corruption policy	M
		2.1.2. Governance and CSR	
		2.4.5. Suppliers and contractors: Supply Chain Management – Purchases mapping	
III. D – Fair practices	Actions taken in favour of customers' health and safety	2.6. 2017 Achievements and "Better Places 2030" objectives	M
		2.3.2.7. Health & Safety and environmental risks and pollution	
		KPI: Annual risk management assessment	
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.	P

(1) M = Material; P = Potentially material; N/A = Non applicable.

3.

CORPORATE GOVERNANCE AND REMUNERATION

GOVERNANCE PRINCIPLES - ADHERENCE TO THE AFEP-MEDEF CODE

In accordance with Article L. 225-37-4 of the French Commercial Code, Unibail-Rodamco SE voluntarily refers to the French Afep-Medef Corporate Governance Code of Listed Companies (hereafter the "**Afep-Medef Code**"). The latest version of the Code, published in November 2016, is available on the Afep website.

Pursuant to the Afep-Medef Code and the recommendations of the French financial market authority (AMF), companies are required to report precisely how they apply the Code and, where relevant, indicate the reasons why they did not comply with certain recommendations.

Application of the recommendations set forth in the Afep-Medef Code and their evaluation are monitored by the Governance, Nomination and Remuneration Committee (GNRC), which reports to the Supervisory Board (SB), working closely with the Management Board (MB). Each year, close attention is paid to the report issued by the High Committee for Corporate Governance (*Haut Comité du Gouvernement d'Entreprise*) and the AMF report on Governance and executive remuneration. An analysis of the Company's 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 performed its annual review of the Company's compliance with the Afep-Medef Code and discussed improvement proposals formulated by the GNRC.

As of the date of filing of this Registration Document, and in line with the "comply or explain" principle, the Group has applied all of the recommendations set forth in the Afep-Medef Code, including those relating to executive remuneration of listed French companies.

Compliance with the Afep-Medef Code	
Good Governance	✓
Leadership	✓
Accountability	✓
Remuneration	✓
Relationship with shareholders	✓

No matter concerning the Company has ever been raised by the High Committee for Corporate Governance.

3.1. MANAGEMENT AND SUPERVISORY BODIES

The Company has adopted a dual management structure: a public limited company with a Management Board (MB) and a Supervisory Board (SB).

Such governance structure meets the highest standards of corporate governance ensuring an efficient balance between management and supervision allowing a responsive and reactive MB in the performance of its executive duties, in accordance with the non-executive prerogatives of the SB, whose balanced and diverse composition guarantees independent oversight.

3.1.1. THE MANAGEMENT BOARD

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.

In addition to leading the Company's strategy, the MB policy and representing the Company vis à vis third parties, the MB Chairman and Chief Executive Officer (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.

The allocation of responsibilities amongst the MB Members is as follows:

- Chief Financial Officer (CFO): MB Member responsible for optimising 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 five-year Business Plan, and 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;
- Chief Operating Officer (COO): MB Member responsible for defining the retail asset strategy, net rental growth, and tenant sales and footfall, notably in the budgets and plans. He is responsible for all departments at the operational level: marketing, leasing and speciality leasing, operating management, shopping centre management and PMPS (Property, Maintenance, Purchasing and Sustainability). He supervises and supports the Regional Managing Directors in all regions, including the Regional Managing Director Offices France;
- Chief Resources Officer (CRO): MB Member responsible for Human Resources, IT, Organisation, Legal and Sustainable Development for the Group;
- Chief Development Officer (CDO): MB Member responsible for the origination and the execution of property development projects, for the construction of new assets, and for major restructuring, extensions or refurbishments of existing assets;
- Deputy Chief Financial Officer (Deputy CFO): MB Member responsible for managing the balance sheet, notably the debt, financial control, the budget and the five-year Business Plan, as well as for 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 of the Company's stakeholders. It is held to account for the manner in which it carries out its duties. It must act with independence, loyalty and professionalism. As provided for by the Afep-Medef Code, the SB assesses the functioning of the MB on an annual basis.

The main statutory provisions of the Articles of Association and the MB Charter governing the composition, role, duties and functioning of the MB are provided in Section 7.6 of this Registration Document.

3.1.1.1. Composition of the Management Board

The MB consisted of six members as at December 31, 2017.

Management Board Members	Nationality	Age	Main function	First appointment to the Management Board	Expiry date
Mr Christophe Cuvillier	French	55	MB Chairman – Chief Executive Officer	June 1, 2011	AGM 2021
Mr Olivier Bossard	French	53	MB Member – Chief Development Officer	April 25, 2013	AGM 2021
Mr Fabrice Mouchel	French	47	MB Member – Deputy Chief Financial Officer	April 25, 2013	AGM 2021
Ms Astrid Panosyan	French	46	MB Member – Chief Resources Officer	September 1, 2015	AGM 2021
Mr Jaap Tonckens	American and Dutch	55	MB Member – Chief Financial Officer	September 1, 2009	AGM 2021
Mr Jean-Marie Tritant	French	50	MB Member – Chief Operating Officer	April 25, 2013	AGM 2021

At its meeting on February 1, 2017, the SB, upon the recommendation of the Governance, Nomination and Remuneration Committee (GNRC), decided to renew each MB Member's mandate for a new four-year period, ending at the General Meeting called to approve the financial statements for the financial year ending December 31, 2020. The MB Chairman's mandate was also renewed for the same length of time.

◆ Management Board Member information and offices held at December 31, 2017

MR CHRISTOPHE CUVILLIER

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.

Appointed to the Unibail-Rodamco MB as Chief Operating Officer in April 2011 (effective June 1, 2011).

Appointed MB Chairman and Chief Executive Officer effective April 25, 2013.

MB CHAIRMAN

CHIEF EXECUTIVE OFFICER

BORN ON
December 5, 1962

French national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
102,879

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 BV.

Previous mandates during the last five years

French Companies

- Director of Comexposium Holding SA.

Foreign Companies

- Director and Secretary of Unibail-Rodamco Spain SLU. (formerly Unibail-Rodamco Inversiones, SLU) and Unibail-Rodamco Ocio SLU.
- Director and Chairman of the Board of Proyectos Inmobiliaros New Visions SLU, Unibail-Rodamco Proyecto Badajoz SLU, Essential Whites SLU, Promociones Inmobiliarias Gardiner SLU, Unibail-Rodamco Steam SLU, Proyectos Inmobiliarios Time Blue SLU.
- SB Chairman of Rodamco Europe BV.

MR OLIVIER BOSSARD

MB MEMBER

CHIEF DEVELOPMENT OFFICER

BORN ON
May 12, 1964

French national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
128,148

Architect (École des Beaux-Arts, Paris). Master's in City Planning and Urbanism from Sciences-Po Paris and Master's in History from the University of 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).

Involved in the Unibail-Rodamco merger as Executive Vice-President in charge of Unibail Development and Strategy (2006).

Became Managing Director of the Office Division on October 1, 2007.

Appointed Group Managing Director of Development on October 16, 2010 (to April 24, 2013).

Appointed to the MB as Chief Development Officer effective April 25, 2013.

Other current functions and mandates outside of the Unibail-Rodamco Group

NA

Other current intra-group functions and mandates

French Companies

- Managing Director of Espace Expansion SAS.
- Managing Director of Unibail-Management SAS.
- Manager of Le Cannet Développement SARL.
- Chairman of Unibail-Rodamco Development SAS.
- Director of Unibail-Rodamco Participations SAS.

Foreign Companies

- Director of U&R Management BV.
- SB Member of Beta Development, sro.
- Director of Unibail-Rodamco Belgium NV.
- SB Member of CH Warszawa U sp. zoo.

Previous mandates during the last five years

French Companies

- Chairman and CEO of Société Foncière du 4/6 rue Louis Armand SA.

Foreign Companies

NA

MR FABRICE MOUCHEL

MB MEMBER

DEPUTY CHIEF FINANCIAL OFFICER

BORN ON
April 16, 1970

French national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
87,271

Graduate of HEC Business School and a Master's in law and French 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 & Acquisitions Department 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.

Became Deputy CFO in June 2007 to April 2013.

Appointed to the MB as Deputy Chief Financial Officer effective April 25, 2013.

Other current functions and mandates outside of the Unibail-Rodamco Group

NA

Other current intra-group functions and mandates

French Companies

NA

Foreign Companies

- Director of Liffey River Financing Ltd.
- Director of U&R Management BV.
- Director of Crossroads Property Investors SA.

Previous mandates during the last five years

French Companies

- Managing Director of R.E. France Financing SAS.

Foreign Companies

NA

MS ASTRID PANOSYAN

MB MEMBER

CHIEF RESOURCES OFFICER

BORN ON
August 13, 1971

French national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
243

Graduate of IEP Paris, HEC Business School and Harvard University (Kennedy School of Government).

Began 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.

Appointed to the Unibail-Rodamco MB as Chief Resources Officer effective September 1, 2015.

Other current functions and mandates outside of the Unibail-Rodamco Group

French Companies

- SB Member of AP-HP International.

Foreign Companies

NA

Other current intra-group functions and mandates

French Companies

- Chairman and CEO of Société de Tayninh SA (listed company).
- Chairman of Doria SAS, of Unibail Management SAS, and of Espace Expansion Immobilière SAS.
- Chairman and Director of Unibail-Rodamco Participations SAS.
- SB Member of Uni-Expos SA.

Foreign Companies

- Director of U&R Management BV.
- Director of Rodamco Europe Beheer BV.

Previous mandates during the last five years

French Companies

- Director of CEGID GROUP SA.

Foreign Companies

NA

MR JAAP TONCKENS

MB MEMBER

CHIEF FINANCIAL OFFICER

BORN ON
July 16, 1962

American and Dutch national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
10,642

Law Degree from Leiden University, The Netherlands.

Master's Degree in law from Emory University, Atlanta, GA, USA.

Associate with Shearman & Sterling LLP. in New York and Paris.

Associate, Vice-President and Executive Director at Morgan Stanley in London.

Managing Director at Morgan Stanley, Leverage & Acquisition Finance, New York, NY, USA.

Managing Director at Endurance Capital, New York, NY, USA.

Appointed to the Unibail-Rodamco MB as General Counsel in September 2009 and was appointed Chief Investment Officer in October 2010.

Appointed Chief Financial Officer effective July 2012.

Other current functions and mandates outside of the Unibail-Rodamco Group

NA

Other current intra-group functions and mandates

French Companies

- Chairman of Uni-Commerces SAS, of Immobilière Lidice SAS, of Rodamco-France SAS, of UR-LAB SAS and of Belwarde 1 SAS.
- Management Committee Member of SCI. Chesnay Pierre 2, of Geniekiosk SARL, of Aquarissimo SAS. and of SCI Parimall-Parly 2.

Foreign Companies

- SB Chairman 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 NV.
- Representative of the Unibail-Rodamco SE Permanent Establishment in The Netherlands.
- Director of Rodamco Nederland BV, Rodamco Nederland Winkels BV, U&R Management BV, Rodamco Europe Beheer BV and Rodamco Europe Properties BV.
- Director of Unibail-Rodamco Nederland Winkels BV.
- Director of Unibail-Rodamco Poland 2 BV, Rodamco España BV, Rodamco Central Europe BV, Eroica BV (formerly Rodamco Russia BV), Rodamco Austria BV, Rodamco Hungary BV, Rodamco Czech BV, Rodamco Deutschland BV, Dotterzwaan BV, Cijferzwaan BV, Unibail-Rodamco Poland 4 BV, Unibail-Rodamco Poland 5 BV, Rodamco Project I BV, Unibail-Rodamco Poland I BV, Rodamco Europe Finance BV, Rodamco Europe Finance II BV, Unibail-Rodamco Cascoshop Holding BV, Unibail-Rodamco Investments BV, Unibail-Rodamco Investments 2 BV, Unibail-Rodamco Investments 3 BV, Real Estate Investments Poland Coöperatief UA, Unibail-Rodamco Project BV, Stichting Rodamco, Old Tower Real Estate BV, New Tower Real Estate BV, Broekzele Investments BV, Unibail-Rodamco Retail Investments 1 BV, Unibail-Rodamco Retail Investments 2 BV, Traffic UK BV.
- Director of Unibail-Rodamco Austria Verwaltungs GmbH, Shopping Center Planungs und Entwicklungs GmbH, SCS Motor City Süd Errichtungs GmbH, SCS Liegenschaftsverwertung GmbH, DZ-Donauzentrum Besitz-und Vermietungs-GmbH, Unibail-Rodamco Invest GmbH.
- Director of Unibail-Rodamco Česká republika, sro, Centrum Praha Jih-Chodov sro, Centrum Černý Most, as., Černý Most II, as., Centrum Chodov, as.
- SB Member of Beta Development, sro.
- Director of Rodamco Deutschland GmbH.
- Member of the Administrative Board (Verwaltungsrat) of Ring-Center I Berlin KG.
- Director of Uniborc SA.
- Director of Aupark as UR P6 spol. sro and P6AUP sro.
- Member of the Board of GSSM Warsaw Sp. zoo, WSSM Warsaw Sp. zoo, Crystal Warsaw Sp. zoo, Wood Sp. zoo, SB Member of CH Warszawa U sp. zoo.

MR JAAP TONCKENS

- Director and Chairman of Unibail-Rodamco Spain SLU (formerly Unibail-Rodamco Inversiones, SLU), Unibail-Rodamco Ocio SLU, Unibail-Rodamco Palma, SLU, Unibail-Rodamco Real Estate, SL and Unibail-Rodamco Retail Spain, SL.
- Director and Secretary of Proyectos Inmobiliaros New Visions SLU, Essential Whites SLU.
- Director and Secretary of Unibail-Rodamco Steam SLU and Proyectos Inmobiliarios Time Blue SLU.
- Member of the Board of Rodamco Sverige AB, Fisketorvet Shopping Center.
- Chairman of the Board of Rodamco Northern Europe AB, Eurostop AB, Eurostop Holding AB, Rodamco Projekt AB, Rodamco Centerpool AB, Knölsvanen Bostad AB, Rodamco Solna Centrum AB, Piren AB, Rodamco AB, Rodamco Väsby Centrum AB, Rodamco Expand AB, Rodamco Parkering AB, Rodamco Fisketorvet AB, Rodamco Nacka AB, Rodamco Täby AB, Rodamco Garage AB, Anlos Fastighets AB, Rodamco Scandinavia Holding AB, Fastighetsbolaget Anlos HAB, Fastighetsbolaget Anlos LAB, Rodamco Handel AB, Fastighetsbolaget Anlos KAB, Rodareal OY and Rodamco Anlos Holding AB.

Previous mandates during the last five years

French Companies

NA

Foreign Companies

- Member of the Board of Unibail-Rodamco SI BV.
- Director of Crystal Warsaw Real Estate BV.
- Chairman of 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, Fastighetsbolaget Anlos 1 AB, Fastighetsbolaget Anlos 2 AB, Fastighetsbolaget Anlos 3 AB and Rodamco Management AB.
- Director of Moravská obchodní, as., Rodamco Pankrác, as. and Garáže Hráského sro.
- Director of Euro-Mall Ingatlanbefektetési Kft.
- Member of the Board of Gdansk Station Shopping Mall Sp. zoo., Wilenska Station Shopping Mall Sp. zoo, Arkadia Centrum Handlowe Sp. zoo, Wilenska Centrum Handlowe Sp. zoo and Rodamco CH 1 sp. zoo.
- Member of the Board of Unibail-Rodamco Liegenschaftserwerbs GmbH and Unibail-Rodamco Austria Management GmbH.
- Member of the Board of Directors and Secretary of Unibail-Rodamco Proyecto Badajoz SLU and Promociones Inmobiliarias Gardiner SLU.
- Director of Rodamco Europe BV.

MR JEAN-MARIE TRITANT

Graduate of ESC Dijon – Business School.

Master's Degree in commercial real estate from Paris I-Sorbonne University (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.

Appointed to the MB as Chief Operating Officer effective April 25, 2013.

MB MEMBER

CHIEF OPERATING OFFICER

BORN ON
November 10, 1967

French national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
167,789

Other current functions and mandates outside of the Unibail-Rodamco Group

NA

Other current intra-group functions and mandates

French Companies

- Management Committee Member of Aquarissimo SAS, Chesnay Pierre 2 SCI, Saint Jean SNC, Saint Jean II SNC, Juin Saint Hubert SNC, Juin Saint Hubert II SNC, and Les Terrasses Saint Jean SNC.

Foreign Companies

- Director of U&R Management BV.
- Director and Secretary of Unibail-Rodamco Spain SLU (formerly Unibail-Rodamco Inversiones, SLU), Unibail-Rodamco Ocio SLU, Unibail-Rodamco Palma, SLU, Unibail-Rodamco Real Estate, SL and Unibail-Rodamco Retail Spain, SL.
- Director and Chairman of Proyectos Inmobiliaros New Visions, SLU, Essential Whites, SLU, Unibail-Rodamco Steam, SLU and Proyectos Inmobiliarios Time Blue, SLU.
- SB Member of Unibail-Rodamco Germany GmbH.
- Director and Chairman of Rodamco Sverige AB.

Previous mandates during the last five years

French Companies

- Chairman of Unibail Management SAS, of Rodamco Gestion SAS, of Espace Expansion SAS.
- Managing Director of Uni-Commerces SAS, of Immobilière Lidice SAS., of Rodamco France SAS, of Unibail Management SAS.
- Manager of Espace Coquelles SARL, of BAY 1 BAY 2 SARL, of BEG Investissements SARL and of Geniekiosk SARL.
- Chairman and CEO of Union Internationale Immobilière SA, of Société d'Exploitation des Parkings du Forum des Halles de Paris SA.
- Director of Société Foncière du 6/8 rue Louis Armand SA.

Foreign Companies

- Director and representative of Unibail-Rodamco Nederland Winkels BV.
- SB Member of mfi AG.
- Director and Chairman Unibail-Rodamco Proyecto Badajoz SLU, Unibail-Rodamco Palma, SLU and Promociones Inmobiliarias Gardiner, SLU.

Management Board Members share ownership as at December 31, 2017

Number of Unibail-Rodamco SE shares held by the MB Members as at December 31, 2017:

Management Board members	Total number of shares*
Mr Christophe Cuvillier Chairman & Chief Executive Officer	102,879
Mr Olivier Bossard Chief Development Officer	128,148
Mr Fabrice Mouchel Deputy Chief Financial Officer	87,271
Ms Astrid Panosyan Chief Resources Officer	243
Mr Jaap Tonckens Chief Financial Officer	10,642
Mr Jean-Marie Tritant Chief Operating Officer	167,789

* *Including shares equivalent to the number of units held in the Company Savings Plan as at December 31, 2017.*

Share ownership requirements applicable to Management Board Members

In order to align the interests of the MB Members with those of the shareholders, and in application of an SB decision in accordance with the Afep-Medef Code and Article L. 225-185 of the French Commercial Code, the MB Members are required to comply with the strict obligations governing the holding of and investment in Company shares

Obligation to retain shares

Upon the exercise of the Performance Stock Options (SO), all MB Members must maintain a personal investment in Unibail-Rodamco SE shares equivalent to 30% of the capital gain (net of tax) until the end of their mandate as MB Members.

Upon the final vesting of the Performance Shares (PS), 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 mandate as MB Members.

This holding requirement is equivalent to three years of annual Fixed Income for the CEO and two years for the other MB Members.

Obligation to invest

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, until such MB Member owns a number of Unibail-Rodamco SE shares equivalent to at least 50% of their annual Fixed Income.

Prohibition on the use of hedging instruments

In accordance with the Afep-Medef Code, MB Members are strictly prohibited from using hedging instruments to cover the risk on shares owned as a result of exercising SO or of PS.

Management Board and Group Management Team Succession Plan

Talent management and development is key to the long-term competitiveness and growth of the Company. Departure of key people from the management team has been identified as a risk factor for the Company. In order to ensure business continuity both for foreseeable and unforeseeable departures, the Governance, Nomination and Remuneration Committee (GNRC) spends significant time discussing the MB and Group Management Team's succession plan annually. The CEO, the CRO and the GNRC discuss succession of the critical leadership roles in detail. This discussion includes defining the desired profile of potential replacements with respect to the Group's Strategy, diversity and the level of expertise and experience necessary for successful succession. Diversity in terms of gender, nationality and international experience are key points of discussion for the identification of individuals. Reinforcing the competencies of such individuals, where necessary, are also taken into account. The GNRC provides feedback to the full SB on this extensive work.

3.1.1.2. Management Board Functioning

The MB met 22 times during the financial year ending December 31, 2017.

The following key topics were addressed, managed and/or implemented in 2017:

Principal responsibilities of the Management Board	Key areas addressed, managed and/or implemented in 2017
Group Strategy	◆ in-depth analysis, preparation and negotiation of the Westfield acquisition announced in December 2017; ◆ investment, development and divestment projects and operations in 2017; ◆ strategic opportunities for the Group; ◆ implementation of the CSR strategy "Better Places 2030" Groupwide; ◆ digital strategy.
Group Financial Policy and Financial Performance and Reporting	◆ preparation and approval of the 2016 consolidated and statutory accounts and the 2017 half-year and quarterly accounts; ◆ the Group's five-year Business Plan and Budget; ◆ financial resources, balance sheet management and borrowing requirements; ◆ dividend distribution payment policy of the Group and annual allocation and distribution of profits; ◆ share buy-back programme and reduction of share capital by cancellation of those shares.
Internal risk management and control systems	◆ the 2017 internal audit plan; ◆ internal audits, internal control system and compliance; ◆ risk management and risk mapping; ◆ focused reports to the SB on selected risk management topics (2017 focus: health & safety, treasury, terrorism, talent management (recruitment and retention and succession planning)).
Governance and compliance with relevant laws and regulations	◆ Group Compliance programme (including the Group's Anti-Corruption Programme, "*Loi Sapin II*" and implementation of the European Regulation on personal data protection); ◆ compliance with regulatory/legal requirements and changes.
Succession Plan	◆ succession planning of the Group Management Team; ◆ provide support for the SB succession planning and for the recruitment and appointment of new SB Members; ◆ recruitment of key Group positions.
Group Remuneration Policy and Performance Assessments	◆ Group remuneration (including FI, STI, LTI and Company Savings Plan); ◆ annual Talent Review process.
Human Resources	◆ Talent Management; ◆ equal opportunity – international and gender diversity.
Shareholder Outreach and Engagement	◆ investor dialogue and road shows; ◆ AGM materials (agenda, resolutions, etc.); ◆ Registration Document.

3.1.2. THE SUPERVISORY BOARD

3.1.2.1. Supervisory Board composition and diversity

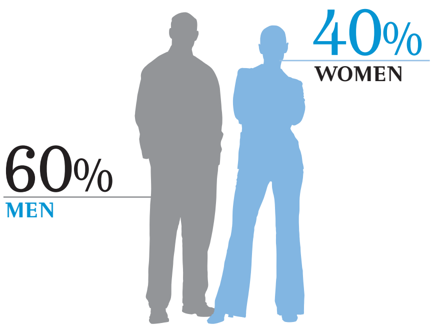
The Supervisory Board (SB) consists of 10 independent members as at December 31, 2017.

The SB composition reflects a strong commitment to independence (100% independent), diversity (40% women) and international exposure (60% non-French and six different nationalities) and the wide-ranging experience and expertise of its members. The average SB Member age is 57. The current member composition reinforces the Group's strategy through their expertise in real estate/asset management, retail, digital/e-commerce, consumer products, and finance among other areas. The range of skills and expertise is summarised in the biographies below.

At the general meeting of April 25, 2017, the shareholders approved the renewal of Ms Dagmar Kollmann's mandate as an SB Member for a period of three years and the appointment of Mr Philippe Collombel, Mr Colin Dyer and Mr Roderick Munsters as SB Members for a period of three years.

Mr Colin Dyer was appointed SB Chairman at the SB Meeting of April 25, 2017 . Mr Jean-Louis Laurens is the Vice-President.

Diversity



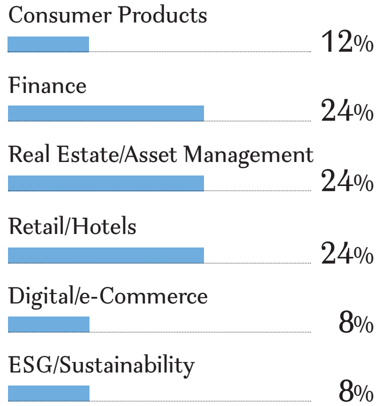
6 nationalities represented*

Number of people

- American: 1 person
- British: 3 people
- French: 4 people
- Austrian: 1 person
- Canadian: 1 person
- Dutch: 2 people

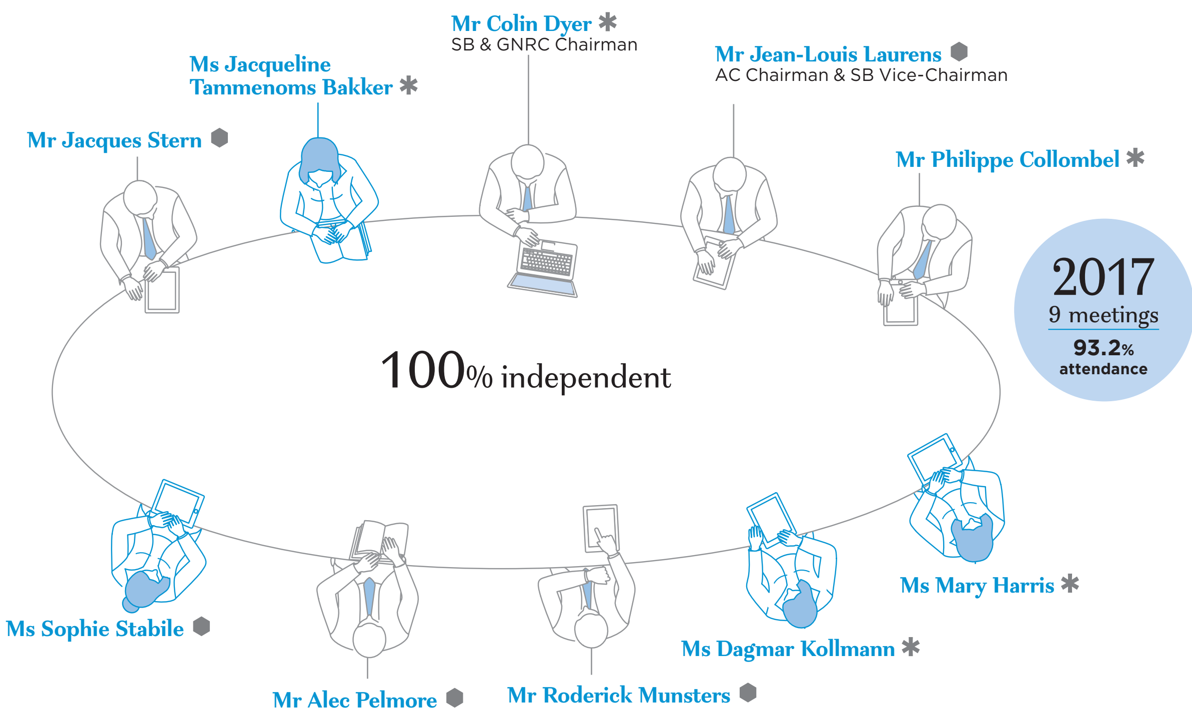
* *Mr Colin Dyer, British and American national*
Mr Roderick Munsters, Dutch and Canadian national.

Areas of Expertise



Some members are present in several categories.

Supervisory Board composition as at December 31, 2017



⬢ *Member of the Audit Committee (AC).* ✱ *Member of the Governance, Nomination & Remuneration Committee (GNRC).*

◆ *Supervisory Board Member profiles*

The GNRC and the SB review the profiles of its members each year to ensure the SB's ability to assume its responsibilities and duties under the best possible conditions. The profiles reflect the preferred Board composition and the objectives to be achieved in order to implement and maintain an independent Board which distinguishes itself by the diversity of its members in terms of gender, age and nationality as well as by their skills, expertise and experience. The member profile is detailed in the SB Charter.

◆ *Absence of employee or employee shareholder representation on the Supervisory Board*

Pursuant to Article L. 225-79-2 of the French Commercial Code, companies which exceed certain thresholds must provide for the representation of employees on their SB in their Articles of Association. As at December 31, 2017, the Unibail-Rodamco Group has not exceeded either of the two thresholds and is, therefore, not subject to this requirement.

Likewise, pursuant to Article L. 225-71 of the French Commercial Code, listed companies whose shares held by employees account for more than 3% of the share capital are required to appoint one or several employee shareholder representatives to their SB. As at December 31, 2017, the number of Company shares held by employees *via* the Company Savings Plan was less than 3% and, therefore, the Company is not subject to the requirement.

The principal statutory provisions of the Articles of Association and the charters of the SB and of its committees governing the composition, role, responsibilities and functioning of the SB are provided in Section 7.6 of this Registration Document.

◆ Supervisory Board Members as at December 31, 2017

Name	Age	Gender	Nationality	Independence	SB Attendance Rate/Number of meetings	First appointed	Term expires at AGM
Mr Colin Dyer SB & GNRC Chairman	65	M	British and American	Independent	7/7[1]	2017	2020
Mr Jean-Louis Laurens AC Chairman & SB Vice-Chairman	63	M	French	Independent	9/9	2007	2018
Mr Philippe Collombel	56	M	French	Independent	6/7[1]	2017	2020
Ms Mary Harris	51	F	British	Independent	9/9	2008	2018
Ms Dagmar Kollmann	53	F	Austrian	Independent	8/9	2014	2020
Mr Roderick Munsters	54	M	Dutch and Canadian	Independent	7/7[1]	2017	2020
Mr Alec Pelmore	64	M	British	Independent	9/9	2008	2018
Ms Sophie Stabile	47	F	French	Independent	7/9	2015	2018
Mr Jacques Stern	53	M	French	Independent	9/9	2016	2019
Ms Jacqueline Tammenoms Bakker	64	F	Dutch	Independent	8/9	2015	2018

(1) Joined the SB on April 25, 2017.

3.

Supervisory Board Member information and mandates held as at December 31, 2017

MR COLIN DYER

SB & GNRC CHAIRMAN

INDEPENDENT

BORN ON
September 17, 1952

American and British national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
650 (as at February 2018)

MBA, INSEAD.

Bachelor of Science, Mechanical Engineering, Imperial College, London.

Former CEO of Worldwide Retail Exchange.

Former CEO of Courtaulds Textiles where he held numerous other positions including Executive Division Director and Head Strategic Planning.

Former consultant at Mckinsey & Co.

Other current functions and mandates

NA

Previous mandates during the last five years

- President and CEO of Jones Lang LaSalle Inc. from 2004-2016 (USA) (listed).
- Non-Executive Director of Jones Lang LaSalle Inc. (USA) (listed).

MR JEAN-LOUIS LAURENS

SB VICE-CHAIRMAN & AC CHAIRMAN

INDEPENDENT

BORN ON
August 31, 1954

French national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
363

Graduate of École des Hautes Études Commerciales (HEC).

Doctorate in Economics and a Master's 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).

Other current functions and mandates

- Non-executive Chairman of the Board of Directors of Unigestion Asset Management France.
- Ambassador of AFG (Association Française de la Gestion financière) (France).

Previous mandates during the last five years

- General Partner of Rothschild & Cie Gestion Paris (France).
- Chairman of the Board of Directors of Rothschild Asset Management Inc. New York (USA) and of the Board of Directors of Risk Based Investment Solutions Ltd, London (UK) (Rothschild Group).

MR PHILIPPE COLLOMBEL

INDEPENDENT

BORN ON
January 7, 1961

French national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
350 (as at February 2018)

Graduate of Institut d'études politiques de Paris.

Executive MBA from the Kellogg School of Management (Northwestern University).

Master's in Economics and a Bachelor's in law.

A former partner at Accenture.

Formerly managed innovation and internet initiatives at Carrefour.

Other current functions and mandates

- Co-Managing Partner at Partech Partners (France)[1].
- Member of the Advisory Board of Facebook France.

Previous mandates during the last five years

NA

(1) Pursuant to the Afep-Medef Code, mandates related to Partech Partners are not taken into account given the fact that Partech Partners' main activity is to invest and hold interests in those companies.

MS MARY HARRIS

INDEPENDENT

BORN ON
April 27, 1966

British national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
600

Master's in Politics, Philosophy and Economics from Oxford University and an MBA from Harvard Business School.

Former Consultant and Partner at McKinsey & Co in London, Amsterdam, China and South East Asia.

Held various positions at Pepsi Beverages, Goldman Sachs and at private equity/venture capital firms.

Other current functions and mandates

- Non-Executive Director and Chair of the Remuneration Committee of ITV PLC (UK) (listed) and of Reckitt Benckiser PLC (UK) (listed).
- Remuneration committee of St. Hilda's College, Oxford University.

Previous mandates during the last five years

- Member of the Advisory Board of Irdeto BV (NL).
- SB Member of TNT NV (NL), TNT Express NV (NL) and Scotch & Soda NV (NL).
- Non-Executive Director and Chair of the Remuneration Committee of J. Sainsbury PLC (UK) (listed).

MS DAGMAR KOLLMANN

INDEPENDENT

BORN ON
July 9, 1964

Austrian national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
725

Master's of law (focus on International and Business law) from Universität Wien, Austria.

Former Board member of Morgan Stanley International Ltd (UK) and Morgan Stanley and Co. International Ltd (UK).

Former MB Chair, Country Head and CEO – Germany and Austria, Morgan Stanley Bank AG (Germany).

Other current functions and mandates

- SB Vice-Chair and AC Chair of Deutsche Pfandbriefbank AG (Germany).
- SB Member and AC Chair of Deutsche Telekom AG (Germany) (listed).
- SB Member of KfW IPEX-Bank GmbH (Germany) and Bank Gutmann AG (Austria).
- Commissioner of the Monopolies Commission (Germany).

Previous mandates during the last five years

- SB Vice-Chair and AC Chair of HRE Holding AG (Germany).

MR RODERICK MUNSTERS

INDEPENDENT

BORN ON
July 19, 1963

Dutch and Canadian national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
300

Master's in Economics and in Finance, Tilburg University.

Former Executive Director and CIO of ABP Pension Fund & APG All Pensions Group.

Former Managing Director and CIO of PGGM Pension Fund.

Various positions in the Investment Department of NV Interpolis Insurance.

Other current functions and mandates

- SB Member of Edmond de Rothschild Asset Management (France) SA.

Previous mandates during the last five years

- CEO of Edmond de Rothschild Asset Management (France) SA.
- CEO of Robeco Group NV.
- Member of the Capital Markets Committee of the Dutch Financial Market Authority (AFM).

MR ALEC PELMORE

INDEPENDENT

BORN ON
October 14, 1953

British national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
500

Degree in Mathematics from Cambridge University.

He held various positions as an equity investment analyst specialising in real estate companies mainly at Dresdner Kleinwort Benson and Merrill Lynch. With his partner Robert Fowlds, his team was voted no. 1 for real estate in Europe for 12 out of 13 years from 1995 to 2007.

Other current functions and mandates

- Non-Executive Director of London Metric Property PLC (UK) (listed).

Previous mandates during the last five years

- Senior Independent Director and AC Chairman of Metric Property Investments PLC (UK) (listed).

MS SOPHIE STABILE

INDEPENDENT

BORN ON
March 19, 1970

French national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
286 (as at February 2018)

Graduate of École Supérieure de Gestion et Finances.

Held various positions at Deloitte.

CFO of Accor Group from 2010-2015 (France) (listed).

Other current functions and mandates

- SB Member of Altamir (France) (listed).
- Non-Executive Board member of Spie (France) (listed).

Previous mandates during the last five years

- Executive Committee member of AccorHotels (France) (listed).
- CEO of HotelServices France & Suisse (France) (Accor Group).
- CEO of Women at AccorHotels Generation (WAAG) and Member of Club des 30.
- SB Chairman of Orbis (France) (listed).
- Board member of Groupe Lucien Barrière (France).

3.

MR JACQUES STERN

INDEPENDENT

BORN ON
September 19, 1954

French national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
325

Master's in Accounting (DECS) and Master's 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.

Other current functions and mandates

- President and CEO of Global Blue (Switzerland).
- Non-Executive Board Member of Voyage Privé (France).

Previous mandates during the last five years

- President and CEO of Edenred (France) (listed).

MS JACQUELINE TAMMENOMS BAKKER

INDEPENDENT

BORN ON
December 17, 1953

Dutch national

NUMBER OF UNIBAIL-RODAMCO SE SHARES HELD:
316

Master's in History and French, St. Hilda's College, Oxford and Master's in International Relations, Johns Hopkins School for Advanced International Studies, Washington DC.

Former Advisor to the National Council for Environment and Infrastructure (NL).

Former Director General Civil Aviation & Freight Transport of the Ministry of Transport, Public Works and Water Management (NL).

Former Director or Executive of various public and private organisations including GigaPort (NL), Quest International (NL), Shell International and former Consultant at McKinsey & Co (NL/UK).

Other current functions and mandates

- Non-Executive Director of Groupe Wendel (France) (listed) and of CNH Industrial (UK) (listed).
- Non-Executive Vice-Chair and Chair of the Remuneration Committee of TomTom (NL) (listed).
- Chair of the Governing Council of the Van Leer Group Foundation (NL).

Previous mandates during the last five 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 SA, France (France).
- SB Member of the Land Registry/Ordnance Survey (NL).

Independence analysis of Supervisory Board Members

Independence procedure and criteria

Every year, the GNRC and the SB carry out an in-depth independence analysis of each SB Member pursuant to the criteria of the Afep-Medef Code. These criteria are included in the SB Charter.

In accordance with the Afep-Medef Code and the specific supplementary criteria of the SB Charter, the following criteria are taken into account by the GNRC and the SB:

	Afep-Medef Code independence criteria
1	Not an employee or executive officer of the Company, or an employee or executive officer of its parent or of one of its consolidated subsidiaries, and has not been one during the previous five years.
2	Not an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such, or a current or former (during the previous five years) executive officer of the Company is a director.
3	Not (nor directly or indirectly) linked to a customer, supplier, investment banker or commercial banker: (i) that is material to the Company or its Group, or (ii) for which the Company or its Group represents a significant part of the entity's activity. Materiality analysis: examine, for both entities when possible, the financial relationship, the continuity over time, the intensity of the relationship and the position of the SB Member in the Company.
4	Not related by close family ties to an executive officer of the Company.
5	Not an auditor of the Company within the previous five years.
6	Not a member of the Supervisory Board of the Company for more than 12 years as at December 31, 2017.
7	Has not received any personal financial remuneration from the Company, including any remuneration related to the performance of the Company (no STI or LTI), other than the fees received as an SB member.
8	Not representing any major shareholder of the Company (> 10%).
	Specific SB Charter criteria
9	Not an MB Member of a company in which an MB Member of the Company holds a director role (which they are therefore responsible for controlling) (cross ties).
10	Has not temporarily managed the Company during the preceding 12 months while members of the MB were absent or unable to fulfil their duties.

When any kind of business relationship exists (criterion no. 3), a further quantitative and qualitative analysis is conducted on a case-by-case basis to understand the significance of the relationship and to assess the independence of that particular member.

Member independence analysis as at December 31, 2017

All SB Members were found to be independent as at December 31, 2017.

The table below illustrates the GNRC and the SB assessment of the members' independence:

SB Members as at 31/12/2017	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Criterion 9	Criterion 10	Analysis
Mr Colin Dyer Chairman	✓	✓	✓ (see analysis)	✓	✓	✓0.5 years (appointed in 2017)	✓	✓	✓	✓	**Independent**
Mr Jean-Louis Laurens Vice-Chairman	✓	✓	✓	✓	✓	✓10.5 years (appointed in 2007)	✓	✓	✓	✓	**Independent**
Ms Mary Harris	✓	✓	✓	✓	✓	✓9.5 years (appointed in 2008)	✓	✓	✓	✓	**Independent**
Ms Dagmar Kollmann	✓	✓	✓ (see analysis)	✓	✓	✓3.5 years (appointed in 2014)	✓	✓	✓	✓	**Independent**
Mr Philippe Collombel	✓	✓	✓ (see analysis)	✓	✓	✓0.5 years (appointed in 2017)	✓	✓	✓	✓	**Independent**
Mr Roderick Munsters	✓	✓	✓	✓	✓	✓0.5 years (appointed in 2017)	✓	✓	✓	✓	**Independent**
Mr Alec Pelmore	✓	✓	✓	✓	✓	✓9.5 years (appointed in 2008)	✓	✓	✓	✓	**Independent**
Ms Sophie Stabile	✓	✓	✓ (see analysis)	✓	✓	✓2.5 years (appointed in 2015)	✓	✓	✓	✓	**Independent**
Mr Jacques Stern	✓	✓	✓ (see analysis)	✓	✓	✓1.5 years (appointed in 2016)	✓	✓	✓	✓	**Independent**
Ms Jacqueline Tammenoms Bakker	✓	✓	✓	✓	✓	✓2.5 years (appointed in 2015)	✓	✓	✓	✓	**Independent**

Detailed analysis of criterion no. 3: business relationship of certain Supervisory Board Members

A quantitative and qualitative analysis was carried out by the GNRC, then by the full SB, to assess the independence of Mr Colin Dyer, given his role as SB Chairman, and of Mr Philippe Collombel, Ms Dagmar Kollmann, Ms Sophie Stabile and Mr Jacques Stern given their relationships with the Group during 2017 which are separate from their role as SB Members.

INDEPENDENCE ANALYSIS OF THE SB CHAIRMAN, MR COLIN DYER

The Afep-Medef Code makes no presumption related to the independence of an SB Chairman. Nonetheless, the French Financial Market Authority (AMF) recommends that the independence of an SB Chairman be justified in detail. In a dual corporate governance structure in which the SB's role is to only exert oversight and control over the actions of the MB, and governed by a principle of non-interference in the executive duties of the MB, the risks of a conflict of interest are limited. In any event, a specific quantitative and qualitative independence analysis was conducted for Mr Colin Dyer, SB Chairman. Notably, as demonstrated by the chart above, other than as a non-executive Member and Chairman of the SB and of the GNRC, he has no 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 remuneration, including any remuneration in the form of shares nor any remuneration related to the performance of the Company (no STI or LTI), from Unibail-Rodamco. In addition, as SB Chairman in a two-tier governance structure, Mr Colin Dyer has no executive function and is not involved in day-to-day operations nor the operational decisions of the Company.

Accordingly, Mr Colin Dyer is determined to be independent.

ANALYSIS OF MR PHILIPPE COLLOMBEL'S BUSINESS RELATIONSHIP

Mr Philippe Collombel's independence was further analysed given his other role as Co-Managing Partner at Partech Partners. The following criteria were assessed for Partech Partners:

- the legal entities signing service contracts;
- the euro amount invested by Unibail-Rodamco in Partech funds;
- the type of business relationship and the date a business relationship was first established.

Notably, as a Non-Executive SB Member of the Company he is not involved in day-to-day operations or in the operational decisions of Unibail-Rodamco. He is not and has never been an employee nor executive director of the Company. Contracts with Partech Partners are entered into with subsidiaries of Unibail-Rodamco and not at the Group level.

The contracts between the companies are routine agreements and are entered into on an arm's length basis. The business relationship between Partech Partners and Unibail-Rodamco is limited in duration and began before Mr Collombel joined the SB. The amounts invested by Unibail-Rodamco in Partech funds are marginal compared to the total capital managed by Partech funds. Discussions on specific contract terms and negotiations never rise to the SB level, therefore, from the Company's standpoint he does not participate in negotiations and has no influence over negotiations with respect to the Company. Other than the remuneration received for work performed as an SB Member, he has not received any personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Company (no STI or LTI), from Unibail-Rodamco.

Accordingly, Mr Collombel is determined to be independent.

ANALYSIS OF MS DAGMAR KOLLMANN'S BUSINESS RELATIONSHIP

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:

- the legal entities signing lease contracts;
- the percentage represented at Group level:
  - out of all stores,
  - of GLA,
  - of minimum guaranteed rent for the Group's consolidated portfolio in 2017; and
- the date a business relationship was first established at Group level.

Notably, as a Non-Executive SB Member at each company she is not implicated in the day-to-day operations nor the operational decisions of the companies. She is not and has never been an employee nor Executive Director of the companies. The lease 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. The lease contracts between Deutsche Telekom and the Company are entered into between subsidiaries of each Group and not at the Group level. In addition, discussions on specific lease terms and their negotiation never rise to the level of the SB of the companies. Therefore, she does not participate in negotiations and has no influence over negotiations between the entities. Other than the remuneration received for work performed as an SB Member, she has not received personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Company (no STI or LTI), from Unibail-Rodamco.

Accordingly, Ms Kollmann is determined to be independent.

ANALYSIS OF MS SOPHIE STABILE'S BUSINESS RELATIONSHIP

Ms Sophie Stabile's independence was further analysed given her other mandate as a non-executive Board member of Spie.

The following criteria were assessed for Spie:

- type of business relationship;
- total euro amount paid for services in 2017; 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 as a Non-Executive Board member of Spie, she is not implicated in the day-to-day operations nor the operational decisions of the companies. She is not and has never been an employee nor Executive Director of the companies. The service fees paid to Spie are marginal compared to Spie's groupwide total turnover. Service contracts between the companies are awarded following a tender. They are routine agreements for the companies and entered into on an arm's length basis. Discussions on service contract terms and conditions and their negotiation never rise to the SB level nor to the Spie Board level. Therefore, she does not participate in negotiations and has no influence over negotiations between the entities. Other than the remuneration received for work performed as an SB Member, she has not received personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Company (no STI or LTI), from Unibail-Rodamco.

Accordingly, Ms Stabile is determined to be independent.

ANALYSIS OF MR JACQUES STERN'S BUSINESS RELATIONSHIP

Mr Jacques Stern's independence was further analysed given his other mandate as President and CEO of Global Blue.

The following criteria were assessed:

- the legal entities signing contracts;
- the number of centres represented in the consolidated Group portfolio in 2017;
- the euro amount of fees received in 2017;
- 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 Unibail-Rodamco. He is not and has never been an employee nor Executive Director of the Company. The service contracts are granted after a tender, are routine agreements for the companies and entered into on an arm's length basis. The existing service contracts between Global Blue and the 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 and began before Mr Stern joined the SB. The service fees paid to Unibail-Rodamco are marginal compared to Global Blue's groupwide service fees expenses or total turnover. Discussions on service contract terms and conditions and their negotiation never rise to the SB level. Therefore, from the Company's standpoint he does not participate in negotiations and does not have an impact on any negotiations with respect to the Company. Other than the fees received for the work performed as an SB Member, he has not received personal financial remuneration, including any remuneration in the form of shares nor any remuneration related to the performance of the Company (no STI or LTI), from Unibail-Rodamco.

Accordingly, Mr Stern is determined to be independent.

◆ Supervisory Board Succession Planning

The SB succession planning is an identified risk factor as it is key to the long-term competitiveness and growth of the Company. Accordingly, the SB succession plan is discussed on a regular basis to ensure proper rotation of members in terms of foreseeable departures as well as to anticipate any unforeseen departures. In order to maintain its diversity, the process provides for the definition of profiles for each potential vacancy by the GNRC in consultation with the SB and in dialogue with the MB. The profiles must reflect both the requirements included in the SB Member profile as described in Annex A of the SB Charter and any specific additional criteria in light of the Group's strategy and corporate governance principles. Each profile is subject to the approval of the SB. A short list of possible candidates is then determined 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, other SB Members, the CEO and the CRO. 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.

3.1.2.2. Supervisory Board composition and missions

The operation of the SB is governed by the Articles of Association of the Company and a charter specific to the SB whose main provisions are described in Section 7.6 of this Registration Document and available on the website of the Company.

◆ Supervisory Board activities in 2017

The SB held nine meetings in 2017 (including its annual strategy seminar and three *ad hoc* meetings) as well as four working sessions. The SB can meet without the MB (non-executive sessions) whenever deemed necessary. Three non-executive sessions were held in 2017. Additionally, the SB had its annual informal dinner in the absence of the MB. Overall average member attendance at its meetings was 93.2%.

In addition to the matters within its statutory scope, the SB discussed all major actions carried out in 2017, both internally (*e.g.* organisational matters, key appointments within the Group, internal audits, etc.) and externally (acquisitions, disposals, Group strategy, development projects, financial policy, etc.).

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 are systematically made available to all SB Members through a secure electronic platform.

Principal responsibilities of the Supervisory Board	Key areas discussed, reviewed and/or approved in 2017
Group Strategy	◆ in-depth review, discussion and approval of the Westfield acquisition announced in December 2017; ◆ investment, development and divestment projects and operations in 2017; ◆ regular updates: on share price and business activities (operations, finance, human resources, legal, sustainability, development projects, etc.); ◆ updates on digital and IT strategy, tools and projects; ◆ closely follow implementation of the CSR strategy – "Better Places 2030".
Group Financial Policy and Financial Performance and Reporting	◆ approval of 2017 Group Budget; ◆ approval of consolidated accounts and quarterly financial statements; ◆ the Group's five-year Business Plan, financial resources and borrowing requirements; ◆ dividend distribution payment policy of the Group and annual allocation and distribution of profits; ◆ relationship with the Statutory Auditors.
Internal risk management and control systems	◆ 2017 internal audit plan; ◆ internal audits, internal control system and compliance matters; ◆ risk management and risk mapping; ◆ focused review of selected risk management topics (2017 focus: health & safety, treasury, terrorism, talent management (recruitment and retention and succession planning)).
Governance and compliance with relevant laws and regulations	◆ annual review of the Group Compliance programme (including the Group's anti-corruption Programme, "*Loi Sapin 2*" and implementation of the European Regulation on personal data protection); ◆ review of Group's conformity with the Afep-Medef Corporate Governance Code; ◆ 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.
Succession Planning	◆ annual review of the SB and committee profile and composition; ◆ succession planning of the SB, MB and the Group Management Team; ◆ recruitment and appointment of SB Members: Mr Colin Dyer (Chairman), Mr Philippe Collombel and Mr Roderick Munsters.
Group Remuneration Policy and Performance Assessments	◆ MB Member remuneration (including FI, level of attainment of annual STI and LTI targets); ◆ annual evaluation of the functioning and efficiency of the MB; ◆ annual evaluation of the functioning and efficiency of the SB (annual self-assessment process); ◆ 2017 LTI envelope and Company Savings Plan.
Human Resources	◆ talent management; ◆ annual review of equal opportunity – international and gender diversity.
Shareholder Outreach and Engagement	◆ feedback on discussions with shareholders and shareholder expectations generally and specifically relating to governance and Remuneration Policy ◆ updates on shareholder composition; ◆ AGM materials (agenda, resolutions, etc.); ◆ Registration Document (SB Chairman's report, Remuneration Policy, Internal Control System, etc.).

◆ *Strategic meetings*

Once a year, the SB and MB take the opportunity to visit a country where the Group operates to discuss strategic matters and market developments in-depth and to interact directly with the local management team. In 2017, the SB and the MB took the opportunity to visit French assets, notably in the Paris region, given its weighting in the portfolio mix of the Company. They visited 5 major assets and that of a competitor and discussed in detail key Group strategy and market developments. The SB and MB also held separate strategic meetings during this visit whereby the Group's strategic objectives, challenges and opportunities as well as the Group's growth strategy (including evolution in its strategic direction) and its digital strategy were discussed.

◆ *SB Member training*

Each new SB Member takes part in an induction programme individually tailored to their particular skill set, experience and expertise. The induction programme 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. The SB also integrated the new SB Chairman, Mr Colin Dyer, in 2017. As part of his induction program, he visited, together with other SB Members, each of the Group's regions and their major assets as well as major competitors to familiarise himself with the Group's assets and teams. He further visited key offices and convention & exhibition assets and met with the specific teams.

An annual training day is held for the SB Members which typically includes a Group asset visit. In 2017, two major sessions were held. The first focused on investment strategy and process, including case studies. The second focused on innovation, CSR (update on Better Places 2030 strategy), marketing and a specific SB duties presentation led by external legal counsel. The SB Members also visited the Mixer, a co-working space located at Unibail-Rodamco's Paris headquarters aimed at fostering creativity and open innovation, inaugurated in 2016.

◆ Supervisory Board Member share ownership requirements

In accordance with the Afep-Medef Code, and in order to promote the alignment of interests between shareholders and SB Members, Article 3.3 of the SB Charter requires that all SB Members hold, within two years of their appointment, a number of shares at least equal to one year of SB member fees.

3.1.2.3. Specialised Supervisory Board Committees

In accordance with Article 5 of the SB Charter, the SB has two committees: the Audit Committee and the Governance, Nomination and Remuneration Committee which focus on, and explore in depth, specific topics of its overall competence. Each committee operates based on the SB's Charter which describes its composition, role, responsibilities, organisation, and functioning. The committees make recommendations and advise the SB within their scope of responsibility. The SB is, however, ultimately responsible for all the decisions and actions taken on the committees' recommendations.

3.1.2.3.1. Audit Committee (AC)

The composition, functioning and responsibilities of the AC are governed by the AC Charter, established by the SB.

◆ *Audit Committee composition*

The AC is chaired by Mr Jean-Louis Laurens and consists of five independent members.

2017

Number of members	Number of Men/Women	
5	4 Men	1 Woman
Percentage of independent members	Participation rate	
100%	95%(3)	

Members as at 31 December 2017 and attendance rate

- Mr Jean-Louis Laurens, 5 out of 5 meetings
- Mr Roderick Munsters, 3 out of 3 meetings(1)
- Mr Alec Pelmore, 5 out of 5 meetings
- Ms Sophie Stabile, 4 out of 5 meetings
- Mr Jacques Stern, 4 out of 4 meetings(2)

(1) Joined the AC on July 1, 2017.
(2) Joined the AC on February 2, 2017.
(3) Including the SB Members whose the mandate ended April 25, 2017.

The AC Members are selected by the SB, upon the recommendation of the GNRC. They are appointed by the SB for their strong skills in finance and accounting.

Pursuant to French Commercial Code requirements, every AC member is an expert in finance and in accounting for listed companies or for other large companies which apply the IFRS accounting standards.

◆ *Audit Committee Meetings*

Typically, the CEO, the CFO, the Deputy CFO and the CRO attend AC Meetings, unless decided otherwise by the AC. Other MB Members may also attend meetings. The AC may decide to meet without the MB Members or to meet only with the 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.

AC Members receive the meeting documents which include a detailed agenda and comprehensive papers at least three days before each meeting. To allow for optimal preparation for the review of the accounts, the AC meets at least 48 hours prior to the SB Meeting at which the full-year and half-year financial statements are reviewed. The SB is informed of the proceedings and recommendations of the AC at its meeting directly following that of the AC.

◆ *Audit Committee activities*

The AC met five times in 2017 (including one ad hoc meeting and three times in the presence of the Statutory Auditors). The average member attendance rate was 95%.

The AC deals with a number of recurring issues, such as accounting and financial elements (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 AC may also carry out specific examinations on its own initiative or at the request of the SB. The AC may solicit the advice of external advisers as it deems necessary. In addition to the regular contact that the AC has with the MB and its Statutory Auditors, it is free to interview experts in particular fields (*e.g.* accounting, finance, risk and audit managers) without MB Members being present. The committee also has access to valuations carried out by independent appraisers.

3.

Principal responsibilities of the AC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2017
Group Financial Policy	◆ in-depth review of financial, accounting and tax aspects of Westfield acquisition; ◆ 2017 Group Budget; ◆ the Group's five-year Business Plan, financial resources and borrowing requirements; ◆ dividend distribution payment policy of the Group and annual allocation and distribution of profits; ◆ relationship with the Statutory Auditors; ◆ reviewed non-audit services provided by the Statutory Auditors (including the amount of fees related thereto).
Financial Performance and Reporting	◆ consolidated accounts and quarterly financial statements; ◆ net asset value, corporate risks and off-balance sheet commitments; ◆ regular tax updates including changes at OECD level; ◆ regular updates on regulatory/legal changes including legal audit reform.
Internal risk management and control systems	◆ 2017 internal audit plan; ◆ internal audits, internal control system and compliance matters; ◆ risk management and risk mapping; ◆ focused review of selected risk management topics (2017 focus: health & safety, treasury, terrorism, talent management (recruitment and retention and succession planning)); ◆ updates on digital and IT strategy, tools and projects.
AC specific	◆ annual evaluation of the functioning and efficiency of the AC; ◆ addition of new AC Member: Mr Roderick Munsters.

3.1.2.3.2. The Governance, Nominations and Remuneration Committee (GNRC)

The composition, functioning and responsibilities of the GNRC are governed by the GNRC Charter, established by the SB.

◆ *Governance, Nominations and Remuneration Committee composition*

The GNRC, chaired by Mr Colin Dyer, consists of five independent members.

2017

Number of members	Number of Men/Women	
5	2 Men	3 Women
Percentage of independent members	Participation rate	
100%	96%(3)	

Members as at 31 December 2017 and attendance rate

- Mr Colin Dyer, 3 out of 3 meetings (1)
- Mr Philippe Collombel, 3 out of 3 meetings (2)
- Ms Mary Harris, 5 out of 5 meetings
- Ms Dagmar Kollmann, 5 out of 5 meetings
- Ms Jacqueline Tammenoms Bakker, 5 out of 5 meetings

(1) Joined the GRNC on April 25, 2017.
(2) Joined the GRNC on July 1, 2017.
(3) Including the SB Members whose the mandate ended April 25, 2017.

◆ *Governance, Nominations and Remuneration Committee Meetings*

The CEO and the CRO typically attend GNRC Meetings. The GNRC may decide to meet without the CEO and/or 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 MB remuneration, 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. 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 its meeting directly following that of the GNRC.

◆ *Governance, Nominations and Remuneration Committee activities*

The GNRC met five times in 2017 (including one ad hoc meeting). The average member attendance rate was 96%.

The GNRC is responsible for reviewing and advising the SB on: (a) MB and SB Member profiles and selection criteria, (b) the Company's human resources policy, including the remuneration policies for the CEO and the other MB Members (Fixed Income, Short-Term Incentives, Long-Term Incentives and other benefits), (c) the scope, composition and operations of the MB and the SB, (d) the independence of SB Members, (e) the (re) appointment of MB and/or SB Members through application of the established succession plans which are regularly discussed, (f) the Group's corporate governance rules and practices, and (g) Group talent management as well as MB and Group Management Team succession plan implementation.

The GNRC may solicit the advice of external advisors and is free to interview such advisors without MB Members being present as deemed necessary.

Principal responsibilities of the GNRC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2017
Governance and compliance with relevant laws and regulations	◆ annual review of the Group Compliance programme (including the Group's Anti-Corruption Programme, *"Loi Sapin 2"* and implementation of the European Regulation on personal data protection); ◆ review of Group's conformity with the Afep-Medef Code; ◆ annual review of the independence of SB Members; ◆ confirm absence of related party agreements; ◆ regular updates on regulatory/legal changes.
Succession Planning	◆ annual review of the SB and committee profile and composition; ◆ succession planning of the SB, MB and the Group Management Team; ◆ recruitment and recommendation on appointment of SB Members: Mr Colin Dyer (Chairman), Mr Philippe Collombel and Mr Roderick Munsters.
Company Remuneration Policy and Performance Assessments	◆ MB Member remuneration (including FI, level of attainment of annual STI and LTI targets); ◆ annual evaluation of the functioning and efficiency of the MB; ◆ annual evaluation of the functioning and efficiency of the SB and GNRC (annual self-assessment process); ◆ 2017 LTI envelope and Company Savings Plan.
Human Resources	◆ in-depth review and discussion of governance and organisational aspects of Westfield acquisition; ◆ talent management; ◆ annual review of equal opportunity – international and gender diversity.
Shareholder Outreach and Engagement	◆ feedback on discussions with shareholders and shareholder expectations generally and specifically relating to governance and Remuneration Policy; ◆ AGM materials (agenda, resolutions, etc.); ◆ registration Document (SB Chairman's report, Remuneration Policy, internal control system, etc.).

3.1.2.4. Evaluation of the Supervisory Board

◆ Supervisory Board evaluation process

In accordance with the Afep-Medef Code, an assessment of the SB is carried out annually with a more formal and detailed assessment carried out every three years.

In 2017, the annual assessment of the SB consisted of a detailed questionnaire sent to each SB Member and completed on a confidential basis with the purpose of obtaining a relevant assessment of the performance of the SB, its committees and its members (including of the Chair of the SB and its committees) and of the overall functioning of the SB.

The SB Chairman also met with each SB Member individually to discuss openly and obtain their feedback on the individual contributions of each of the SB members. In addition, the AC and the GNRC carried out a similar evaluation of their composition and functioning.

Lastly, in order to ensure an objective process, the SB & GNRC Chair's assessment was led by the SB Vice-Chairman who provided feedback to the full SB in session.

The assessment was summarised and discussed during an SB meeting and an AC and GNRC Meeting in the presence of all of its members but in the absence of the MB. The MB was presented with a summary of improvement areas discussed.

◆ Analysis of the assessment results

The conclusion of this assessment was that the current corporate governance structure and organisation work well. Several improvements based on the previous year's assessment were noted, in particular, the additional time dedicated to strategy and risk management as well as the provision of detailed reports covering risk topics identified by the AC.

Furthermore, the following areas of improvement were identified and will continue to be a priority in 2018:

- continue to focus on SB succession planning to reinforce the SB with respect to the Group's strategic objectives;
- continue focused discussions on the competitive environment as well as industry and market trends with respect to the Group's strategic objectives; and
- continue focused discussions on digital opportunities and consumer behavior.

3.1.2.5. Additional information related to Management Board and Supervisory Board Members

Statements of the members of the Management Board and the Supervisory Board

No convictions or offences

To the best of the Company's knowledge and based on their individual declaration, none of the SB or MB Members has, over the past five years:

- been convicted of fraud;
- been associated as an executive with a bankruptcy, receivership or liquidation;
- been found guilty of an offence and/or publicly and officially sanctioned by a statutory or regulatory authority.

Declaration of registered shares

As at December 31, 2017, the SB and MB Members declared in writing that all of the Company shares they held were registered, in accordance with the provisions of Article L. 225-109 of the French Commercial Code and the Afep-Medef Code.

Conflicts of interest

No close family relationships

To the knowledge of the Company, there are no family ties between the SB or MB members of the Company.

Management of conflicts of interest

To the knowledge of the Company, there are no conflicts of interest or potential conflicts of interest between the Company and the SB and/or MB Members with respect to their personal interests or their other obligations.

In order to ensure that each SB and MB Member acts with loyalty, independence and professionalism and in accordance with Article 11 of the SB Charter and Article 7 of the MB Charter (see Section 7.6 of this Registration Document), each SB Member and MB Member must immediately report any potential conflicts of interest with the Company to the SB Chairman and to the other SB and MB Members, respectively, providing all information relevant to the conflict of interest. Such conflicted member must abstain from discussions and the decision-taking process on the subject or transaction to which he/she has a conflict of interest.

Additionally, the SB and MB Members must seek prior SB approval before accepting any new mandates of any type, even in another company, in order for the SB to conduct, among other things, a conflict of interest and independence analysis.

The SB and the MB are also subject to the rules established in the Group's Code of Ethics and Anti-Corruption Programme applicable to all Group employees (see Section 6.4 of this Registration Document).

Information about related-party agreements

Within the meaning of Article L. 225-86 of the French Commercial Code, no agreements have been authorised by the SB over the financial year ending on December 31, 2017 and no previously approved agreements continued during the financial year.

This information is included in the special Statutory Auditors' report (see Section 5.8 of this Registration Document).

3.2. REMUNERATION AND OTHER BENEFITS ALLOCATED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

REPORT ON THE REMUNERATION POLICY

Letter from the Governance, Nomination & Remuneration Committee Chairman

Dear Shareholders,

The Supervisory Board (SB), together with the Governance, Nomination & Remuneration Committee (GNRC), has over the past few years been actively engaged in outreach campaigns with major shareholders and proxy advisors with respect to governance matters in general and, in particular, the Company's Remuneration Policy.

2017 was a year of exceptional achievements for Unibail-Rodamco, with very strong operating results, the successful delivery of five major retail developments and the agreement to acquire Westfield Corporation.

The SB, upon the recommendation of the GNRC, examined the current Remuneration Policy applicable to the Management Board (MB) for the 2017 financial year.

On behalf of the SB, I am pleased to present the outcome of this work in the Company's Remuneration Policy and the Remuneration Report described in this Section of the Registration Document, both subject to shareholder approval (Say on Pay) at the General Meeting (GM) to be held in 2018:

- the Remuneration Policy describes the current policy, with respect to:
  - the SB Chairman;
  - the non-Chair SB Members;
  - the CEO; and
  - the non-CEO MB Members;
- the Remuneration Report includes the elements of remuneration due or granted to the MB for the 2017 financial year. The effective payment of the STI previously approved at our 2017 GM (ex-ante vote) will also be submitted, for the first time, to a binding shareholder vote (ex-post vote) at the 2018 GM.

2017 confirms the quality of the SB and MB Members and the very strong results delivered consistently over the past years. On behalf of the SB, I am confident in the balanced structure of the Group's remuneration scheme, its undeniable link with Company performance and long-term shareholder value creation.

I look forward to receiving a high level of support at the 2018 GM.

Yours faithfully,

Colin Dyer.
GNRC Chairman/SB Chairman

3.2.1. REMUNERATION POLICY OF THE MANAGEMENT BOARD MEMBERS

This report is part of the SB report on the Management Board (MB) report and provides all details on resolutions No 25 to No 27 to be submitted for approval at the AGM to be held on 2018 pursuant to Article L225-82-2 of the French Commercial Code. The Remuneration Policy described will take effect following shareholder approval.

The current Remuneration Policy and all its components were approved by the 2017 AGM on April 25, 2017. They will remain broadly unchanged.

Governance and principles

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.

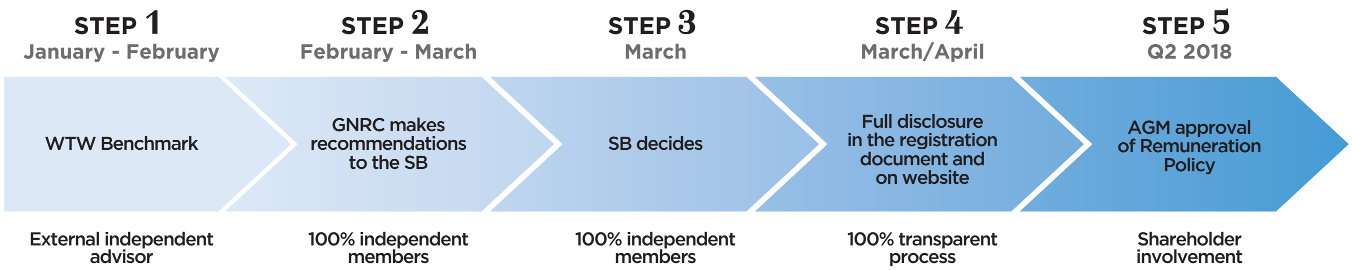
The SB designs the Group's Remuneration Policy in line with the best market practices and shareholder interests. This Policy ensures the alignment of the MB with the Company's strategy by:

(i) establishing competitive remuneration levels;

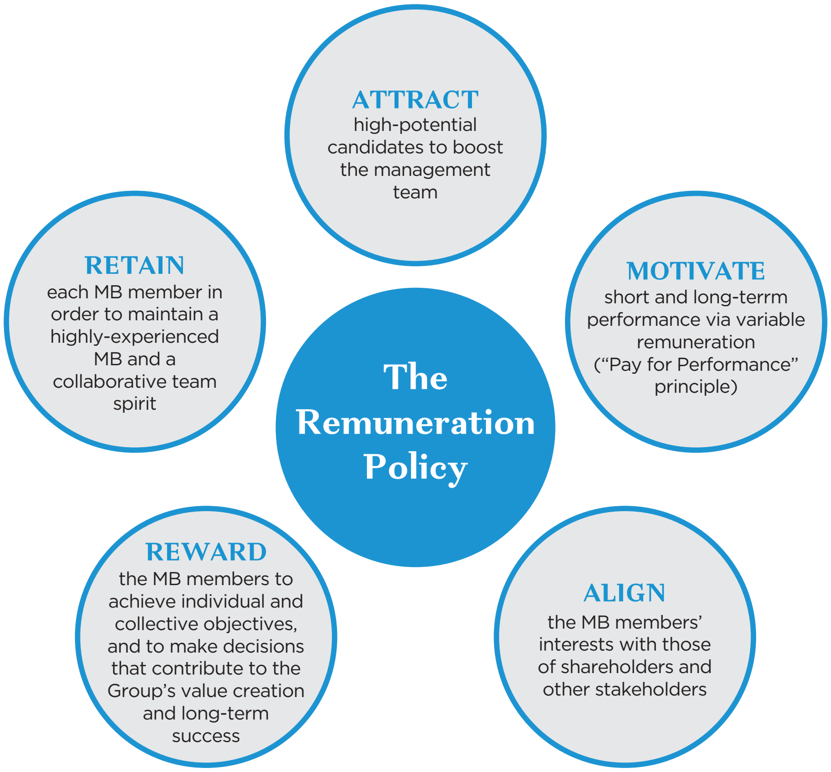
(ii) creating a direct and explicit link between Company performance and each MB Member's remuneration; and

(iii) ensuring a balanced approach between short-term performance and medium/long-term performance.

The GNRC drives the whole decision-making process relating to the MB remuneration; it ensures its transparency and independence:



The Remuneration Policy of MB Members relies on 5 main objectives:



This Remuneration Policy revolves around 4 key principles:

- **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.

Remuneration Policy components

The following are the four main components in the MB Members' remuneration:

Main remuneration components		Purpose
Fixed Income (FI)		Attract high-calibre experienced individuals with a competitive remuneration level that reflects the scale and dynamics of the business.
Short-Term Incentive (STI)		Motivate and reward achievement of annual financial and operational objectives
Long-Term Incentive (LTI)	Performance Shares (PS)	Retain and align with the medium/long-term value creation objectives of the Company and its shareholders
	Performance Stock Options (SO)	
Other benefits		Provide access to Social Security and benefits schemes

Components formally excluded from the Remuneration Policy

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	None

Fixed income (FI)

The FI is set at the start of each mandate.

In accordance with the recommendations of the Afep-Medef Code, the 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 or of significant changes in the Company or the market.

The FI is determined taking into consideration:

- level and complexity of tasks;
- profile, experience and career within the Group or elsewhere;
- comparative remuneration analyses for similar functions and responsibilities based on external benchmarks.

In order to set the remuneration at the proper level, the SB and the GNRC seek the guidance of an external independent adviser to benchmark market practices and apply the best governance practices pertaining to remuneration.

Given Unibail-Rodamco’s unique features among CAC 40 companies and that it is by far, the largest listed European real estate companies, a blended benchmark approach was used in January 2017 with 3 different panels, when setting the MB Members‘ remuneration at the start of their current four-year term:

- 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	

The FI of MB Members remains unchanged for 2018 until the completion of the Westfield transaction or, going forward, absent such successful completion:

Function	MB Member	Fixed Income 2017	Fixed Income 2018
Chief Executive Officer	Mr Christophe Cuvillier	€1,000,000	€1,000,000
Chief Development Officer	Mr Olivier Bossard	€480,000	€480,000
Deputy Chief Financial Officer	Mr Fabrice Mouchel	€400,000	€400,000
Chief Resources Officer	Ms Astrid Panosyan	€400,000	€400,000
Chief Financial Officer	Mr Jaap Tonckens	€650,000	€650,000
Chief Operating Officer	Mr Jean-Marie Tritant	€600,000	€600,000

(On a full year basis and before income taxes and social security contributions).

Short-Term Incentive (STI) linked to performance

Pursuant to the provisions of Article 225-100 II of the French Commercial Code, payment of the STI is subject to prior approval by the Ordinary General Meeting of the shareholders (ex-post vote).

◆ Structure of the STI

The STI structure was presented at the 2016 AGM and remains unchanged.

The STI is capped at 150% of FI for the CEO and 100% for the non-CEO MB Members.

It includes two components. Details of the distribution between the quantitative and qualitative components are given below:

	Maximum potential award:	
CEO	150% of FI	
	Quantitative component 120%	Qualitative component 30%

	Maximum potential award:	
Non-CEO MB Members	100% of FI	
	Quantitative component 70%	Qualitative component 30%

◆ Performance criteria applicable to the STI

The **quantitative component** is 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 financial communication), a 100% achievement (stretch target) is reached when this component increases by +8% (the current top bracket of the Company's medium term guidance); and
- a **"value creation" component**, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. A 100% achievement (stretch target) is reached when this component grows by +12%.

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 three 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.

The **qualitative component** is determined according to the attainment of several individual qualitative objectives. For the CEO, these are pre-defined by the SB, upon recommendation of the GNRC. For the non-CEO MB Members, they are pre-defined by the CEO and approved by the SB, upon the recommendation of the GNRC.

They 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 Group'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.

At least three components relating to the Group's CSR ambition are included in the qualitative objectives of 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".

Long-Term Incentive (LTI) linked to Company performance

The SB considers that long-term remuneration in the form of Performance Stock Option (SO) and Performance Shares (PS) is particularly appropriate as these instruments align the MB Members' interests with that of shareholders. With more than 300 beneficiaries each year, LTI is a key component of the Group Remuneration Policy and an effective retention tool.

Principles

Each year, the SB, upon the recommendation of the GNRC, determines the LTI envelope taking numerous factors into account, including (i) the Company's general financial performance, (ii) the overall performance of the MB Member, (iii) the other remuneration components and (iv) 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
Presence & Performance conditions
No minimum guaranteed LTI
No reward for under performance
Same scheme as for all other Group beneficiaries
No discount applied

Performance conditions

Since 2017, vesting of the SO and PS are both conditional on the attainment of two key performance indicators (KPI), one external and one internal, 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 Reference index.

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;
- Reasons for selecting REPS growth as an internal indicator: REPS growth best reflects the Company's overall performance and all the components of value creation. 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 or divestments. Furthermore, it includes many components such as Net Rental Income growth, rental uplifts, cost of debt, active management of the balance sheet, impact of deliveries of development projects (a particular 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.

◆ Main features of the LTI structure

Element		SO	PS
Vesting + Holding (years)		4 + 0	French Resident: 3 + 2 Non-French Resident: 4 + 0
External Performance Condition (KPI no. 1 – 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 – REPS growth)	50% of grant	4-year growth 0% below guidance 30% at threshold of guidance 100% at high end of guidance	3-year growth 0% below guidance 30% at threshold of guidance 100% at high end of guidance
Presence Condition		Continuous presence of 24 months before vesting	Continuous presence of 24 months before vesting
Share Ownership Requirements		See Section 3.1.1.1	See Section 3.1.1.1

◆ Share retention and investment obligations

In order to align the interests of shareholders and MB Members and pursuant to an SB decision (in line with the Afep-Medef Code), MB Members must meet retention and investment requirements in Company shares[(1)].

- Obligation to retain shares:
  - all MB Members must maintain a personal investment in Unibail-Rodamco 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 mandate 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.

Other benefits

◆ Supplementary Contribution Scheme

The Supplementary Contribution Scheme (SCS) consists of an annual contribution paid into a blocked savings account, and only available to MB Members at the end of their last mandate.

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 Members	◆ 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)

(1) Set on October 10, 2007 for SO and March 5, 2012 for PS by an SB decision pursuant to Article L. 225-185 of the French Commercial Code.

◆ Other Benefits

The MB Members benefit from:

- the Group health and life insurance;
- an unemployment insurance (GSC type);
- an expatriate health insurance and an International Assignment Extra-compensation (outside EU), where applicable, for Non-French tax resident MB Members only;
- the Company Savings Plan (without the benefit of the top-up contribution offered to employee participants); and
- a company car (hybrid or electric vehicles only).

Clawback/Malus

The effective implementation of a clawback provision raises complex labor and tax law issues. Nonetheless, the SB, upon the recommendation of the GNRC, has sought to implement a clawback mechanism adapted to the French legal context, to align the Group's policies with the highest standards of corporate governance.

Accordingly, the Group's Code of Ethics was revised to reserve the right of action (including reimbursement or damages) with respect to MB Members to the extent permitted by applicable law, in the event of gross misconduct or fraud causing a material adverse impact to the Group, in particular resulting in a financial restatement.

Additionally, in such a situation, the SB, upon the recommendation of the GNRC, would assess the relevant MB Member's performance in light of this and take appropriate action on the annual STI payment and LTI, including cancelling all rights to any unvested SO and PS for such MB Member (malus).

3.2.2. REMUNERATION POLICY FOR THE CHAIRMAN AND SUPERVISORY BOARD MEMBERS

The annual fee of the Supervisory Board (SB) Members is intended to attract and retain high calibre 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 his absence. These fees are part of the envelope authorised by the general meeting[1]. In order to ensure a reasonable remuneration while attracting and maintaining diverse and international members, an analysis is conducted by an external independent advisor. This analysis compares the fees of independent directors and chairpersons in the home country of the SB Members as well as in countries where they have extensive experience (France, the Netherlands, Germany, the USA and the UK).

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 SB 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 two years of appointment, a number of shares at least equal to one year of the SB Member fees.

The total annual SB fee envelope authorised by the general meeting has remained unchanged since its approval on June 26, 2007. In order to allow the flexibility to recruit one additional SB Member and for ad hoc meetings and travel, in addition with the SB Chairman fee, the SB fee envelope will be set at €980K.

The current SB Remuneration policy was approved by the general meeting on April 25, 2017. Except for the change in the envelope described in the paragraph above, it will remain unchanged until successful completion of the Westfield transaction or, going forward, absence such completion.

(1) The fees may (where applicable) include additional fees for special tasks performed at the request of the SB and remaining within the authorized SB fees envelope.

	SB Member remuneration[1]	
	2018	
SB Chairman Basic Annual Fee	€180,000	
Non-Chair SB Member Basic Annual Fee	€60,000	
	Fixed (33%)	Variable (67%) *according to attendance*
	€20,000	€40,000
Additional SB Vice-Chairman Fee	€15,000	
Additional Committee Chairman Fee	€15,000	
Additional Committee Member Fee	€15,000	
	Fixed (33%)	Variable (67%) *according to attendance*
	€5,000	€10,000
Out of Country Indemnity (European travel)	€1,500 per event	
Out of Country Indemnity (inter-continental travel)	€3,000 per event	
Variable Short-Term Incentive	None	
Long-Term Incentive or any remuneration related to Company performance	None	
Exceptional remuneration	None	
Welcome Bonus	None	
Contractual Severance Package	None	
Contractual Non-Compete Indemnity	None	
Pension	None	
Other benefits	None	

(1) Before income tax and social security charges.

3.2.3. REMUNERATION REPORT FOR 2017 FINANCIAL YEAR – SAY ON PAY

3.2.3.1. Remuneration Report of the MB for 2017 Financial Year – Say on Pay

Pursuant to the provisions of Article L. 225-100 II of the French Commercial Code, the following remuneration elements, due or granted, for financial year 2017 to the CEO and the non-CEO MB Members are submitted to the approval of the shareholders.

The following items should be taken into account to appropriately measure 2017 STI of MB Members:

- quantitative component:

  2017 was an outstanding year for Unibail-Rodamco, with very strong operating results, the successful delivery of five major developments and the agreement to acquire Westfield. The 2017 results saw a strong REPS growth of +7.2% exceeding guidance announced in February 2017 and a very solid value creation growth of +14.7% exceeding the stretch target;

- qualitative component:

  The qualitative objectives pre-defined in early 2017 included various strategic targets for each MB Member. With respect to the Westfield acquisition, no specific objective had been pre-defined at that time. Given the magnitude of the acquisition, with an implied enterprise value for Westfield of US$24.7 Bn, a very significant additional contribution from each MB Member has been necessary to ensure a robust analysis of the opportunity and an in-depth due diligence process prior to the SB approval of the transaction. This work included, among numerous others: an asset by asset, tenant by tenant analysis conducted with a 5Y BP performed for each of the 35 US and UK assets; review of Westfield development projects; review of the extensive number of JV agreements, contracts and financing documents; review of Westfield's organization to assess potential synergies; development of expected cost and revenue synergies; preparation and analysis of the New Group potential organization; review of corporate documents, tax filings with French and Dutch tax authorities; review of Westfield accounts; negotiation of deal terms, Implementation Agreement and related documents; negotiation of the bridge loan and syndication.

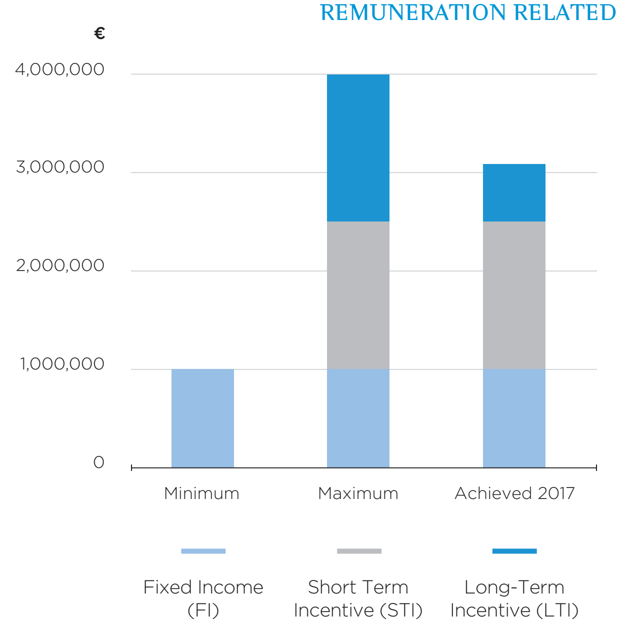
Accordingly, given this very significant commitment and extensive work required during the course of H2-2017 to prepare the acquisition of Westfield, in addition to their pre-defined objectives, the SB, upon the recommendation of the GNRC, decided to include for each MB Member an additional qualitative objective, the total STI cap remaining 30% of the FI. The table below provides some examples of achievements of qualitative objectives for each MB Member.

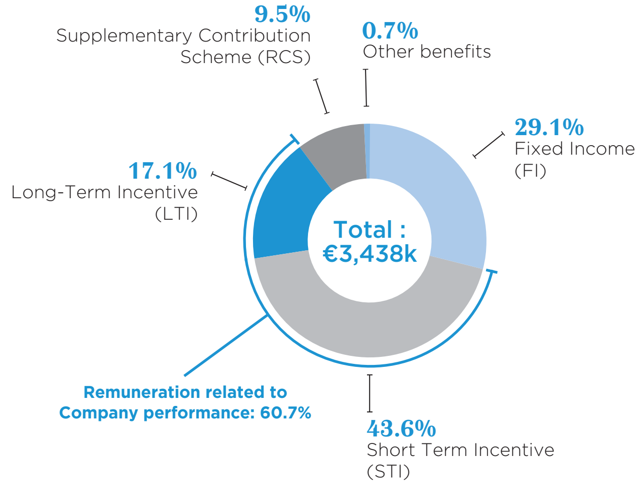
2017 qualitative achievements

Mr Christophe Cuvillier	**Among most significant targets achieved:** ◆ A year of exceptional achievements (*e.g.* REPS above guidance, administrative costs under control, key deliveries, financing costs at new record low). ◆ Succession planning process smoothly prepared and implemented in France, Germany and Spain. ◆ Better Places 2030: Significant progress through successful partnerships (*e.g.* Engie; CSR start-ups sourced through UR Link); public engagement and meetings with key retailers on LED strategy. ◆ Additional achievement linked to the acquisition of Westfield: Preparation, negotiation, submission to the SB and signature of the agreement to acquire Westfield Corporation.
Mr Olivier Bossard	**Among most significant targets achieved:** ◆ An outstanding year of deliveries: 5 projects completed according to plan, with no major deviation on budget (Centrum Chodov, Wroclavia, Carré Sénart, Glòries and Parly 2). ◆ Major milestones achieved on post-2019 projects specifically on administrative authorizations (Gaité, Velizy 2, Sisters, Triangle). ◆ Better Places 2030: Low carbon initiatives implemented for construction such as 100% LED in tender documentation; carbon assessment methodology defined and applied to all active development projects at design stage; pilots on low-carbon cement and shared energy production system. ◆ Additional achievement linked to the acquisition of Westfield: Review of the Westfield development projects; review of JV agreements, contracts and financing documents
Mr Fabrice Mouchel	**Among most significant targets achieved:** ◆ An all-time low average cost of debt of 1.4% and average maturity extended to 7.2 years. ◆ Confirmation of S&P and Fitch on the Group's "A" long-term rating with stable outlook and "A -1" and "F 1", respectively, for its short-term rating. ◆ Better Places 2030: Signing of the first ever "green" revolving credit facility in Europe for a total amount of €650 Mn; increased outreach towards SRI community. ◆ Additional achievement linked to the acquisition of Westfield: Preparation of the financing, negotiation of the bridge loan and syndication; negotiation with the rating agencies
Ms Astrid Panosyan	**Among most significant targets achieved:** ◆ Increased internationalization of the Group (international candidates in corporate functions and talent programmes, geographic mobilities). ◆ Re-inforced digital, IT infrastructure, business applications and IT security measures. ◆ New anticorruption and data protection programmes rolled out pursuant to new legal requirements. ◆ Better Places 2030: Successful roll-out across Group functions with new governance; CSR targets integrated in STI objectives for MB and Senior Management; 42% employee participation rate in year 1 of corporate volunteering initiatives. ◆ Additional achievement linked to the acquisition of Westfield: Review of Westfield's organization to assess potential synergies; preparation and analysis of the New Group potential organization; negotiation of the Implementation Agreement
Mr Jaap Tonckens	**Among most significant targets achieved:** ◆ Successful management of planned divestments (disposed of €710 Mn at an average premium of +15.0% above last unaffected appraisal value). ◆ Active shareholder outreach (over 60% of the shareholder base met). ◆ Better Places 2030: Implemented CSR KPIs in the 5Y BP and investment committee processes. ◆ Additional achievement linked to the acquisition of Westfield: Coordination of work of Investment bankers and investment team, preparation of the valuation work and synergy calculations; tax filings with French and Dutch authorities; review of Westfield accounts; negotiation of deal terms, Implementation Agreement and related documents; investor presentation and roadshow
Mr Jean-Marie Tritant	**Among most significant targets achieved:** ◆ Delivered the 2017 budget on KPIs: MGR uplift, rotation rate and International Premium Retailers above budget; NRI growth in line with budget. ◆ Digital strategy rolled out through new data and CRM capabilities: reshaped customer loyalty program (+1.8 Mn new members in 2017 - 85% from digital channels vs. only 37% in 2016); deployment of the new B2C CRM tool. ◆ Better Places 2030: All regions now supplied with green electricity; 146 LED partnerships signed with tenants (15.6% of total Retail GLA); 27 shopping centers involved in corporate volunteering initiatives. ◆ Additional achievement linked to the acquisition of Westfield: Asset by asset, tenant by tenant analysis conducted, 5Y BP performed for each of the 35 US and UK assets; agreements, contracts and financing documents reviewed; review of Westfield's organization to assess potential synergies; identification of revenue synergies

◆ Elements of Remuneration due or granted for the 2017 financial year to Mr Christophe CUVILLIER, Chief Executive Officer (CEO) and Chairman of the Management Board, (General Meeting of 2018, resolution No 5)

REMUNERATION RELATED TO COMPANY PERFORMANCE 60.7%





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Annual Fixed Income – FI (Paid in respect of the 2017 financial year) See Section 3.2.1 for details	€1,000,000	The gross FI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC. At this remuneration level, the WTW benchmark conducted in January 2017 showed that the CEO's FI was 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 is in the third quartile of the European real estate peer group. See Section Section 3.2.1 for details on peer groups.
Short-Term Incentive – STI (Paid in respect of the 2017 financial year) See Section 3.2.1 for details	€1,500,000	The gross STI was determined by the SB on March 5, 2018, upon the recommendation of the GNRC, and is before income tax and social security charges. STI is capped at 150% of FI and integrates 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 100% achievement (stretch target) is reached when this component increases by +8% (the current top bracket of the Company's medium term guidance); and ◆ a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. A 100% achievement (stretch target) is reached when this component grows by +12%.

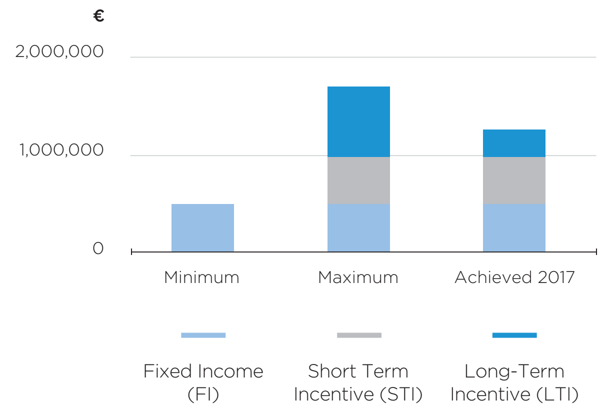
2017 STI Quantitative component					
Components	Stretch targets for 100% achievement	Quantitative contribution to STI at stretch target	Actual achievement 2017	% achievement of stretch target	Quantitative contribution 2017 STI
"Cash Flow"	+8%	€600,000 (60% FI)	+7.2%	90%	€555,000
"Value Creation"	+12%	€600,000 (60% FI)	+14.7%	123%	€735,000
Before Cap					*€1,290,000*
After Cap of 120% of FI					**€1,200,000**

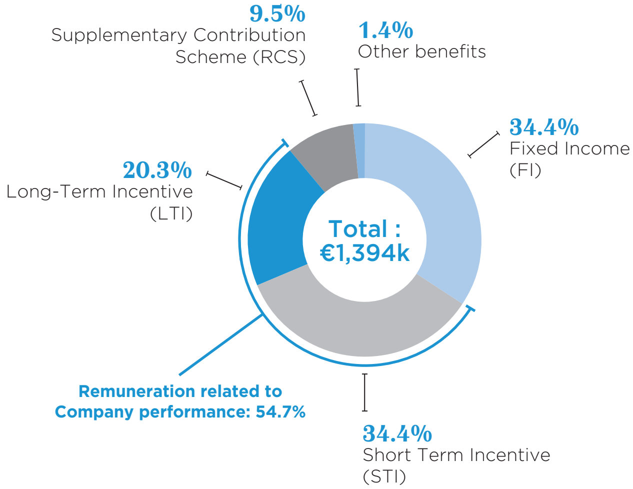
Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
		The 2017 results saw a strong REPS growth of +7.2% exceeding the guidance announced in February 2017, and a very solid value creation growth of +14.7%. The **qualitative component**, capped at 30% of FI, is determined according to the achievement of several individual qualitative objectives, pre-defined by the SB, upon the recommendation of the GNRC. Following an assessment by the SB, upon the recommendation of the GNRC, the level of achievement of the 2017 qualitative objectives is 95%. Including the additional Westfield acquisition objective, the achievement of the qualitative component results in 110%, which, after application of the cap, is brought back to 100%. This results in a qualitative STI for 2017 of €300,000. The total 2017 STI is €1,500,000, *i.e.* 150% of FI (vs. 148.7% of FI in 2016).
Long-Term Incentive – LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2017 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See Section 3.2.1 for details*	€588,272	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 2017, the LTI economic value amounted to 58.8% of his FI. The vesting of the 2017 SO and PS are subject to: • a 2-year continuous presence condition at date of vesting or exercise; • an external performance condition for 50%: the Total Shareholder Return (TSR) of Unibail-Rodamco must be strictly superior to the TSR of the reference index (EPRA Eurozone Reference Index) over the reference period; and • an internal performance condition for 50%: attainment of the compounded budget on REPS growth. The CEO is bound by an obligation to hold his shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy.
		SO On March 7, 2017, the SB, upon the recommendation of the GNRC, granted 42,500 SO to Mr Cuvillier, for an economic value of €301,907. 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 2017, the CEO received 6.9% of the total number of SO granted.
		PS On March 7, 2017, the SB, upon the recommendation of the GNRC, granted 2,766 PS to Mr Cuvillier, for an economic value of €286,365. The PS are subject to a three-year vesting period and a two-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 2017, the CEO received 6.9% of the total number of PS granted.
Supplementary Contribution Scheme - SCS	€325,919	Mr Cuvillier does not benefit from any additional defined benefits pension scheme (“retraite chapeau”). He benefits from the SCS, 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 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	€24,212	Mr Cuvillier benefits from a company car and an unemployment contribution (GSC type).
Deferred or multi-annual STI	n/a(1)	
Exceptional remuneration	n/a(1)	
Welcome bonus	n/a(1)	
Contractual severance package	n/a(1)	
Contractual non-compete indemnity	n/a(1)	
Employment contract	n/a(1)	
Service agreement	n/a(1)	
Intra-Group Board fees	n/a(1)	
Profit Sharing Scheme	n/a(1)	

n/a means “not applicable”. n/m means “not material”.

(1) Not provided for in the Remuneration Policy.

◆ Elements of Remuneration due or granted for the 2017 financial year to Mr Olivier BOSSARD, Chief Development Officer and Management Board Member, (General Meeting of 2018, resolution No 6).





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Annual Fixed Income – FI (Paid in respect of the 2017 financial year) *See Section 3.2.1 for details*	€480,000	The gross FI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC. The Remuneration was set based on a comparative study carried out by WTW on the three comparison panels used by the Group and described in the 2017 Remuneration Policy. For more information on the comparison groups, see Section 3.2.1
Short-Term Incentive – STI (Paid in respect of the 2017 financial year) *See Section 3.2.1 for details*	€480,000	The gross STI was determined by the SB on March 5, 2018, upon the recommendation of the GNRC, and is before income tax and social security charges. STI is capped at 100% of the FI and integrates a **qualitative** component to ensure a comprehensive incentive structure aligned with the best market practices. The CDO's STI arrangement thus includes a **quantitative** and a **qualitative component**. **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 100% achievement (stretch target) is reached when this component increases by +8% (the current top bracket of the Company's medium term guidance); and • a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. A 100% achievement (stretch target) is reached when this component grows by +12%.

2017 STI Quantitative component

Components	Stretch targets for 100% achievement	Quantitative contribution to STI at stretch target	Actual achievement 2017	% achievement of stretch target	Quantitative contribution 2017 STI
"Cash Flow"	+8%	€168,000 (35% FI)	+7.2%	90%	€156,000
"Value Creation"	+12%	€168,000 (35% FI)	+14.7%	123%	€205,800
Before Cap					*€361,800*
After Cap of 70% of FI					**€336,000**

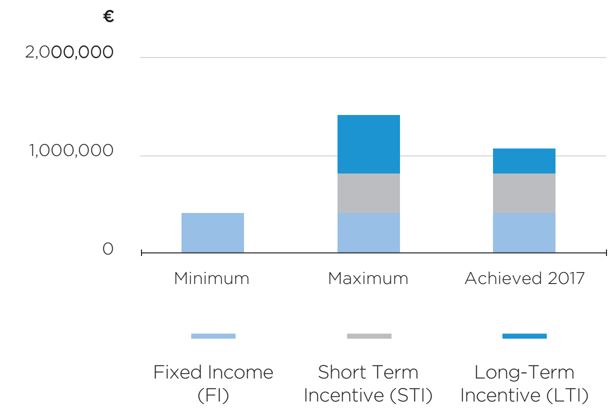
3.

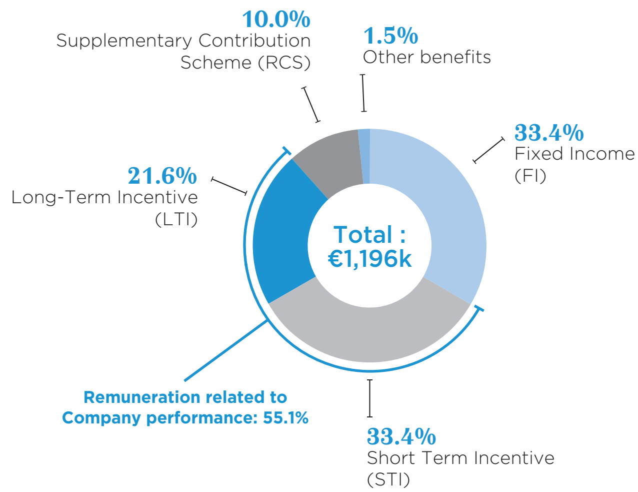
Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
		The 2017 results saw a strong REPS growth of +7.2% exceeding the guidance announced in February 2017, and a very solid value creation of +14.7%. The **qualitative component**, capped at 30% of FI, is determined 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. Following an assessment by the SB, upon the recommendation of the GNRC, the level of achievement of the 2017 qualitative objectives is 88.4%. Including the additional Westfield acquisition objective, the achievement of the qualitative component results in 103.4%, which, after application of the cap, is brought back to 100%. This results in a qualitative STI for 2017 of €144,000. The total 2017 STI is €480,000, *i.e.* 100% of FI (compared to 97% of FI in 2016).
Long-Term Incentive – LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2017 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *Section 3.2.1 for details*	€282,300	In accordance with the MB Remuneration Policy, the economic value of SO and PS granted to the CDO must not exceed 150% of his FI. In 2017, the LTI economic value amounted to 58.8% of his FI. The vesting of the 2017 SO and PS are subject to; • a 2-year continuous presence condition at date of vesting or exercise; • an external performance condition for 50%: the Total Shareholder Return (TSR) of Unibail-Rodamco must be strictly superior to the TSR of the reference index (EPRA Eurozone Reference Index) over the reference period; and • an internal performance condition for 50%: attainment of the compounded budget of REPS growth. MB Members are bound by an obligation to hold their shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy. **SO** On March 7, 2017, the SB, upon the recommendation of the GNRC, granted 20,400 SO to Mr Bossard, for an economic value of €144,915. 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 March 7, 2017, the SB, upon the recommendation of the GNRC, granted 1,327 PS to Mr Bossard, for an economic value of €137,385. The PS are subject to a three-year vesting period and a two-year holding period as well as to the presence and performance conditions described above.
Supplementary Contribution Scheme - SCS	€131,800	Mr 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 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	€19,788	Mr Bossard benefits from a company car and an unemployment contribution (GSC type).
Deferred or multi-annual STI	n/a(1)	
Exceptional remuneration	n/a(1)	
Welcome bonus	n/a(1)	
Contractual severance package	n/a(1)	
Contractual non-compete indemnity	n/a(1)	
Employment contract	n/a(1)	
Service agreement	n/a(1)	
Intra-Group Board fees	n/a(1)	
Profit Sharing Scheme	n/a(1)	

n/a means "not applicable". n/m means "not material".

(1) Not provided for in the Remuneration Policy.

◆ Elements of Remuneration due or granted for the 2017 financial year to Mr Fabrice MOUCHEL, Deputy Chief Financial Officer and Management Board Member, (General Meeting of 2018, resolution No 6).





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Annual Fixed Income – FI (Paid in respect of the 2017 financial year) See Section 3.2.1 for details	€400,000	The gross FI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC. The Remuneration was set based on a comparative study carried out by WTW on the three comparison panels used by the Group and described in the 2017 Remuneration Policy. For more information on the comparison groups, see Section 3.2.1.
Short-Term Incentive – STI (Paid in respect of the 2017 financial year) See Section 3.2.1 for details	€400,000	The gross STI was determined by the SB on March 5, 2018, upon the recommendation of the GNRC, and is before income tax and social security charges. STI is capped at 100% of the FI and integrates a **qualitative** component to ensure a comprehensive incentive structure aligned with the best market practices. The Deputy CFO's STI arrangement thus includes a **quantitative** and a **qualitative component**. **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 100% achievement (stretch target) is reached when this component increases by +8% (the current top bracket of the Company's medium term guidance); and • a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. A 100% achievement (stretch target) is reached when this component grows by +12%.

2017 STI Quantitative component

Components	Stretch targets for 100% achievement	Quantitative contribution to STI at stretch target	Actual achievement 2017	% achievement of stretch target	Quantitative contribution 2017 STI
"Cash Flow"	+8%	€140,000 (35% FI)	+7.2%	90%	€130,000
"Value Creation"	+12%	€140,000 (35% FI)	+14.7%	123%	€171,500
Before Cap					*€301,500*
After Cap of 70% of FI					**€280,000**

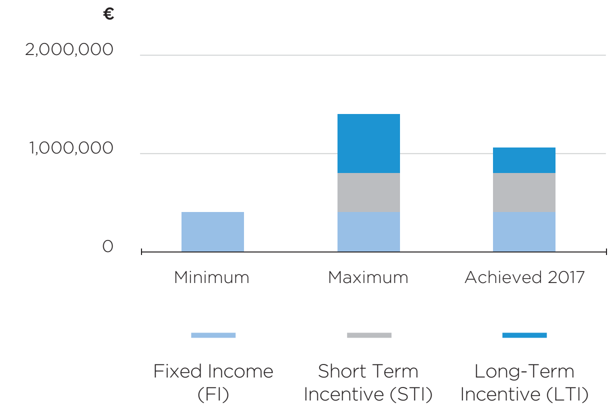
3.

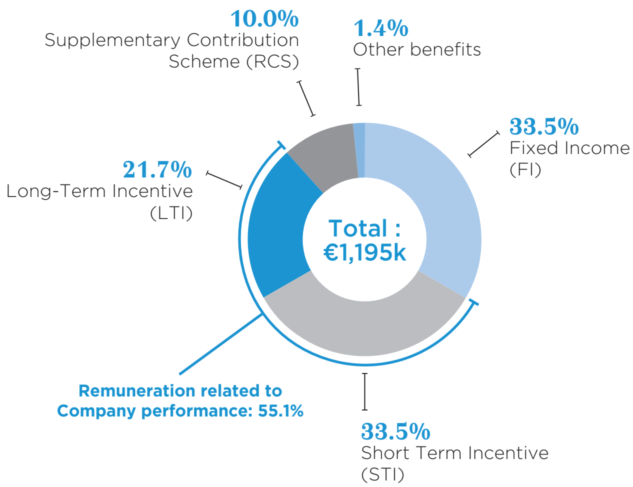
Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
		The 2017 results saw a strong REPS growth of +7.2% exceeding the guidance announced in February 2017, and a very solid value creation of +14.7%. The **qualitative component**, capped at 30% of FI, is determined 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. Following an assessment by the SB, upon the recommendation of the GNRC, the level of achievement of the 2017 qualitative objectives is 93.8%. Including the additional Westfield acquisition objective, the achievement of the qualitative component results in 108.8%, which, after application of the cap, is brought back to 100%. This results in a qualitative STI for 2017 of €120,000. The total 2017 STI is €400,000, *i.e.* 100% of FI (compared to 97% of FI in 2016).
Long-Term Incentive – LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2017 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *Section 3.2.1 for details*	€258,835	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 2017, the LTI economic value amounted to 64.7% of his FI. The vesting of the 2017 SO and PS are subject to: • a 2-year continuous presence condition at date of vesting or exercise; • an external performance condition for 50%: the Total Shareholder Return (TSR) of Unibail-Rodamco must be strictly superior to the TSR of the reference index (EPRA Eurozone Reference Index) over the reference period; and • an internal performance condition for 50%: attainment of the compounded budget of REPS growth. MB Members are bound by an obligation to hold their shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy. **SO** On March 7, 2017, the SB, upon the recommendation of the GNRC, granted 18,700 SO to Mr Mouchel, for an economic value of €132,839. 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 March 7, 2017, the SB, upon the recommendation of the GNRC, granted 1,217 PS to Mr Mouchel, for an economic value of €125,996. The PS are subject to a three-year vesting period and a two-year holding period as well as to the presence and performance conditions described above.
Supplementary Contribution Scheme – SCS	€119,920	Mr 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 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	€17,366	Mr Mouchel benefits from a company car and an unemployment contribution (GSC type).
Deferred or multi-annual STI	n/a(1)	
Exceptional remuneration	n/a(1)	
Welcome bonus	n/a(1)	
Contractual severance package	n/a(1)	
Contractual non-compete indemnity	n/a(1)	
Employment contract	n/a(1)	
Service agreement	n/a(1)	
Intra-Group Board fees	n/a(1)	
Profit Sharing Scheme	n/a(1)	

n/a means "not applicable." n/m means "not material".

(1) Not provided for in the Remuneration Policy.

◆ Elements of Remuneration due or granted for the 2017 financial year to Ms Astrid PANOSYAN, Chief Resources Officer and Management Board Member, (General Meeting of 2018, resolution No 6).





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Annual Fixed Income – FI (Paid in respect of the 2017 financial year) *See Section 3.2.1 for details*	€400,000	The gross FI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC. The Remuneration was set based on a comparative study carried out by WTW on the three comparison panels used by the Group and described in the 2017 Remuneration Policy. For more information on the comparison groups, see Section 3.2.1.
Short-Term Incentive – STI (Paid in respect of the 2017 financial year) *See Section 3.2.1 for details*	€400,000	The gross STI was determined by the SB on March 5, 2018, upon the recommendation of the GNRC, and is before income tax and social security charges. STI is capped at 100% of the FI and integrates a **qualitative** component to ensure a comprehensive incentive structure aligned with the best market practices. The CROs STI arrangement thus includes a **quantitative** and a **qualitative component**. **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 100% achievement (stretch target) is reached when this component increases by +8% (the current top bracket of the Company's medium term guidance); and • a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. A 100% achievement (stretch target) is reached when this component grows by +12%.

2017 STI Quantitative component

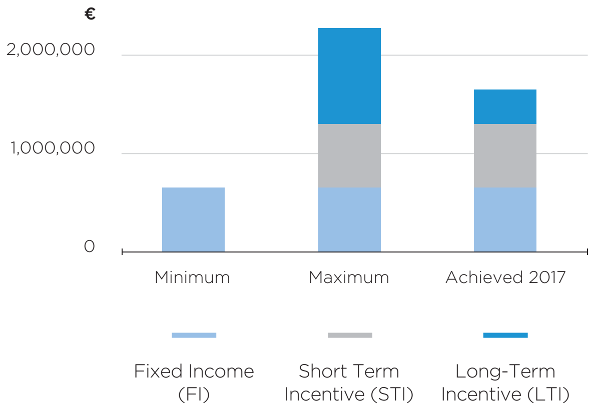
Components	Stretch targets for 100% achievement	Quantitative contribution to STI at stretch target	Actual achievement 2017	% achievement of stretch target	Quantitative contribution 2017 STI
"Cash Flow"	+8%	€140,000 (35% FI)	+7.2%	90%	€130,000
"Value Creation"	+12%	€140,000 (35% FI)	+14.7%	123%	€171,500
Before Cap					*€301,500*
After Cap of 70% of FI					**€280,000**

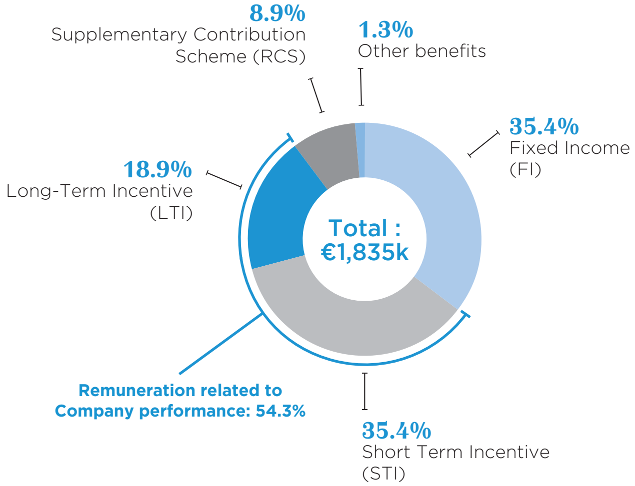
Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
		The 2017 results saw a strong REPS growth of +7.2% exceeding the guidance announced in February 2017, and a very solid value creation of +14.7%. The **qualitative component**, capped at 30% of FI, is determined 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. Following an assessment by the SB, upon the recommendation of the GNRC, the level of achievement of the 2017 qualitative objectives is 90.5%. Including the additional Westfield acquisition objective, the achievement of the qualitative component results in 105.5%, which, after application of the cap, is brought back to 100%. This results in a qualitative STI for 2017 of €120,000. The total 2017 STI is €400,000, *i.e.* 100% of FI (compared to 96.8% of FI in 2016).
Long-Term Incentive – LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2017 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *Section 3.2.1 for details*	€258,835	In accordance with the MB Remuneration Policy, the economic value of SO and PS granted to the CRO must not exceed 150% of her FI. In 2017, the LTI economic value amounted to 64.7% of her FI. The vesting of the 2017 SO and PS are subject to: • a 2-year continuous presence condition at date of vesting or exercise; • an external performance condition for 50%: the Total Shareholder Return (TSR) of Unibail-Rodamco must be strictly superior to the TSR of the reference index (EPRA Eurozone Reference Index) over the reference period; and • an internal performance condition for 50%: attainment of the compounded budget of REPS growth. MB Members are bound by an obligation to hold their shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy. **SO** On March 7, 2017, the SB, upon the recommendation of the GNRC, granted 18,700 SO to Ms Panosyan, for an economic value of €132,839. 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 March 7, 2017, the SB, upon the recommendation of the GNRC, granted 1,217 PS to Ms Panosyan, for an economic value of €125,996. The PS are subject to a three-year vesting period and a two-year holding period as well as to the presence and performance conditions described above.
Supplementary Contribution Scheme - SCS	€119,855	Ms 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 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	€16,794	Ms Panosyan benefits from a company car and an unemployment contribution (GSC type).
Deferred or multi-annual STI	n/a(1)	
Exceptional remuneration	n/a(1)	
Welcome bonus	n/a(1)	
Contractual severance package	n/a(1)	
Contractual non-compete Indemnity	n/a(1)	
Employment contract	n/a(1)	
Service agreement	n/a(1)	
Intra-Group Board fees	n/a(1)	
Profit Sharing Scheme	n/a(1)	

n/a means “not applicable”. n/m means “not material”.

(1) Not provided for in the Remuneration Policy.

◆ Elements of Remuneration due or granted for the 2017 financial year to Mr Jaap TONCKENS, Chief Financial Officer and Management Board Member, (General Meeting of 2018, resolution No 6).





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Annual Fixed Income – FI (Paid in respect of the 2017 financial year) *See Section 3.2.1 for details*	€650,000	The gross FI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC. The Remuneration was set based on a comparative study carried out by WTW on the three comparison panels used by the Group and described in the 2017 Remuneration Policy. For more information on the comparison groups, see Section 3.2.1
Short-Term Incentive – STI (Paid in respect of the 2017 financial year) *See Section 3.2.1 for details*	€650,000	The gross STI was determined by the SB on March 5, 2018, upon the recommendation of the GNRC, and is before income tax and social security charges. STI is capped at 100% of the FI and integrates a **qualitative** component to ensure a comprehensive incentive structure aligned with the best market practices. The CFO's STI arrangement thus includes a **quantitative** and a **qualitative component**. **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 100% achievement (stretch target) is reached when this component increases by +8% (the current top bracket of the Company's medium term guidance); and • a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. A 100% achievement (stretch target) is reached when this component grows by +12%.

2017 STI Quantitative component

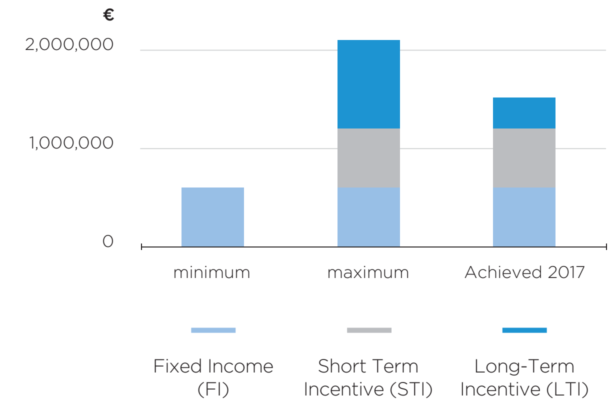
Components	Stretch targets for 100% achievement	Quantitative contribution to STI at stretch target	Actual achievement 2017	% achievement of stretch target	Quantitative contribution 2017 STI
"Cash Flow"	+8%	€227,500 (35% FI)	+7.2%	90%	€211,250
"Value Creation"	+12%	€227,500 (35% FI)	+14.7%	123%	€278,688
Before Cap					*€489,938*
After Cap of 70% of FI					**€455,000**

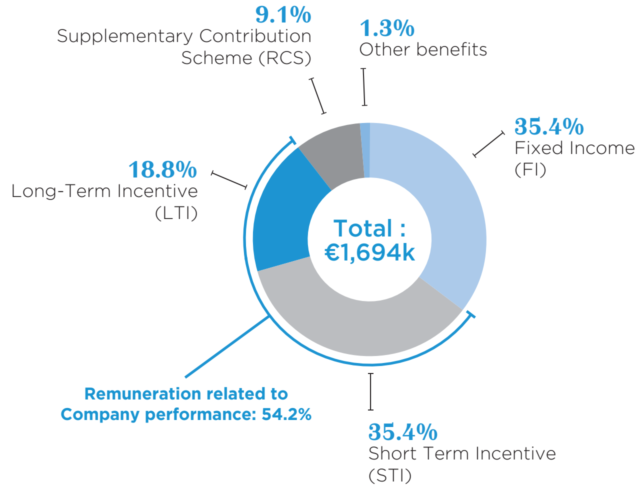
Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
		The 2017 results saw a strong REPS growth of +7.2% exceeding the guidance announced in February 2017, and a very solid value creation of +14.7%. The **qualitative component**, capped at 30% of FI, is determined 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. Following an assessment by the SB, upon the recommendation of the GNRC, the level of achievement of the 2017 qualitative objectives is 92.6%. Including the additional Westfield acquisition objective, the achievement of the qualitative component results in 107.6%, which, after application of the cap, is brought back to 100%. This results in a qualitative STI for 2017 of €195,000. The total 2017 STI is €650,000, *i.e.* 100% of FI (compared to 98% of FI in 2016).
Long-Term Incentive – LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2017 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *Section 3.2.1 for details*	€346,935	In accordance with the MB Remuneration Policy, the economic value of SO and PS granted to the CFO must not exceed 150% of his FI. In 2017, the LTI economic value amounted to 53.3% of his FI. The vesting of the 2017 SO and PS are subject to: • a 2-year continuous presence condition at date of vesting or exercise; • an external performance condition for 50%: the Total Shareholder Return (TSR) of Unibail-Rodamco must be strictly superior to the TSR of the reference index (EPRA Eurozone Reference Index) over the reference period; and • an internal performance condition for 50%: attainment of the compounded budget of REPS growth. MB Members are bound by an obligation to hold their shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy. **SO** On March 7, 2017, the SB, upon the recommendation of the GNRC, granted 25,500 SO to Mr Tonckens, for an economic value of €181,144. 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 March 7, 2017, the SB, upon the recommendation of the GNRC, granted 1,659 PS to Mr Tonckens, for an economic value of €165,791. 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	€163,895	Mr 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(1)	n/a
Benefits in Kind	€23,790	Mr Tonckens benefits from an expatriate health insurance policy and an International Assignment Extra-Compensation (excl. EU).
Deferred or multi-annual STI	n/a(1)	
Exceptional remuneration	n/a(1)	
Welcome bonus	n/a(1)	
Contractual severance package	n/a(1)	
Contractual non-compete indemnity	n/a(1)	
Employment contract	n/a(1)	
Service agreement	n/a(1)	
Intra-Group Board fees	n/a(1)	
Profit Sharing Scheme	n/a(1)	

n/a means "not applicable." n/m means "not material".

(1) *Not provided for in the Remuneration Policy.*

◆ Elements of Remuneration due or granted for the 2017 financial year to Mr Jean-Marie TRITANT, Chief Operating Officer and Management Board Member, (General Meeting of 2018, resolution No 6).





Figures may not add up due to rounding.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Annual Fixed Income – FI (Paid in respect of the 2017 financial year) *See Section 3.2.1 for details*	€600,000	The gross FI was determined by the SB on March 7, 2017, upon the recommendation of the GNRC. The Remuneration was set based on a comparative study carried out by WTW on the three comparison panels used by the Group and described in the 2017 Remuneration Policy. For more information on the comparison groups, see Section 3.2.1
Short-Term Incentive – STI (Paid in respect of the 2017 financial year) *See Section 3.2.1 for details*	€600,000	The gross STI was determined by the SB on March 5, 2018, upon the recommendation of the GNRC, and is before income tax and social security charges. STI is capped at 100% of the FI and integrates a **qualitative** component to ensure a comprehensive incentive structure aligned with the best market practices. The COO's STI arrangement thus includes a **quantitative** and a **qualitative component**. **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 100% achievement (stretch target) is reached when this component increases by +8% (the current top bracket of the Company's medium term guidance); and • a "value creation" component, proportional to the Net Asset Value per share growth plus the dividend per share distributed over the same period. A 100% achievement (stretch target) is reached when this component grows by +12%.

2017 STI Quantitative component

Components	Stretch targets for 100% achievement	Quantitative contribution to STI at stretch target	Actual achievement 2017	% achievement of stretch target	Quantitative contribution 2017 STI
"Cash Flow"	+8%	€210,000 (35% FI)	+7.2%	90%	€195,000
"Value Creation"	+12%	€210,000 (35% FI)	+14.7%	123%	€257,250
Before Cap					*€452,250*
After Cap of 70% of FI					**€420,000**

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
		The 2017 results saw a strong REPS growth of +7.2% exceeding the guidance announced in February 2017, and a very solid value creation of +14.7%. 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. Following an assessment by the SB, upon the recommendation of the GNRC, the level of achievement of the 2017 qualitative objectives is 91.5%. Including the additional Westfield acquisition objective, the achievement of the qualitative component results in 106.5%, which, after application of the cap, is brought back to 100%. This results in a qualitative STI for 2017 of €180,000. The total 2017 STI is €600,000, *i.e.* 100% of FI (compared to 97.7% of FI in 2016).
Long-Term Incentive – LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2017 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *Section 3.2.1 for details*	€317,704	In accordance with the MB Remuneration Policy, the economic value of SO and PS granted to the COO must not exceed 150% of his FI. In 2017, the LTI economic value amounted to 52.9% of his FI. The vesting of the 2017 SO and PS are subject to: • a 2-year continuous presence condition at date of vesting or exercise, • an external performance condition for 50%: the Total Shareholder Return (TSR) of Unibail-Rodamco must be strictly superior to the TSR of the reference index (EPRA Eurozone Reference Index) over the reference period; and • an internal performance condition for 50%: attainment of the compounded budget of REPS growth. MB Members are bound by an obligation to hold their shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy.
		SO On March 7, 2017, the SB, upon the recommendation of the GNRC, granted 22,950 SO to Mr Tritant, for an economic value of €163,030. 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 March 7, 2017, the SB, upon the recommendation of the GNRC, granted 1,494 PS to Mr Tritant, for an economic value of €154,674. The PS are subject to a three-year vesting period and a two-year holding period as well as to the presence and performance conditions described above.
Supplementary Contribution Scheme - SCS	€153,860	Mr 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 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	€22,015	Mr Tritant benefits from a company car and an unemployment contribution (GSC type).
Deferred or multi-annual STI	n/a(1)	
Exceptional remuneration	n/a(1)	
Welcome bonus	n/a(1)	
Contractual severance package	n/a(1)	
Contractual non-compete indemnity	n/a(1)	
Employment contract	n/a(1)	
Service agreement	n/a(1)	
Intra-Group Board fees	n/a(1)	
Profit Sharing Scheme	n/a(1)	

n/a means "not applicable". n/m means "not material".

(1) *Not provided for in the Remuneration Policy.*

3.2.3.2. Remuneration Report of SB Members

◆ Remuneration of the SB Chairman for 2017 Financial Years (General Meeting 2018 - resolutions No 7 at 8)

◆ *Mr Rob Ter Haar (SB chairman mandate ended April 25, 2017) and Mr Colin Dyer – (SB chairman mandate commenced April 25, 2017)*

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Fixed Income – FI	n/a[1]	
Short-Term Incentive – STI	n/a[1]	
Long-Term Incentive – LTI or any remuneration related to company performance	n/a[1]	
Supplementary Contribution Scheme - SCS	n/a[1]	
Group life and health insurance	n/a[1]	
Benefits in kind	n/a[1]	
Deferred or multi-annual STI	n/a[1]	
Exceptional Remuneration	n/a[1]	
Welcome bonus	n/a[1]	
Contractual severance package	n/a[1]	
Contractual non-compete Indemnity	n/a[1]	
Employment contract	n/a[1]	
Service agreement	n/a[1]	
Intra-Group Board fees	n/a[1]	
Profit Sharing Scheme	n/a[1]	

n/a means "not applicable".

(1) Not provided for in the Remuneration Policy.

SB Chairman - from 04/25/2017 to 12/31/2017 Mr Colin Dyer (mandate commenced April 25, 2017)	2016[1]	2017[1]
SB Chairman Fees	-	€135,000
GNRC Chairman Fees	-	€51,000[2]
TOTAL FEES	**-**	**€186,000**

(1) Before withholding tax (30% for non-French residents).
(2) Including the out of country indemnities.

SB Chairman - from 01/01/2017 to 04/25/2017 Mr Rob Ter Haar (mandate ended April 25, 2017)	2016[1]	2017[1]
SB Chairman Fees	€150,000	€90,000
GNRC Chairman Fees	€20,000	€18,500[2]
TOTAL FEES	**€170,000**	**€108,500**

(1) Before withholding tax (30% for non-French residents).
(2) Including the out of country indemnities.

Remuneration of the SB Members for 2016 and 2017 Financial Years

SB Members	2016[1]	2017[1]
Mr Philippe Collombel[2]	n/a	€50,167
Ms Mary Harris	€65,643	€84,000
Ms Dagmar Kollmann	€72,800	€79,556
Mr Jean-Louis Laurens	€85,950	€105,000
Mr Roderick Munsters[2]	n/a	€62,111
Mr Alec Pelmore	€71,450	€87,000
Ms Sophie Stabile	€60,243	€88,111[7]
Mr Jacques Stern[3]	€38,829	€83,500
Ms Jacqueline Tammenoms Bakker	€64,643	€81,056
Mr Yves Lyon Caen[4]	€45,629	€18,944
Mr Frans Cremers[5]	€28,364	NA
Mr François Jaclot[5]	€27,657	NA
Mr José Luis Duran[6]	€34,971	NA
TOTAL (EXCLUDING SB CHAIRMAN FEES)	**€596,179**	**€739,445**
Percentage used of the annual envelope approved by AGM	*68.13%*	*84.50%*

(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 commenced April 25, 2017.
(3) Mandate commenced April 21, 2016.
(4) Mandate ended April 25, 2017.
(5) Mandate ended April 21, 2016.
(6) Mandate ended October 4, 2016.
(7) Including additional fees for special tasks in relation with the Westfield transaction.
n/a : meams "not applicable"

3.2.4. SUMMARY STATEMENT OF THE ELEMENTS IN THE REMUNERATION OF THE CHIEF EXECUTIVE OFFICER (CEO) AND THE NON-CEO MANAGEMENT BOARD MEMBERS

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 2013 through to 2017, *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 2016 and 2017 respectively, and including the STI that was paid in Year N due in respect of the previous year (Table no. 2).

3.2.4.1. FI, STI, LTI and other benefits allocated to MB Members in respect of the referred years (Table no. 1 of AMF/Afep-Medef recommendations)

Including the STI due in respect of financial year N and paid in Year N+1, after publication of the results of financial year N.

Mr Christophe Cuvillier(1) Chief Executive Officer (since April 25, 2013) (Chief Operating Officer between June 1, 2011 and April 25, 2013)	Year 2013	Year 2014	Year 2015	Year 2016	**Year 2017**
Fixed Income	€756,364	€850,504	€882,654	€913,988	€1,000,000
Short-Term Incentive (STI)*	€867,441	€962,099	€1,323,981	€1,359,192	€1,500,000
Pension	€200,000	€269,400	€274,475	€313,797	€325,919
Other benefits	€20,470	€20,796	€20,772	€21,209	€24,212
Remuneration due in respect of the financial year	**€1,844,275**	**€2,102,799**	**€2,501,882**	**€2,608,186**	**€2,850,131**
Evolution year N vs, year N-1 (in %)	*52.2%*	*14.0%*	*19.0%*	*4.2%*	*9.3%*
SO IFRS valuation allocated during the financial year**	€337,875	€307,717	€349,737	€359,522	€301,907
Evolution year N vs, year N-1 (in %)	*64.4%*	*-8.9%*	*13.7%*	*2.8%*	*-16.0%*
PS IFRS valuation allocated during the financial year**	€155,140	€184,652	€242,547	€261,654	€286,365
TOTAL	**2,337,290**	**2,595,168**	**€3,094,166**	**€3,229,362**	**€3,438,403**
Evolution year N vs, year N-1 (in %)	*54.0%*	*11.0%*	*19.2%*	*4.4%*	*6.5%*

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 Short Term Incentive 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 Willis Towers Watson), 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) Member of Unibail-Rodamco SE Management Board since June 2011, Mr Christophe Cuvillier was appointed as CEO and Chairman of the Management Board effective as of April 25, 2013.His mandate was renewed for another 4-year term on April 25, 2017.

Mr Olivier Bossard(2) Chief Development Officer (since April 25, 2013)	Year 2013	Year 2014	Year 2015	Year 2016	**Year 2017**
Fixed Income	€272,727	€400,000	€400,000	€400,000	€480,000
Short-Term Incentive (STI)*	€204,545	€333,611	€378,400	€388,000	€480,000
Pension	€0	€115,000	€118,361	€122,840	€131,800
Other benefits	€8,528	€14,688	€19,413	€19,595	€19,788
Remuneration due in respect of the financial year	**€485,800**	**€863,299**	**€916,174**	**€930,435**	**€1,111,588**
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*6.1%*	*1.6%*	*19.5%*
SO IFRS valuation allocated during the financial year**	n/a	€147,704	€167,874	€172,571	€144,915
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*13.7%*	*2.8%*	*-16.0%*
PS IFRS valuation allocated during the financial year**	n/a	€88,613	€116,396	€125,565	€137,385
TOTAL	**€485,800**	**€1,099,616**	**€1,200,444**	**€1,228,571**	**€1,393,888**
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*9.2%*	*2.3%*	*13.5%*

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 Short Term Incentive 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 Willis Towers Watson), 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.*

(2) Mr Olivier Bossard was appointed as Chief Development Officer effective as of 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. His mandate was renewed for another 4-year term on April 25, 2017.

Mr Fabrice Mouchel(3) Deputy Chief Financial Officer (since April 25, 2013)	Year 2013	Year 2014	Year 2015	Year 2016	**Year 2017**
Fixed Income	€218,182	€320,000	€360,000	€360,000	€400,000
Short-Term Incentive (STI)*	€163,636	€280,338	€340,560	€349,200	€400,000
Pension	n/a	€101,000	€109,034	€115,056	€119,920
Other benefits	€7,666	€10,691	€14,657	€17,127	€17,366
Remuneration due in respect of the financial year	**€389,484**	**€712,029**	**€824,251**	**€841,383**	**€937,286**
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*15.8%*	*2.1%*	*11.4%*
SO IFRS valuation allocated during the financial year**	n/a	€123,087	€153,884	€158,190	€132,839
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*25.0%*	*2.8%*	*-16.0%*
PS IFRS valuation allocated during the financial year**	n/a	€73,832	€106,736	€115,144	€125,996
TOTAL	**€389,484**	**€908,948**	**€1,084,871**	**€1,114,717**	**€1,196,121**
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*19.4%*	*2.8%*	*7.3%*

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 Short Term Incentive due in respect of Year N and paid in March Year N+1.*

** *The value corresponds to the value of the Stock Options and Performance Shares at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by Willis Towers Watson), notably after taking into account any discount related to performance criteria and the probability of presence in the 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.*

(3) Mr Fabrice Mouchel was appointed as Deputy Chief Financial Officer effective as of 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. His mandate was renewed for another 4-year term on April 25, 2017.

Ms Astrid Panosyan(4) Chief Resources Officer (since September 1, 2015)	Year 2013	Year 2014	Year 2015	Year 2016	**Year 2017**
Fixed Income	n/a	n/a	€120,000	€360,000	€400,000
Short-Term Incentive (STI)*	n/a	n/a	€113,400	€348,552	€400,000
Pension	n/a	n/a	€0 €	€115,020	€119,855
Other benefits	n/a	n/a	€3,928	€14,325	€16,794
Remuneration due in respect of the financial year	**n/a**	**n/a**	**€237,328**	**€837,897**	**€936,649**
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*n/a*	*n/a*	*11.8%*
SO IFRS valuation allocated during the financial year**	n/a	n/a	n/a	€158,190	€132,839
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*n/a*	*n/a*	*-16.0%*
PS IFRS valuation allocated during the financial year**	n/a	n/a	n/a	€115,144	€125,996
TOTAL	**N/A**	**N/A**	**€237,328**	**€1,111,231**	**€1,195,484**
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*n/a*	*n/a*	*7.6%*

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 Short Term Incentive due in respect of Year N and paid in March Year N+1.*

** *The value corresponds to the value of the Stock Options and Performance Shares at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by Willis Towers Watson), notably after taking into account any discount related to performance criteria and the probability of presence in the 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.*

(4) Mrs Astrid Panosyan was appointed as Chief Resources Officer effective as of September 1, 2015 (i.e. after the allocation date of SO and PS for 2015). The 2015 remuneration was applied pro rata temporis. Her mandate was renewed for another 4-year term on April 25, 2017.

Mr Jaap Tonckens[5] Chief Financial Officer (Management Board Member since September 1, 2009)	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
Fixed Income	€550,000	€550,000	€550,000	€550,000	€650,000
Short-Term Incentive (STI)*	€412,500	€470,249	€527,450	€538,945	€650,000
Pension	€113,603	€141,250	€147,025	€152,745	€163,895
Other benefits	€21,915	€4,715	€30,209	€23,612	€23,790
Remuneration due in respect of the financial year	**€1,098,018**	**€1,166,214**	**€1,254,684**	**€1,265,302**	**€1,487,685**
Evolution year N vs, year N-1 (in %)	*15.7%*	*6.2%*	*7.6%*	*0.8%*	*17.6%*
SO IFRS valuation allocated during the financial year**	€202,725	€184,630	€209,842	€215,713	€181,144
Evolution year N vs, year N-1 (in %)	*15.1%*	*-8.9%*	*13.7%*	*2.8%*	*-16.0%*
PS IFRS valuation allocated during the financial year**	€93,084	€108,177	€146,328	€157,100	€165,791
TOTAL	**€1,393,827**	**€1,459,021**	**€1,610,854**	**€1,638,115**	**€1,834,620**
Evolution year N vs, year N-1 (in %)	*15.2%*	*4.7%*	*10.4%*	*1.7%*	*12.0%*

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 Short Term Incentive due in respect of Year N and paid in March Year N+1.*

** *The value corresponds to the value of the Stock Options and Performance Shares at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by Willis Towers Watson), notably after taking into account any discount related to performance criteria and the probability of presence in the 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.*

(5) His mandate was renewed for another 4-year term on April 25, 2017.

3.

Mr Jean-Marie Tritant[6] Chief Operating Officer (since April 25, 2013)	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017
Fixed Income	€306,818	€450,000	€450,000	€500,000	€600,000
Short-Term Incentive (STI)*	€230,114	€377,657	€430,200	€488,600	€600,000
Pension	n/a	€123,750	€127,766	€138,020	€153,860
Other benefits	€11,587	€15,905	€19,903	€21,243	€22,015
Remuneration due in respect of the financial year	**€548,519**	**€967,312**	**€1,027,869**	**€1,147,863**	**€1,375,875**
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*6.3%*	*11.7%*	*19.9%*
SO IFRS valuation allocated during the financial year**	n/a	€147,704	€167,874	€194,142	€163,030
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*13.7%*	*15.6%*	*-16.0%*
PS IFRS valuation allocated during the financial year**	n/a	€88,613	€116,396	€141,299	€154,674
TOTAL	**€548,519**	**€1,203,629**	**€1,312,139**	**€1,483,304**	**€1,693,579**
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*9.0%*	*13.0%*	*14.2%*

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 Short Term Incentive due in respect of Year N and paid in March Year N+1.*

** *The value corresponds to the value of the Stock Options and Performance Shares at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by Willis Towers Watson), notably after taking into account any discount related to performance criteria and the probability of presence in the 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 Jean-Marie Tritant was appointed as Chief Operating Officer effective as of April 25, 2013 (i.e. after the allocation date of SO and PS for 2013). The 2013 remuneration applied pro rata temporis. His mandate was renewed for another 4-year term on April 25, 2017.

3.2.4.2. Details of the remuneration paid in 2016 and 2017 (Table no. 2 of AMF/Afep-Medef recommendations)

Including the STI paid during financial year N but which was due for the previous financial year.

MR CHRISTOPHE CUVILLIER

Chairman of the MB & Chief Executive Officer (since April 25, 2013)

	Financial year 2016		Financial year 2017	
	Amount due	Amount paid	Amont due	Amont paid
Fixed Income	€913,988	€913,988	€1,000,000	€1,000,000
Short-Term Incentive (STI)	€1,359,192	€1,323,981	€1,500,000	€1,359,192
Pension	€313,797	€313,797	€325,919	€325,919
Other benefits	€21,209	€21,209	€24,212	€24,212
Total direct remuneration	**€2,608,186**	**€2,572,975**	**€2,850,131**	**€2,709,323**
SO IFRS valuation allocated during the financial year*	€359,522	€359,522	€301,907	€301,907
PS IFRS valuation allocated during the financial year*	€261,654	€261,654	€286,365	€286,365
TOTAL	**€3,229,362**	**€3,194,151**	**€3,438,403**	**€3,297,595**

* *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 2016		Financial year 2017	
	Amount due	Amount paid	Amont due	Amont paid
Fixed Income	€400,000	€400,000	€480,000	€480,000
Short-Term Incentive (STI)	€388,000	€378,400	€480,000	€388,000
Pension	€122,840	€122,840	€131,800	€131,800
Other benefits	€19,595	€19,595	€19,788	€19,788
Total direct remuneration	**€930,435**	**€920,835**	**€1,111,588**	**€1,019,588**
SO IFRS valuation allocated during the financial year*	€172,571	€172,571	€144,915	€144,915
PS IFRS valuation allocated during the financial year*	€125,565	€125,565	€137,385	€137,385
TOTAL	**€1,228,571**	**€1,218,971**	**€1,393,888**	**€1,301,888**

* *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 FABRICE MOUCHEL

MB Member & Deputy Chief Financial Officer (since April 25, 2013)

	Financial year 2016		Financial year 2017	
	Amount due	Amount paid	Amont due	Amont paid
Fixed Income	€360,000	€360,000	€400,000	€400,000
Short-Term Incentive (STI)	€349,200	€340,560	€400,000	€349,200
Pension	€115,056	€115,056	€119,920	€119,920
Other benefits	€17,127	17,127	€17,366	€17,366
Total direct remuneration	**€841,383**	**€832,743**	**€937,286**	**€886,486**
SO IFRS valuation allocated during the financial year*	€158,190	€158,190	€132,839	€132,839
PS IFRS valuation allocated during the financial year*	€115,144	€115,144	€125,996	€125,996
TOTAL	**€1,114,717**	**€1,106,077**	**€1,196,121**	**€1,145,321**

* *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.*

MS ASTRID PANOSYAN

MB Member & Chief Resources Officer (since September 1, 2015)[(1)]

	Financial year 2016		Financial year 2017	
	Amount due	Amount paid	Amont due	Amont paid
Fixed Income	€360,000	€360,000	€400,000	€400,000
Short-Term Incentive (STI)	€348,552	€113,400	€400,000	€348,552
Pension	€115,020	€115,020	€119,855	€119,855
Other benefits	€14,325	€14,325	€16,794	€16,794
Total direct remuneration	**€837,897**	**€602,745**	**€936,649**	**€885,201**
SO IFRS valuation allocated during the financial year*	€158,190	€158,190	€132,839	€132,839
PS IFRS valuation allocated during the financial year*	€115,144	€115,144	€125,996	€125,996
TOTAL	**€1,111,231**	**€876,079**	**€1,195,484**	**€1,144,036**

* *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 2016		Financial year 2017	
	Amount due	Amount paid	Amont due	Amont paid
Fixed Income	€550,000	€550,000	€650,000	€650,000
Short-Term Incentive (STI)	€538,945	€527,450	€650,000	€538,945
Pension	€152,745	€152,745	€163,895	€163,895
Other benefits	€23,612	€23,612	€23,790	€23,790
Total direct remuneration	**€1,265,302**	**€1,253,807**	**€1,487,685**	**€1,376,630**
SO IFRS valuation allocated during the financial year*	€215,713	€215,713	€181,144	€181,144
PS IFRS valuation allocated during the financial year*	€157,100	€157,100	€165,791	€165,791
TOTAL	**€1,638,115**	**€1,626,620**	**€1,834,620**	**€1,723,565**

* *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 2016		Financial year 2017	
	Amount due	Amount paid	Amont due	Amont paid
Fixed Income	€500,000	€500,000	€600,000	€600,000
Short-Term Incentive (STI)	€488,600	€430,200	€600,000	€488,600
Pension	€138,020	€138,020	€153,860	€153,860
Other benefits	€21,243	€21,243	€22,015	€22,015
Total direct remuneration	**€1,147,863**	**€1,089,463**	**€1,375,875**	**€1,264,475**
SO IFRS valuation allocated during the financial year*	€194,142	€194,142	€163,030	€163,030
PS IFRS valuation allocated during the financial year*	€141,299	€141,299	€154,674	€154,674
TOTAL	**€1,483,304**	**€1,424,904**	**€1,693,579**	**€1,582,179**

* *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.*

3.2.4.3. Performance Stock Options (SO)

◆ Performance Stock Options (SO) granted during financial years 2014 to 2017 (Table no. 4 of AMF/Afep-Medef recommendations)

On March 7, 2017, the SB, upon the recommendation of the GNRC, granted to employees and corporate 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 the CEO represents 6.9% of the total grant of SO within the Group in 2017.

The overall SO grant 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:

Plan Number	Plan performance n°7			Plan performance n°8			Plan performance n°8			Plan performance n°8		
Date of Grant	March 3, 2014			March 3, 2015			March 8, 2016			March 7, 2017		
Opening of exercise period (at the opening of trading day)	March 4, 2018			March 4, 2019			March 9, 2020			March 8, 2021		
End of exercise period (at the end of the trading day)	March 3, 2021			March 3, 2022			March 8, 2023			March 7, 2024		
Exercise Price per SO	€186.10			€256.81			€227.24			€218.47		
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 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	Number of SO granted	Value of SO granted*	Variation 2017 vs 2016 in value
Christophe CUVILLIER												
Chief Executive Officer(1)	42,500	€307,717	-8.93%	42,500	€349,737	13.66%	42,500	€359,522	2.80%	42,500	€301,907	-16.0%
Olivier BOSSARD												
Chief Development Officer(2)	20,400	€147,704	-8.93%	20,400	€167,874	13.66%	20,400	€172,571	2.80%	20,400	€144,915	-16.0%
Fabrice MOUCHEL												
Deputy Chief Fiancial Officer(3)	17,000	€123,087	1.19%	18,700	€153,884	25.02%	18,700	€158,190	2.80%	18,700	€132,839	-16.0%
Astrid PANOSYAN												
Chief Resources Officer(4)	n/a	n/a	n/a	n/a	n/a	n/a	18,700	€158,190	n/a	18,700	€132,839	-16.0%
Jaap TONCKENS												
Chief Financial Officer	25,500	€184,630	-8.93%	25,500	€209,842	13.66%	25,500	€215,713	2.80%	25,500	€181,144	-16.0%
Jean-Marie TRITANT												
Chief Operating Officer(5)	20,400	€147,704	-8.93%	20,400	€167,874	13.66%	22,950	€194,142	15.65%	22,950	€163,030	-16.0%

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.*

(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.

PERFORMANCE STOCK OPTIONS (SO) EXERCISED BY MB MEMBERS DURING THE 2017 FINANCIAL YEAR (ARTICLE L 225-184 OF THE FRENCH COMMERCIAL CODE) (TABLE NO. 5 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

MB Members	Plan number – Tranche year	Number of SO exercised during the financial year	Date of exercise	Exercise price per SO	Number of SO exercised	Overall market performance of URSE	Performance of the applicable Reference Index	Achievement of the Performance Condition at the exercise date
Mr Christophe Cuvillier CEO	Plan Performance no. 7 Tranche 2013	42,500	March 6, 2017	€173.16	21,575	46.68%	44.52%	Yes
			March 6, 2017	€173.16	19,125	46.68%	44.52%	Yes
			March 6, 2017	€173.16	2	46.68%	44.52%	Yes
			March 10, 2017	€173.16	1,798	46.65%	43.47%	Yes
Mr Olivier Bossard CDO	Plan Performance no. 6 Tranche 2010	2,500	February 16, 2017	€120.33	1,560	131.20%	78.46%	Yes
			February 24, 2017	€120.33	940	124.47%	75.33%	Yes
	Plan Performance no. 6 Tranche 2011	941	May 30, 2017	€141.54	941	111.57%	67.56%	Yes
	Plan Performance no. 7 Tranche 2013	10,050	June 15, 2017	€173.16	3,500	61.16%	60.84%	Yes
			June 20, 2017	€173.16	3,250	60.71%	60.41%	Yes
			June 20, 2017	€173.16	3,300	60.71%	60.41%	Yes
Mr Fabrice Mouchel Deputy CFO	Plan Performance no. 7 Tranche 2013	15,299	June 12, 2017	€173.16	801	61.23%	60.30%	Yes
			June 15, 2017	€173.16	14,063	61.16%	60.84%	Yes
			June 21, 2017	€173.16	435	60.44%	60.01%	Yes
Ms Astrid Panosyan CRO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr Jaap Tonckens CFO	Plan Performance no. 7 Tranche 2013	25,500	March 6, 2017	€173.16	11,475	46.68%	44.52%	Yes
			March 6, 2017	€173.16	14,025	46.68%	44.52%	Yes
Mr Jean-Marie Tritant COO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

3.2.4.4. Performance Shares (PS)

The detail on the plans in force, in particular the PS Plan (Performance Shares Plan no. 2) applicable to employees and corporate officers is presented on Section 3.3.3.

On March 7, 2017, with a total of 39,770 PS granted to employees and corporate officers, 9,680 PS were granted to MB Members representing 24.33% of the total grant of PS within the Group in 2017.

The grant of PS to MB Members is presented in detail in Tables no. 6 and 7 in accordance with the recommendations of the AMF/Afep-Medef Code.

DETAILS OF THE PERFORMANCE SHARES GRANTED TO EACH MANAGEMENT BOARD (MB) MEMBER DURING FINANCIAL YEAR 2017 (ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE) (TABLE NO. 6 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

	Performance Shares Plan no. 2 - Tranche 2017 (March 7, 2017)				
Management Board 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
Christophe Cuvillier	2,766	€286,365	March 8, 2020	March 8, 2022	mandatory
Olivier Bossard	1,327	€137,385	March 8, 2020	March 8, 2022	mandatory
Fabrice Mouchel	1,217	€125,996	March 8, 2020	March 8, 2022	mandatory
Astrid Panosyan	1,217	€125,996	March 8, 2020	March 8, 2022	mandatory
Jaap Tonckens	1,659	€165,791	March 8, 2021(3)	March 8, 2021	mandatory
Jean-Marie Tritant	1,494	€154,674	March 8, 2020	March 8, 2022	mandatory
TOTAL	**9,680**	**€996,207**			

(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 March 7, 2020. If the performance condition is not met, all rights shall be definitively lost on March 8, 2022.
(3) For non-French tax resident beneficiaries, the first potential share transfer is March 8, 2021 taking into account the four-year vesting period and the absence of a holding period. If the performance condition is not met, all rights will be definitively lost on March 8, 2021.

PERFORMANCE SHARES (PS) BECOMING DEFINITIVELY AVAILABLE TO EACH MB MEMBER DURING FINANCIAL YEAR 2017 (TABLE NO. 7 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

Management Board Members	Plan number and date	Number of PS being definitely available during the 2017 financial year	Acquisition condition
Mr Christophe Cuvillier	Performance Shares Plan no. 1 – April 26, 2012	1,992	Yes
	Performance Shares Plan no. 1 – March 4, 2013	n/a	Yes
	Performance Shares Plan no. 1 – March 3, 2014	n/a	Yes
	Performance Shares Plan no. 1 – March 3, 2015	n/a	Yes
	Performance Shares Plan no. 2 – April 21, 2016	n/a	Yes
	Performance Shares Plan no. 2 – March 7, 2017	n/a	Yes
Mr Olivier Bossard	Performance Shares Plan no. 1 – April 26, 2012	1,024	Yes
	Performance Shares Plan no. 1 – March 4, 2013	n/a	Yes
	Performance Shares Plan no. 1 – March 3, 2014	n/a	Yes
	Performance Shares Plan no. 1 – March 3, 2015	n/a	Yes
	Performance Shares Plan no. 2 – April 21, 2016	n/a	Yes
	Performance Shares Plan no. 2 – March 7, 2017	n/a	Yes
Mr Fabrice Mouchel	Performance Shares Plan no. 1 – April 26, 2012	797	Yes
	Performance Shares Plan no. 1 – March 4, 2013	n/a	Yes
	Performance Shares Plan no. 1 – March 3, 2014	n/a	Yes
	Performance Shares Plan no. 1 – March 3, 2015	n/a	Yes
	Performance Shares Plan no. 2 – April 21, 2016	n/a	Yes
	Performance Shares Plan no. 2 – March 7, 2017	n/a	Yes
Ms Astrid Panosyan	Performance Shares Plan no. 2 – April 21, 2016	n/a	Yes
	Performance Shares Plan no. 2 – March 7, 2017	n/a	Yes
Mr Jaap Tonckens	Performance Shares Plan no. 1 – April 26, 2012	1,707	Yes
	Performance Shares Plan no. 1 – March 4, 2013	n/a	Yes
	Performance Shares Plan no. 1 – March 3, 2014	n/a	Yes
	Performance Shares Plan no. 1 – March 3, 2015	n/a	Yes
	Performance Shares Plan no. 2 – April 21, 2016	n/a	Yes
	Performance Shares Plan no. 2 – March 7, 2017	n/a	Yes

Management Board Members	Plan number and date	Number of PS being definitely available during the 2017 financial year	Acquisition condition
Mr Jean-Marie Tritant	Performance Shares Plan no. 1 – April 26, 2012	1,024	Yes
	Performance Shares Plan no. 1 – March 4, 2013	n/a	Yes
	Performance Shares Plan no. 1 – March 3, 2014	n/a	Yes
	Performance Shares Plan no. 1 – March 3, 2015	n/a	Yes
	Performance Shares Plan no. 2 – April 21, 2016	n/a	Yes
	Performance Shares Plan no. 2 – March 7, 2017	n/a	Yes

n/a means the Performance Shares granted with respect to this Performance Plan are not yet available.

◆ Details of Performance Shares (PS) definitively vested for MB Members during the 2017 financial year

MB Member	Plan number	Number of PS being vested during the 2017 financial year	Overall market performance of URSE	Performance of the applicable reference index	Achievement of the Performance Condition
Mr Christophe Cuvillier CEO	Performance Shares Plan no. 1 – March 03, 2014	2,561	32.75%	32.73%	Yes
	Performance Shares Plan no. 1 - March 03, 2015 Performance Shares Plan no. 2 – April 21, 2016 Performance Shares Plan no. 2 - March 07, 2017	n/a			
Mr Olivier Bossard CDO	Performance Shares Plan no. 1 – March 03, 2014	1,229	32.75%	32.73%	Yes
	Performance Shares Plan no. 1 - March 03, 2015 Performance Shares Plan no. 2 – April 21, 2016 Performance Shares Plan no. 2 - March 07, 2017	n/a			
Mr Fabrice Mouchel Deputy CFO	Performance Shares Plan no. 1 – March 03, 2014	1,024	32.75%	32.73%	Yes
	Performance Shares Plan no. 1 - March 03, 2015 Performance Shares Plan no. 2 – April 21, 2016 Performance Shares Plan no. 2 - March 07, 2017	n/a			
Ms Astrid Panosyan CRO	n/a	n/a (1)	n/a	n/a	n/a
	Performance Shares Plan no. 2 – April 21, 2016 Performance Shares Plan no. 2 - March 07, 2017				
Mr Jaap Tonckens CFO	n/a	n/a (2)	n/a	n/a	Yes
	Performance Shares Plan no. 1 – March 03, 2014 Performance Shares Plan no. 1 - March 03, 2015 Performance Shares Plan no. 2 – April 21, 2016 Performance Shares Plan no. 2 - March 07, 2017	n/a			
Mr Jean-Marie Tritant COO	Performance Shares Plan no. 1 – March 03, 2014	1,229	32.75%	32.73%	Yes
	Performance Shares Plan no. 1 - March 03, 2015 Performance Shares Plan no. 2 – April 21, 2016 Performance Shares Plan no. 2 - March 07, 2017	n/a			

(1) Ms Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015
(2) Four-year vesting period and absence of holding period for non-French tax resident.

3.

INFORMATION ON THE PERFORMANCE STOCK OPTIONS (SO) ON DECEMBER 31, 2017 (TABLE NO. 8 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

	Performance Plan no. 6		Performance Plan no. 7				Performance Plan no. 8		
Plans	2010 Tranche	2011 Tranche	2011 Tranche	2012 Tranche	2013 Tranche	2014 Tranche	2015 Tranche	2016 Tranche	**2017 Tranche**
Date of general meeting authorisation	May 14, 2009	May 14, 2009	April 27, 2011	April 27, 2011	April 27, 2011	April 27, 2011	April 23, 2014	April 23, 2014	April 23, 2014
Date of grant	March 10, 2010	March 10, 2011	June 9, 2011	March 14, 2012	March 4, 2013	March 3, 2014	March 3, 2015	March 8, 2016	March 7, 2017
Total number of shares granted	949,361[1][2][3]	769,009[2][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]	1.01%	0.82%	0.03%	0.70%	0.63%	0.61%	0.62%	0.60%	0.61%
Effective grant to the MB Members[5] as a % of the fully diluted shares[4]	0.20%	0.17%	0.03%	0.16%	0.11%	0.15%	0.15%	0.15%	0.15%
to MB Members[6]:	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	26,000[7]	29,750	42,500	42,500	42,500	42,500	42,500
Mr Olivier Bossard*	18,489	18,360	0	15,300	20,400	20,400	20,400	20,400	20,400
Mr Fabrice Mouchel*	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	18,700	18,700
Mr Jaap Tonckens	49,303	26,520	0	25,500	25,500	25,500	25,500	25,500	25,500
Mr Jean-Marie Tritant*	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]	March 11, 2014	March 11, 2015	June 10, 2015	March 15, 2016	March 15, 2017	March 4, 2018	March 4, 2019	March 9, 2020	March 8, 2021
Expiry date (at the end of the trading day)**[9]	March 10, 2017	March 10, 2018	June 9, 2018	March 14, 2019	March 4, 2020	March 3, 2021	March 3, 2022	March 8, 2023	March 7, 2024
Strike price *(€)*	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 Section 3.3.3	See Section 3.3.3	See Section 3.3.3	See Section 3.3.3	See Section 3.3.3	See Section 3.3.3	See Section 3.3.3	See Section 3.3.3	See Section 3.3.3
Number of SO subscribed	718,189	566,845	26,000	484,336	352,032	5,738	0	1,913	0
Number of SO cancelled	231,172	182,234	0	156,067	148,660	190,629	158,750	90,740	41,865
OUTSTANDING STOCK OPTIONS	**0**	**19,930**	**0**	**31,799**	**116,374**	**409,720**	**464,335**	**518,955**	**569,746**

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.*
** *Provided 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 grant.*
(6) *MB Members as at December 31, 2017.*
(7) *Subsequent to his appointment on June 1, 2011 (i.e. after the grant dated March 10, 2011), Mr Cuvillier benefited from a grant within the framework of an additional tranche (Performance Shares 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.*

INFORMATION ABOUT PERFORMANCE SHARES (PS) ON DECEMBER 31, 2017 (TABLE NO. 9 OF AFEP-MEDEF RECOMMENDATIONS/TABLE NO. 10 OF AMF RECOMMENDATIONS)

Plan	2012	2013	2014	2015	2016	**2017**
Date of grant	March 14, 2012	March 4, 2013	March 3, 2014	March 3, 2015	April 21, 2016	March 7, 2017
Total number of PS granted:	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	April 26, 2012	March 4, 2013	March 3, 2014	March 3, 2015	April 21, 2016	March 7, 2017
*Allocation date and if any starting date of the vesting period***						
◆ for French tax residents[(1)]	April 26, 2015	March 4, 2016	March 3, 2017	March 3, 2018	April 21, 2019	March 7, 2020
◆ for non-French tax residents[(1)]	April 26, 2016	March 4, 2017	March 3, 2018	March 3, 2019	April 21, 2020	March 7, 2021
*End of holding period (at the end of the trading day)***						
◆ for French tax residents	April 26, 2017	March 4, 2018	March 3, 2019	March 3, 2020	April 21, 2021	March 7, 2022
◆ for non-French tax residents[(2)]	n/a	n/a	n/a	n/a	n/a	n/a
Number of Performance Shares vested (unavailable)	0	21,482	18,706	0	0	0
Number of Performance Shares vested (available)	34,496	6,942	345	345	0	0
Number of cancelled/expired PS	10,479	7,632	9,860	9,223	5,471	2,723
Outstanding PS (unvested)	0	0	7,605	27,986	31,274	37,047

* *Ms Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015.*
** *Indicative dates which must be adjusted to take into account non business days.*
(1) *Provided that the performance and presence conditions are met.*
(2) *Holding period is not applicable.*

INFORMATION REQUIRED BY THE AMF ON THE SITUATION OF MB MEMBERS ON DECEMBER 31, 2017 (TABLE NO. 10 OF AFEP-MEDEF RECOMMENDATIONS/TABLE NO. 11 OF AMF RECOMMENDATIONS)

Management Board Members	Employment contract	Supplementary Contribution Scheme (SCS)	Additional defined benefits pension scheme ("retraite chapeau")	Contractual severance package	Contractual non-compete indemnity
Mr Christophe Cuvillier **Chief Executive Officer** First appointed as CEO: April 25, 2013 End of mandate: AGM 2020	No	Yes	No	No	No
Mr Olivier Bossard[(1)] **Chief Development Officer** First appointed: April 25, 2013 End of mandate: AGM 2020	No	Yes	No	No	No
Mr Fabrice Mouchel[(1)] **Deputy Chief Financial Officer** First appointed: April 25, 2013 End of mandate: AGM 2020	No	Yes	No	No	No
Ms Astrid Panosyan **Chief Resources Officer** First appointed: September 1, 2015 End of mandate: AGM 2020	No	Yes	No	No	No
Mr Jaap Tonckens **Chief Financial Officer** First appointed: September 1, 2009 Renewal of mandate: April 25, 2013 End of mandate: AGM 2020	No	Yes	No	No	No
Mr Jean-Marie Tritant[(1)] **Chief Operating Officer** First appointed: April 25, 2013 End of mandate: AGM 2020	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.

3.3. SUPPLEMENTARY INFORMATION

3.3.1. HOLDING AND TOP TEN GRANTS

3.3.1.1. Number of shares/Performance Stock Options/Performance Shares held by MB Members on December 31, 2017 (Article 17 of appendix 1 of regulation EC 809/2004)

Management Board members	Unibail-Rodamco SE shares owned*	SO non exercised	PS subject to vesting period
Mr Christophe Cuvillier	102,879	170,000	7,888
Mr Olivier Bossard	128,148	91,950	3,785
Mr Fabrice Mouchel	87,271	73,100	3,471
Ms Astrid Panosyan	243	37,400	2,344
Mr Jaap Tonckens	10,642	102,000	6,267
Mr Jean-Marie Tritant	167,789	107,100	4,106

* *Including the shares equivalent to the number of units held in the Company Savings Plan.*

3.3.1.2. Top ten SO and PS grants in the 2017 financial year (Table no. 9 – AMF recommendations)

TOP TEN PERFORMANCE STOCK OPTIONS GRANTS/EXERCISES (EXCLUDING EXECUTIVE OFFICERS) IN THE 2017 FINANCIAL YEAR (ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE)

	Top ten of Stock Options grants during the 2017 year	Top ten Stock Options exercices during the 2017 year
Number of granted Stock Options/and subscribed or purchased option(1)	101,150	95,241
Weighted average price	€218.47	€165.92
Plan no. 5 Tranche 2009	-	0
Plan no. 6 Tranche 2010	-	3,082
Plan no. 6 Tranche 2011	-	9,118
Plan no. 7 Tranche 2012	-	8,810
Plan no. 7 Tranche 2013	-	74,231
Plan no. 8 Tranche 2017	101,150	-

(1) *The number of top grants may exceed 10 in the event that several beneficiaries have received the equal number of Stock Options. Each year the option holders list may vary.*

TOP TEN PERFORMANCE PERFORMANCE SHARES GRANTS/AVAILABLE (EXCLUDING EXECUTIVE OFFICERS) IN THE 2017 FINANCIAL YEAR (ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE)

	Top ten of Performance Shares grants during the 2017 year(1)	Top ten Performance Shares being definitely available during the 2016 year(1)
Number of Performance Shares granted/available	6,581	7,781

(1) *The number of top grants exceed 10 as several beneficiaries have received the equal number of Performance Shares. Each year the option holders list may vary.*

3.3.2. TRANSACTIONS OF COMPANY OFFICERS ON UNIBAIL-RODAMCO SHARES (ARTICLE 223-26 OF THE AMF GENERAL REGULATION)

Name	Date	Nature of the transaction	Amount	Unit price
MB MEMBERS PRESENT AT DECEMBER 31, 2017				
Mr Christophe Cuvillier CEO	06/03/2017	Exercise of SO	21,575	€173.16
	06/03/2017	Exercise of SO	19,125	€173.16
	06/03/2017	Exercise of SO	2	€173.16
	10/03/2017	Exercise of SO	1,798	€173.16
	05/07/2017	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	133.976	€186.60
Mr Olivier Bossard CDO	16/02/2017	Exercise of SO	1,560	€120.33
	24/02/2017	Exercise of SO	940	€120.33
	30/05/2017	Exercise of SO	941	€141.54
	15/06/2017	Exercise of SO	3,500	€173.16
	15/06/2017	Sale of Unibail-Rodamco shares	3,500	€230.5482
	20/06/2017	Exercise of SO	3,250	€173.16
	20/06/2017	Sale of Unibail-Rodamco shares	3,250	€233.06
	20/06/2017	Exercise of SO	3,300	€173.16
	20/06/2017	Sale of Unibail-Rodamco shares	3,300	€232.53
	05/07/2017	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	133.976	€186.60
Mr Fabrice Mouchel Deputy CFO	12/06/2017	Exercise of SO	801	€173.16
	15/06/2017	Exercise of SO	14,063	€173.16
	21/06/2017	Exercise of SO	435	€173.16
	05/07/2017	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	133.976	€186.60
Ms Astrid Panosyan CRO	05/07/2017	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	133.976	€186.60
Mr Jaap Tonckens CFO	06/03/2017	Exercise of SO	11,475	€173.16
	06/03/2017	Sale of Unibail-Rodamco shares	11,475	€217.0962
	06/03/2017	Exercise of SO	14,025	€173.16
	06/03/2017	Sale of Unibail-Rodamco shares	14,025	€217.0962
	05/07/2017	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	133.976	186.60
Mr Jean-Marie Tritant COO	05/07/2017	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	133.976	€186.60
SB MEMBERS				
Mr Philippe Collombel SB Member	22/12/2017	Acquisition of Unibail-Rodamco shares	76	€213.25
Mr Colin Dyer Chairman of the CS	27/12/2017	Acquisition of Unibail-Rodamco shares	650	€211.3252
Ms Dagmar Kollmann SB Member	27/12/2017	Acquisition of Unibail-Rodamco shares	485	€211.80
Mr Roderick Munsters SB Member	31/07/2017	Acquisition of Unibail-Rodamco shares	100	€212.20
	13/12/2017	Acquisition of Unibail-Rodamco shares	100	€216.60
Ms Sophie Stabile SB Member	24/02/2017	Acquisition of Unibail-Rodamco shares	23	€217.90
Mr Jacques Stern SB Member	19/12/2017	Acquisition of Unibail-Rodamco shares	125	€216.45

3.4. PERFORMANCE STOCK OPTION, PERFORMANCE SHARE PLANS AND EMPLOYEE SHAREHOLDING

The Long-Term Incentive (LTI) equity compensation is an essential part of the Group's Remuneration Policy. A significant retention tool designed to strengthen the loyalty and engagement of beneficiaries in the Group's performance while aligning their interests with long-term value creation objectives of the Company and its shareholders.

The LTI is made up of two equity compensation instruments: Performance Stock Options (SO) and Performance Shares (PS) both subject to performance and presence conditions for all beneficiaries.

SO and PS are allocated to employees and MB Members in recognition of exemplary performance, for taking on additional responsibilities, for key roles within the Group and for their long-term contribution to the Group's performance.

The plans in force are strictly identical for all employees and MB Members.

The ratio of SO to PS is determined each year by the SB. This ratio is identical for each beneficiary regardless of whether they are an MB Member or an employee.

Grants are not automatic in number or frequency. They vary from year to year, both in terms of beneficiaries as well as the number of shares allocated. In 2017, there were 327 LTI beneficiaries (*i.e.* 16.3% of the Group).

In accordance with the Afep-Medef Code, the holding and equity investment obligations applicable to MB Members are described in Section 3.2.1.

3.4.1. PERFORMANCE STOCK OPTIONS AND PERFORMANCE SHARES PLANS

GRANT PROCESS 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 Supervisory Board (SB) plays an essential role in the grant process: It sets the overall grant envelope for the SO and the PS as well as the number of SO and PS granted to MB Members. Pursuant to the Afep-Medef Code, these decisions are made upon the recommendation of the Governance Nomination and Remuneration 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.

AUTHORISATION PRIOR TO THE GENERAL MEETING OF SHAREHOLDERS

The general meeting of Shareholders authorises the MB to allocate SO and PS and sets out the following principles:

- an authorisation period limited to 38 months;
- a maximum envelope strictly limiting the potential dilutive effect;
- a maximum percentage of allocation for the CEO;
- 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.

DETERMINATION BY THE SUPERVISORY BOARD

On an annual basis, the SB, upon the recommendation of the GNRC:

- determines the overall envelope of SO and PS to be granted taking into account the thresholds set by the general meeting, the potential dilutive effect for shareholders and the financial cost of the grant to the Company;
- sets the number of SO and PS granted to each MB Member; and
- sets the share retention and investment obligations for MB Members.

IMPLEMENTATION BY THE MANAGEMENT BOARD

The MB determines the terms and conditions for allocation of the plans, and specifically:

- the list of employee beneficiaries and their grant size, within the envelope determined by the SB;
- the terms and conditions of the plan, in particular the presence conditions;
- the vesting and reference periods for the SO and PS and the holding period for PS;
- the subscription price upon allocation at the time of the SO grant is free of any discount, and in line with the rules set out in the French Commercial Code.

3.4.2. GENERAL CONDITIONS APPLICABLE TO GRANTS OF SO AND PS TO EMPLOYEES AND MB MEMBERS

The SO and PS plans are based on the following principles:

- plans are strictly identical for all employees and MB Members;
- a stable and consistent grant period to avoid any windfall effect. Pursuant to Article L. 225-177 of the French Commercial Code, no grant may be made:
  - less than 20 trading days after (i) the detachment of the shares from a coupon giving entitlement to a dividend or (ii) a capital increase,

3.

- 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.

- except for legitimate reasons, no grant may 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 just prior to 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 under-performance;
- a cap on the grants to the CEO and the other MB Members;
- a cap on the overall grant 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 25, 2017 (resolution no. 22) and expires on June 25, 2020.

- 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 vested; and (iii) SO and PS that may be granted under the unused part of the envelopes still in force, cannot give rise to a number of shares exceeding 8% of the fully diluted share capital.

The potential dilutive effect of these instruments remains therefore limited and managed by the Company. If all the required performance conditions were met over the specified period and no cancellations were to occur during the course of the plan, this would amount to 6.0% of the fully-diluted capital as at December 31, 2017.

PRESENCE CONDITION

The SO and the PS may only vest for those beneficiaries who are able to justify their effective presence within the Group for 24 continuous months just prior to exercise or vesting. The SO and PS would lapse in the event of resignation, dismissal, contractual termination or revocation of the 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 or SB decision in exceptional circumstances, or (iv) employer substitution.

PS special features: for non-French tax residents, the presence condition is checked, at the earliest, at the end of the four-year vesting period.

PERFORMANCE CONDITION[(1)]

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 align shareholders' interests with those of the beneficiaries, be they employees or corporate officers.

Grants prior to 2017

For 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 TSR of the EPRA Eurozone Reference Index over the reference period.

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) relative to the EPRA Eurozone Reference Index – weighted 50%:

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.

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.

(1) For further details see Remuneration Policy (cf. Section 3.2.1.)

FOR NON-FRENCH TAX RESIDENT BENEFICIARIES

The reference period used to calculate the performance condition is the same as that applicable to French Tax 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: a single-testing scheme since 2017*

For the PS grants prior to 2017, the reference period runs as from the date of allocation 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.

Since the 2017 grants, the PS plan has a single test of the performance condition at the expiry of a three-year period from the grant date.

3.5. REPORT OF THE SUPERVISORY BOARD ON THE CORPORATE GOVERNANCE

	Text references	DDR paragraph
Governance		
List of all the terms of office and duties carried out in any company by each company director	L.225-37-4 of the French Commercial Code	3.1.
Related party agreements	L.225-37-4 of the French Commercial Code	3.1.2.4.
Reference to the resolutions voted under the ex-ante vote		3.2.1.
Table summarising the delegations currently in force	L.225-37-4 of the French Commercial Code	7.5.
Composition and conditions for preparing and organising the Supervisory Board's work	L.225-37-4 of the French Commercial Code	3.1.2.
Description of the diversity policy applicable to the members of the Supervisory Board, as well as a description of the aims of this policy, of its implementation methods and the results obtained	L.225-37-4 of the French Commercial Code	3.1.2.
Limitations on the powers of the Management Board by the Supervisory Board	L.225-37-4 of the French Commercial Code	7.6.4.2.1.
"Apply Comply or Explain"	L.225-37-4 of the French Commercial Code	Introduction du chapitre 3
Special arrangements for shareholders taking part in the General Meeting	L.225-37-4 of the French Commercial Code	n/a
Information on elements likely to have an affecteffect in the event of a take-over bid or a public exchange offer	L.225-37-5 of the French Commercial Code	7.8.
Observations by the Supervisory Board on the Management Board report	L.225-68 of the French Commercial Code	Notice of meeting
Remuneration		
Information on the remuneration policy	L.225-82-2 of the French Commercial Code	3.2.
Information on the remunerations - remunerations and benefits of all kinds paid by the Company during the financial year - commitments of all kinds made by the Company to the benefit of its company directors	L.225-37-3 of the French Commercial Code	3.2.

4.

BUSINESS REVIEW AS OF DECEMBER 31, 2017

4.1. BUSINESS REVIEW AND 2017 RESULTS

4.1.1. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

Accounting principles

Unibail-Rodamco's consolidated financial statements as at December 31, 2017 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, 2016.

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.

Scope of consolidation

The principal changes in the scope of consolidation since December 31, 2016 were:

- on October 2, the disposal of the So Ouest Plaza office building;
- on October 23, the creation of a joint venture with Commerz Real pursuant to which the Group acquired 50% of the shopping centre Metropole Zlicin, located in Prague, with a GLA of approximately 56,000 m^2. This asset is accounted for using the equity method;
- on November 8, the disposal of Barnasud;
- on December 22, the disposal of the Channel Outlet Store and L'Usine Roubaix;
- on December 29, the acquisition of a 45% stake in the companies holding the shopping centre Polygone Riviera. As at December 31, 2017, the Group owned a 95% interest in this asset; and
- the disposal of a number of non-core assets in Sweden, including Eurostop Arlanda, Arninge Centrum and Eurostop Örebro.

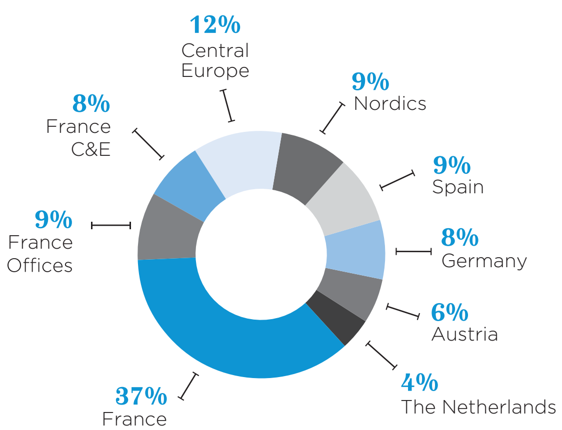
As at December 31, 2017, 307 companies were fully consolidated, six companies were consolidated under "joint operation" (as defined by IFRS 11) and 23 companies were accounted for using the equity method[2].

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 chart below shows the split of Gross Market Values (GMV) per region as at December 31, 2017, including assets accounted for using the equity method[4].



Figures may not add up due to rounding.

(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, the Metropole Zlicin shopping centre in the Czech Republic and the CentrO, Gropius Passagen, Paunsdorf Center and Ring-Center shopping centres in Germany.
(3) Central Europe includes Ring-Center, accounted for using the equity method.
(4) Except property service companies (Espace Expansion and Unibail-Rodamco Germany property services).

4.1.2. BUSINESS REVIEW BY SEGMENT

4.1.2.1. Shopping Centres

◆ Shopping centre activity in 2017

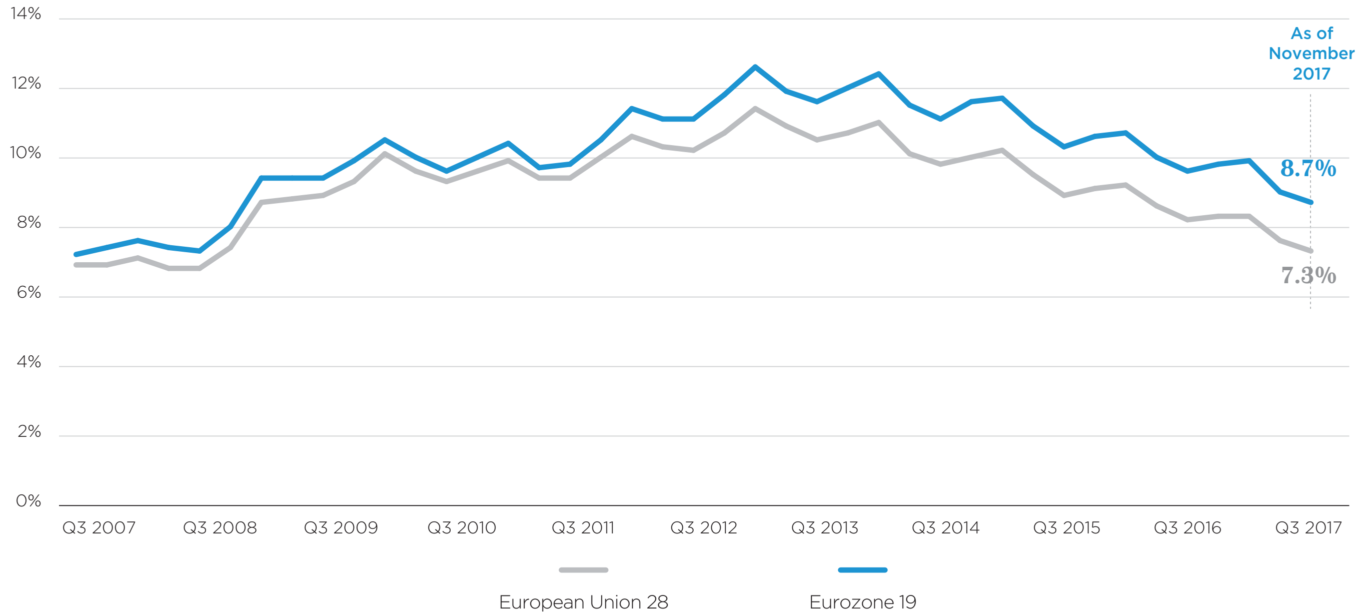
◆ *Economic environment*

The European economy continued to grow steadily. GDP growth in 2017[1] for the European Union (EU-28) and the Eurozone-19 is forecast to have reached +2.3% and +2.2%, respectively, compared to +1.9% and +1.8% in 2016.

Growth is propelled by resilient private consumption, a global upturn in economic activity and improvements in labour markets. Investment, which had been lagging, also showed signs of recovery.

Unemployment levels as at November 2017 have decreased to 7.3% in the EU-28 (-100 bps compared to November 2016) and 8.7% in the Eurozone-19 (-110 bps compared to November 2016). These are the lowest recorded rates since December 2008 for the EU and March 2009 for the Eurozone-19. Employment creation is boosted by continuous domestic-demand driven expansion, moderate wage growth and structural reforms introduced by some EU countries. Nevertheless, job creation is impacted by the shortage of skilled labour in some EU countries and the decline of temporary fiscal incentives in others.

UNEMPLOYMENT RATES IN THE EU-28 AND THE EUROZONE-19 (2007-2017)



	GDP	
Region/Country	2017 Forecast	2016 Actual
European Union (EU-28)	2.3%	1.9%
Eurozone-19	2.2%	1.8%
France	1.6%	1.2%
Czech Republic	4.3%	2.4%
Poland	4.2%	2.7%
Slovakia	3.3%	3.3%
Spain	3.1%	3.2%
Sweden	3.2%	3.3%
Finland	3.3%	1.4%
Denmark	2.3%	1.3%
Austria	2.6%	1.5%
Germany	2.2%	1.9%
Netherlands	3.2%	2.2%

Source: European Economic Forecast, Autum, 2017.

(1) *Source: European Commission, European Economic Forecast, autumn 2017 (released in November 2017). https://ec.europa.eu/info/sites/info/files/economy-finance/ip063_en.pdf.*

The expectation for GDP growth in 2018 for the EU-28 is +2.1%, absent a major political or economic shock. The weighted average forecast for 2018 GDP growth in Unibail-Rodamco's regions is +2.3%. The main downside risks to these forecasts are related to both external factors, such as geopolitical tensions (e.g., the Korean peninsula and the Middle-East), the trade policies of the US administration and the economic adjustment in China, and internal ones, such as the outcome of the Brexit negotiations, an appreciating euro and higher interest rates. Inflation in 2018[1] is expected to reach +1.7% in the EU-28 and +1.4% in the Eurozone-19, vs +1.7% and +1.5% in 2017, respectively.

◆ *Footfall*[2]

The number of visits to Unibail-Rodamco's shopping centres through December 31, 2017, was up by +0.9% compared to the same period in 2016.

In France, footfall grew by +1.1% through November 30, 2017, outperforming the French national footfall index[3] by +270 bps. Footfall in the Group's Parisian[4] shopping centres increased by +1.7% during the same period.

Footfall growth in Germany (+1.7%), Central Europe (+1.3%), the Nordics (+2.9%) and Austria (+1.7%) was partly offset by a drop in footfall in Spain (-0.6%), outperforming the Spanish national footfall index by +30 bps. Footfall in the Group's Dutch shopping centres was almost flat (-0.2%) despite the impact of the vacancy of certain of the former V&D department stores for most of 2017 following their closure in 2016[5].

◆ *Tenant sales*[6]

Through November 30, 2017, Unibail-Rodamco's tenant sales in all regions increased by +3.9% compared to the same period last year, +181 bps better than the aggregate national sales index[7]. The continuous trend of tenant sales increasing at a higher pace than footfall reflects the steady increase of conversion rates since 2013[8].

Region	Tenant Sales Growth (%) (Through Nov. 30, 2017)	Performance versus National Sales Indx *(bps)*
France	+4.6	+413
Central Europe	+5.9	+162
Spain	+1.8	(90)
Nordic	+5.3	+303
Austria	+1.7	(80)
Germany	+2.3	(125)
TOTAL	**+3.9**	**+181**

- In France, tenant sales increased by +4.6% through November 2017, outperforming the IFLS index by +413 bps and the CNCC index by +570 bps. Main contributors to sales growth are Forum des Halles (+20.4%), Polygone Riviera (+12.1%) and Vélizy 2 (+6.7%). This was partially offset by So Ouest (-3.3%) and Aéroville (-0.5%), due primarily to the closing of Marks & Spencer in these shopping centres in September 2017.
- In Central Europe, tenant sales increased by +5.9%, outperforming the national sales index by +162 bps. All assets delivered positive sales growth.
- Spanish tenant sales growth (+1.8%) was affected by the Catalonian political situation, although sales in all of the Group's assets in Catalonia remained positive, demonstrating their resilience. Tenant sales growth in the Group's assets located in the secondary cities were strong, with Vallsur (+14.5%), Los Arcos (+6.4%), El Faro (+5.1%) and Bahia Sur (+2.3%).
- In the Nordics, overall sales increased by +5.3%, outperforming the national sales index by +303 bps. The success of Mall of Scandinavia (+14.2%) was a strong driver; however partially at the expense of sales growth in Solna (-1.8%). Täby Centrum and Nacka Forum recorded positive tenant sales growth also.

(1) Source: European Commission, European Economic Forecast, autumn 2017 (released in November 2017). https://ec.europa.eu/info/sites/info/files/economy-finance/ip063_en.pdf.

(2) Footfall data include shopping centres accounted for using the equity method (Rosny 2, CentrO and Paunsdorf Center) but not Jumbo, Zlote Tarasy and Metropole Zlicin, as they are not managed by the Group. 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 2017 reporting period, shopping centres excluded due to delivery or ongoing works were Carré Sénart and Carré Sénart Shopping Park, Galerie Gaîté, Les Boutiques du Palais, La Part-Dieu, Parly 2, Glòries, Bonaire, Centrum Chodov, Wroclavia, CH Ursynow, Mall of The Netherlands and Gropius Passagen. Footfall data for Galeria Mokotow, Fisketorvet, Pasing Arcaden, Höfe am Brühl and Palais Vest are excluded due to footfall counter issues.

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

(4) Les Quatre Temps, CNIT, Le Forum des Halles and Carrousel du Louvre.

(5) Closing of the V&D department stores in Amstelveen, Zoetermeer and Almere in H1-2016.

(6) Tenant sales data include shopping centres accounted for using the equity method (Rosny 2, CentrO and Paunsdorf Center) but not Jumbo, Zlote Tarasy and Metropole Zlicin, as they are not managed by the Group. 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 2017, shopping centres excluded due to delivery or ongoing works were Carré Sénart and Carré Sénart Shopping Park, Galerie Gaîté, Les Boutiques du Palais, La Part-Dieu, Parly 2, Glòries, Bonaire, Centrum Chodov, Wroclavia, CH Ursynow and Gropius Passagen. Primark sales are based on estimates.

(7) Based on latest national indices available (year-on-year evolution) as at November 2017: France: Institut Français du Libre Service (IFLS)-excluding food; Spain: Instituto Nacional de Estadistica; Central Europe: Česky statisticky urad (Czech Republic), Polska Rada Centrow Handlowych (Poland) (as at October 2017), Eurostat (Slovakia); Austria: Eurostat; the Nordics: HUI Research (Sweden), Danmarks Statistik (Denmark); Germany: Destatis-Genesis, excluding online only operators and fuel sales (Federal Statistical Office). Including online only sales for France, Spain, Austria, the Czech Republic and Slovakia and excluding online only sales for Germany, the Nordics and Poland.

(8) Constant perimeter from 2013 to 2017 (49 shopping centres). Conversion rate: percentage of visitors who have made at least one purchase in the shopping centre.

- In Germany, tenant sales grew by +2.3%. Strong tenant sales growth in Ruhr Park (+5.7%), Paunsdorf Center (+5.4%), Minto (+4.2%), Höfe am Brühl (+4.1%) and Palais Vest (+3.7%) was partially offset by CentrO (-1.0%), mainly due to re-letting operations (stores closed during their fitting out).

In terms of sectors, sport (+13.4%), dining (+6.4%), health & beauty (+6.1%) and entertainment (+3.2%) posted the highest sales increases, illustrating the importance of the Group's approach to offering visitors a differentiating experience. Sales of fashion apparel, the sector with the most GLA (29.2% as at December 31, 2017) within the Group, increased by +2.9%. Negative sales growth was recorded in gifts (-1.3%) and department stores & luxury (-0.7%).

Tenant sales in the Group's shopping centres increased by +3.7% through December 31, 2017, compared to the same period in 2016.

UNIBAIL-RODAMCO'S TOP TEN TENANTS AS A PERCENTAGE OF TOTAL RETAIL RENTS

% of total rents	15.5%
Largest tenant	4.7%
Inditex	
H&M	
Mango	
Fnac Darty	
Printemps	
Vivarte	
Sephora	
Media Markt/Saturn	
Go Sport	
UGC	

Leasing

In 2017, the Group signed 1,350 deals (compared to 1,479 deals in 2016) with a Minimum Guaranteed Rent uplift(1) of +14.7% (+16.8% in the Group's flagship(2) assets). The rotation rate(3) in 2017 amounted to 11%, above the Group's target of +10%.

With a strategy based on differentiation and exclusive retail destinations, leasing teams signed 223 leases with International Premium Retailers (IPR)(4), an increase of +13.8% compared to the 196 deals signed in 2016. The share of the IPRs in the Group's rotation reached 16.7% in 2017.

Many IPRs have chosen to enter new European markets with stores located in the Group's shopping centres including:

- Jo Malone, in the Czech Republic (Centrum Chodov);
- Daniel Wellington, in Poland (Galeria Mokotow) and the Czech Republic (Centrum Chodov);
- Lacoste, in Sweden (Täby Centrum);
- Rituals, in Slovakia (Aupark);
- Bialetti, in Austria (Donau Zentrum);
- Nespresso, first new boutique store concept in Europe in Poland (Galeria Mokotow);
- O'Learys, in the Netherlands (Mall of The Netherlands).

In addition, the Group's portfolio has been a platform for IPRs to open their first store in a shopping centre in a country, including:

- Uniqlo in Spain (Glòries);
- COS in the Czech Republic (Centrum Chodov);
- NYX in Germany (CentrO);
- Aesop in France (Parly 2);
- Five Guys and Wagamama in Spain (Parquesur);
- Asics in the Netherlands (Mall of The Netherlands);
- Joe & The Juice in The Netherlands (Amstelveen).

Finally, the Group continued to strengthen its partnerships by accelerating the expansion of IPRs, such as Flying Tiger with 14 new store openings, O bag with ten new stores, and L'Occitane, Armani Exchange and Snipes with seven new stores each.

(1) Minimum Guaranteed Rent (MGR) uplift: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.

(2) The Group's flagship assets are: Les Quatre Temps, Aéroville, Parly 2, Vélizy 2, Carré Sénart, Rosny 2, Le Forum des Halles, Carrousel du Louvre, CNIT, Confluence, La Part-Dieu, Villeneuve 2, Euralille, Polygone Riviera, La Vaguada, Parquesur, Bonaire, Splau, La Maquinista, Glòries, Donau Zentrum, Shopping City Süd, Centrum Cerny Most, Centrum Chodov, Wroclavia, Galeria Mokotow, Zlote Tarasy, Arkadia, Aupark, Jumbo, Fisketorvet, Mall of Scandinavia, Täby Centrum, Stadshart Amstelveen, Leidsenhage, Ruhr Park, Gropius Passagen, CentrO and Pasing Arcaden.

(3) Rotation rate: (number of re-lettings + 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.

◆ *Brand Event activities*

Specialty leasing revenues amounted to €25.7 Mn in 2017, an increase of +13.9% compared to 2016.

The Group accelerated the deployment of new spectacular large digital screens throughout Europe, leading to an increase in advertising revenues by 24.5% (+€1.7 Mn) compared to 2016.

In 2017, revenues from pop-up stores and roadshows increased by +15.9% (+€1.8 Mn) compared to 2016, primarily due to several cross-border deals with health & beauty brands such as Solaris and Chanel. The Group also reinforced partnerships through roadshows organised with several electronics brands such as Samsung and Huawei.

◆ *Extension, renovation and brownfield projects*

2017 was a very active year with five deliveries (99% let at opening), highlighting yet again the importance of the Group's development pipeline to fuel NRI growth.

- The grand opening of the fully let Centrum Chodov extension on October 10 drew more than 70,000 visitors. Following a 3-year construction phase, Centrum Chodov is now the largest shopping centre in the Czech Republic with 101,600 m² GLA and 301 units[(1)]. The tenant mix includes new market entries, such as Zara Home, Oysho and Converse. It also hosts the largest and most modern multiplex in the country, an 18-screen Cinema City with three VIP screens and a 4DX auditorium[(2)]. On November 7, Centrum Chodov received the "Best of Realty 2017" award as the best shopping centre project from The Association for Real Estate Market Development.
- Wroclavia opened on October 17 in Wroclaw and has attracted over 3.1 million visits as at December 31, 2017. The 81,000 m² mixed-use project (65,000 m² dedicated to retail) has 177 shops, restaurants and entertainment units. The tenant mix includes retailers such as Sfera, Blue Frog, La Mallorquina, Vapiano, Uterqüe and Steve Madden.
- The grand opening of the Carré Sénart extension took place on October 25. With an extra 31,310 m² (151,800 m² in total, including the shopping park), the shopping centre now includes a Galeries Lafayette department store and 68 new shops, including iconic brands such as Uniqlo, NYX, Armani Exchange, Superdry, Hema, Rituals, and Sostrene Grene. Since the opening, a +20% increase in average daily footfall compared to 2016 was recorded. Since late October, Carré Sénart is now open on Sundays.
- The grand opening of the completely renovated Glòries occurred on November 9. It hosts 130 shops over 67,000 m² (+10,501 m²) including a 3,000 m² Fresh! as well as the first Uniqlo in a shopping centre in Spain, the newest and largest Mango concept in Spain, the largest H&M in a shopping centre in Spain and the first H&M Home in Barcelona.
- On November 29, Parly 2 inaugurated the new 3,500 m² GLA "Pont Neuf" extension which creates a loop that facilitates the customer journey. It offers 16 new stores including Uniqlo, Armani Exchange, New Balance, Bensimon, Marlette[(3)], Rituals and Aesop. In addition, Monoprix (extended on a 6,000 m² sales surface) and BHV opened completely renewed anchor stores.

◆ *Destinations and innovation*

The roll-out of destination concepts continued in 2017, including:

- the Dining Experience™: two new projects were opened in October in Poland, in Wroclavia and Arkadia;
- the Designer Gallery™: a fourth Designer Gallery opened in Centrum Chodov on October 11;
- the Family Experience: a third Family Experience was launched in Centrum Cerny Most on October 30.

The 4 Star label has been awarded to Wroclavia, Parly 2, Bonaire, Centrum Chodov and Glòries this year. These additions bring to 31 the total number of 4 Star labeled shopping centres in the Group.

The deployment of Connect, the smartphone application launched in 2016 to communicate directly with all employees working in stores in the Group's shopping centres, continued in 2017 with 33 shopping centres now equipped (compared to six as at December 31, 2016).

The third season of UR Link, the Group's start-up accelerator, was focused around three main themes: develop more sustainable and social places, create new destinations and services, and better know and engage the Group's visitors. Selected start-ups included Phenix (waste management in shopping centres), Combo Solutions (simulating the carbon impact of the construction and operations of new buildings) and Jam (development of a chatbot to communicate with Millenials in Le Forum des Halles).

Unibail-Rodamco's efforts to collaborate with start-ups were recognised in 2017: the Group was nominated as one of the three finalists for the prestigious "David avec Goliath" prize, and selected by "La French Tech" in its 2017 Barometer.

◆ *Marketing and digital*

The Group strengthened its media and events efforts in 2017, initiating its first personalized email campaigns by leveraging its new data and CRM capabilities.

The Unexpected Shopping advertising strategy was amplified with "Unexpected Smile", a Europe-wide advertising movie released in October in 33 of the Group's assets. The campaign's objective was to reinforce the image of Unibail-Rodamco's shopping centres by inviting viewers to discover the amazing experiences they offer. Over 5.5 million views were recorded on social networks all over Europe.

4.

(1) Cushman & Wakefield; GLA grading excluding retail parks, self-standing shops with furniture/home/garden offer even when they are connected and owned by the shopping centre.
(2) Cinema technology augmented with environmental effects such as seat motion, wind, rain, lights, and scents, designed to create a more immersive experience for the viewer.
(3) Winner of the "Grand Prize of the Young Retail Entrepreneurs" in 2014, the contest created by the Group in 2007 to support the creation of new businesses.

The Group continued to leverage its exclusive partnership with Niantic Inc. and The Pokémon Company with "spawning moments" in August, including never-seen-before "Pokémon creatures" in Europe. The footfall increased by +9% over three weekends in August, compared to 2016[(1)]. The first worldwide "Pokémon Go Safari Zone" events were held in Les Quatre Temps, La Maquinista, CentrO, Fisketorvet, Centrum Cerny Most and Mall of Scandinavia. This had a major impact and increased footfall:

- +60%[(2)] in Fisketorvet (best day in 2017);
- +36% in Centrum Cerny Most (best footfall ever);
- +33% in Mall of Scandinavia;
- +22% in La Maquinista (third best day ever);
- +21% in Les Quatre Temps;
- +19% in CentrO.

These events also had a positive impact on customer recruitment and sales, as 56% of the participants who answered a post-event survey in Mall of Scandinavia and Fisketorvet declared having never visited the centre before and 93% said that they had made at least one purchase during the day.

On the digital side, Unibail-Rodamco signed up almost +1.8 million new customers to its loyalty program in 2017 to reach a total of 4.2 million members. 85% of these new members came through digital channels (web and apps) compared to 37% in 2016.

In 2017, the audience on the Group's digital channels also showed a favourable increase with:

- 53 million web sessions;
- 235,000 app users on average per month (vs 120,000 in 2016) with a peak reached in December (400,000 users, three times more than in December 2016).

The Group also continued the roll out and improvements of its digital services:

- new map in mobile apps introduced in Q4-2017 for all shopping centres;
- "Find my car" rolled out, now in 16 shopping centres (vs four as at December 31, 2016).

2017 was also marked by the roll-out of Salesforce, the B2C CRM tool that will be at the heart of Unibail-Rodamco's "visitor farming" strategy in 2018:

- 55% of the portfolio (37 centres around Europe) equipped with the Salesforce CRM capability;
- 237 email campaigns launched, with 7 million emails sent and an opening rate of 21.9% (vs the retail benchmark of 20%) and click rates of 3.8% (vs the retail benchmark of 2.5%).

Net Rental Income

As at December 31, 2017, the Group owned 79 retail assets, of which 67 are shopping centres. 57 of these host six million or more visits per annum and represent 97% of the Group's retail portfolio[(3)] GMV. Unless otherwise indicated, all references to rents, contributions from affiliates and leases signed relate to the period ended December 31, 2017, and comparisons relate to the full year 2016.

Total consolidated Net Rental Income (NRI) of the shopping centre portfolio amounted to €1,346.4 Mn, an increase of +5.8%, mainly due to a strong like-for-like growth of +4.3% and the positive impact of deliveries in Spain, France and Central Europe.

	Net Rental Income *(€Mn)*		
Region	2017	2016	%
France	609.8	580.5	5.0%
Central Europe	172.4	156.2	10.4%
Spain	161.0	146.0	10.3%
Nordics	145.8	139.9	4.2%
Austria	103.2	98.6	4.6%
Germany	92.6	89.9	2.9%
Netherlands	61.7	61.5	0.2%
TOTAL NRI	**1,346.4**	**1,272.6**	**5.8%**

Figures may not add up due to rounding.

The total net change in NRI amounted to +€73.8 Mn due to:

- +€34.1 Mn from the delivery of shopping centres or new units, mainly in Spain (Glòries and Bonaire), France (mainly Le Forum des Halles, Carré Sénart and Parly 2) and Central Europe (mainly Centrum Chodov and Wroclavia);
- +€2.6 Mn from the acquisition of additional units, mainly in France;
- -€2.5 Mn due to a negative currency translation effect from SEK;
- -€3.3 Mn due to assets moved to the pipeline, mainly in France and The Netherlands (Mall of The Netherlands project);
- -€7.2 Mn due to disposals of assets, mainly the Nordics (Eurostop Arlanda, Arninge Centrum and Eurostop Örebro in 2017), in Spain (Sant Cugat in December 2016 and Barnasud in November 2017) and Central Europe (Europark in April 2016);
- +€50.1 Mn of like-for-like growth. The +4.3% like-for-like NRI[(4)] growth exceeded indexation by +360 bps, above the Group's objective of like-for-like NRI growth of between 200 and 300 bps above indexation.

(1) On a perimeter of 36 shopping centres.
(2) Vs same Saturday in 2016.
(3) On standing assets, including value of equity in the companies accounted for using the equity method.
(4) 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.

Region	Net Rental Income (€Mn) Like-for-like 2017	2016	%
France	528.3	509.2	3.7%
Central Europe	153.2	147.0	4.2%
Spain	142.9	136.6	4.6%
Nordics	140.5	130.6	7.6%
Austria	102.4	98.6	3.9%
Germany	92.5	89.6	3.2%
Netherlands	51.2	49.3	3.8%
TOTAL NRI LFL	**1,211.1**	**1,161.0**	**4.3%**

Figures may not add up due to rounding.

Region	Net Rental Income Like-for-like evolution (%) Indexation	Renewals, relettings net of departure	Other[1]	Total
France	0.2%	1.4%	2.1%	3.7%
Central Europe	1.2%	2.8%	0.2%	4.2%
Spain	0.4%	3.9%	0.3%	4.6%
Nordics	1.9%	2.4%	3.3%	7.6%
Austria	1.0%	2.6%	0.3%	3.9%
Germany	1.0%	2.4%	-0.1%	3.2%
Netherlands	0.4%	-3.9%	7.4%	3.8%
TOTAL	**0.7%**	**1.9%**	**1.7%**	**4.3%**

(1) Other income net of operating expenses.

The +4.3% like-for-like NRI growth reflects indexation of +0.7% (+0.3% in 2016), the solid performance in renewals and relettings (+1.9% vs +2.2% in 2016) and the positive impact of "Other" (+1.7% vs +0.9% in 2016). The growth in "Other" was due primarily to a Sales Based Rent (SBR) increase (primarily in the Nordics and France), indemnities received from departing tenants in France and a reversal of provisions related to litigation in The Netherlands.

Across the portfolio, SBR represented 3.0% (€40.5 Mn) of NRI, vs 2.6% (€33.0 Mn) in 2016. This increase is mainly due to the success of Mall of Scandinavia and Fisketorvet in the Nordics.

◆ Contribution of affiliates

The total recurring Contribution of affiliates[1] for the shopping centre portfolio amounted to €84.0 Mn, compared to €66.7 Mn in 2016.

Region	Contribution of affiliates (€Mn) 2017 Recurring activities	2016 Recurring activities	Change
France	8.1	7.0	1.1
Central Europe	46.6	30.7	15.9
Spain	0.2	0.5	(0.3)
Germany	29.1	28.5	0.6
TOTAL	**84.0**	**66.7**	**17.3**

Figures may not add up due to rounding.

The total net increase of +€17.3 Mn is mainly due to:

- in France, a good performance in Rosny 2;
- in Central Europe, the Group reimbursed in January 2017 a participating loan held by funds managed by CBRE Global Investors, resulting in a positive impact on the Contribution of affiliates for the region; the acquisition of Metropole Zlicin also had a positive impact;
- in Spain, the decrease is due to the full consolidation of Benidorm since June 2016; and
- in Germany, the good performance in Paunsdorf Center was offset by the impact of higher vacancy in CentrO during reletting periods and the refurbishment of Gropius Passagen.

(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.

Leasing activity in 2017

The Group signed 1,350 leases on consolidated standing assets (1,479 in 2016) for €159.7 Mn of MGR. The average MGR uplift on renewals and relettings was +14.7% (+17.4% in 2016), exceeding the Group's targets for the period. The uplift in 2017 was the result of the reversion in Spain, Austria and France, partially offset by a lower MGR uplift in Germany, Central Europe and the Nordics and the negative uplift in The Netherlands. In 2016, the Group's MGR uplift was particularly high, primarily due to exceptionally strong leasing in France (in the Le Forum des Halles standing part, Parly 2 and Les Quatre Temps).

	Lettings/re-lettings/renewals excl. Pipeline				
				MGR uplift	
Region	nb of leases signed	m^2	MGR *(€Mn)*	*€Mn*	%
France	332	106,642	55.3	7.0	19.0%
Central Europe	302	47,161	28.8	2.7	11.7%
Spain	264	52,532	28.9	5.1	23.9%
Nordics	178	54,327	19.3	0.2	1.4%
Austria	108	22,226	12.7	2.0	20.7%
Germany	75	10,288	4.8	0.4	12.4%
Netherlands	91	42,219	10.0	(0.4)	-5.1%
TOTAL	**1,350**	**335,394**	**159.7**	**17.1**	**14.7%**

MGR: Minimum Guaranteed Rent.
Figures may not add up due to rounding.

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

As at December 31, 2017, the total annualised MGR from Unibail-Rodamco's shopping centre portfolio increased to €1,341.2 Mn (€1,279.6 Mn as at December 31, 2016).

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	38.4	2.9%	38.4	2.9%
2018	242.6	18.1%	88.4	6.6%
2019	272.4	20.3%	109.2	8.1%
2020	281.1	21.0%	134.2	10.0%
2021	135.1	10.1%	120.9	9.0%
2022	138.8	10.4%	181.3	13.5%
2023	66.8	5.0%	120.8	9.0%
2024	38.5	2.9%	83.7	6.2%
2025	40.6	3.0%	117.4	8.8%
2026	20.9	1.6%	85.7	6.4%
2027	17.9	1.3%	90.6	6.8%
2028	4.9	0.4%	23.6	1.8%
Beyond	43.1	3.2%	146.8	10.9%
TOTAL	**1,341.2**	**100%**	**1,341.2**	**100%**

Figures may not add up due to rounding.

The Estimated Rental Values (ERV) of vacant space in operation on the total portfolio increased to €37.8 Mn (from €35.2 Mn as at December 31, 2016).

The EPRA vacancy rate[1] increased to 2.4% as at December 31, 2017 (2.3% as at December 31, 2016) and includes 0.2% of strategic vacancy. The increase of vacancy in The Netherlands is due mainly to the strategic vacancy in Stadshart Amstelveen, and in the Nordics to departures in Täby Centrum.

Region	Vacancy (December 31, 2017) (€Mn)	Vacancy (December 31, 2017) %	% December 31, 2016
France	20.0	2.8%	2.8%
Central Europe	0.7	0.4%	0.1%
Spain	2.2	1.0%	1.0%
Nordics	6.8	4.2%	3.3%
Austria	1.1	1.0%	1.2%
Germany	2.8	2.6%	2.2%
Netherlands	4.1	6.5%	6.0%
TOTAL	**37.8**	**2.4%**	**2.3%**

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

The OCR[2] for the Group increased to 15.1% as at December 31, 2017, compared to 14.7% as at December 31, 2016.

Region	OCR December 31, 2017	OCR December 31, 2016
France	15.4%	15.4%
Central Europe	16.4%	15.9%
Spain	13.1%	12.2%
Nordics	15.4%	13.8%
Austria	16.7%	15.9%
Germany	13.6%	13.7%
Netherlands[1]	-	-
TOTAL	**15.1%**	**14.7%**

(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.

Average rent/m² and Appraisers' view on NRI Growth

The table below contains quantitative data used by the Group's appraisers, and disclosed in the *"Property portfolio and 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 - December 31, 2017	Rent in € per sqm(1)	CAGR of NRI(2)
France	Max	901	11.8%
	Min	122	1.6%
	Weighted average	537	4.2%
Central Europe	Max	583	3.2%
	Min	205	2.3%
	Weighted average	416	2.5%
Spain	Max	813	3.7%
	Min	117	2.3%
	Weighted average	320	3.3%
Nordics	Max	488	5.3%
	Min	201	2.9%
	Weighted average	387	3.3%
Germany	Max	471	4.1%
	Min	252	2.4%
	Weighted average	310	3.3%
Austria	Max	395	3.0%
	Min	377	2.7%
	Weighted average	386	2.9%
The Netherlands	Max	406	4.7%
	Min	124	2.8%
	Weighted average	256	3.3%
GROUP	**MAX**	**901**	**11.8%**
	MIN	**117**	**1.6%**
	WEIGHTED AVERAGE	**406**	**3.5%**

(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).*

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, 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 €5.4 Bn as at December 31, 2017 (€5.0 Bn as at December 31, 2016);
- the Pipeline amounted to €1.3 Bn as at December 31, 2017 (€1.2 Bn as at December 31, 2016);
- the GLA managed amounted to 1.4 million m² and includes 0.8 million m² of owned assets;
- NRI amounted to €202.2 Mn, an increase of +€1.9 Mn compared to 2016;
- on a like-for-like basis, NRI grew by +1.8% (with indexation of +0.8%);
- 140 leases were signed for standing assets (154 in 2016), with an average MGR uplift of +2.8%;
- EPRA vacancy rate as at December 31, 2017 was 4.0% compared to 4.9% as at December 31, 2016, mainly driven by a decrease in CentrO thanks to several successful relettings;
- OCR for tenants as at December 31, 2017 was 15.5%, compared to 15.1% as at December 31, 2016.

4.1.2.2. Offices

Office property market in 2017

Take-up

With 2.6 million[3] m² of office space let in 2017, take-up in the Paris region was at the highest since 2007. This is mostly due to transactions in the Western crescent and to those over 5,000 m². 88 transactions[4] above 5,000 m² were recorded in 2017 (65 in 2016) and accounted for 1.1 million m² (+23% vs 2016). 67% concerned new or refurbished as new buildings.

(1) *Includes Office assets, representing 0.7% of total GMV-group share. Excludes Ring-Center.*
(2) *These operating data are for 100% of the assets for the years 2016 and 2017, and therefore cannot be reconciled with the Group's financial statements and key performance indicators.*
(3) *Source: Immostat.*
(4) *Source: BNP Paribas Real Estate.*

Nearly 1.1 million[4] m² were rented in Paris in 2017, stable compared to 2016. Take-up in the Paris Central Business District (CBD) was 481,000 m² (+8% vs 2016).

The La Défense market saw transactions in line with the 10-year average, with 177,000 m² rented out in 2017. No significant transactions were recorded, mainly due to the lack of large and prime premises delivered in 2017. No change is expected for 2018.

◆ *Available supply*[1]

The available supply in the Paris region as at December 31, 2017, remained stable at around 3.4 million m², of which 15% of new or refurbished as new buildings.

The vacancy rate in the Paris region has decreased steadily since 2014 and reached 6.5% at year-end 2017 (compared to 6.8% at year-end 2016).

The differences remain significant from sector to sector with, for example, a vacancy rate of around 2.9% in Paris CBD and a steep drop in La Défense from 8.2% as at December 31, 2016, to 7.3%. For other sectors such as Peri-Défense and the Northern Rim, vacancy rates remain over 15%.

◆ *Rental values*

Rental values increased in the Paris Region throughout 2017, especially in Paris CBD, where recorded rents have exceeded €800/m², up to €850/m² on the Champs-Élysées (Paris 8).

In La Défense, there was no new or refurbished as new supply. Consequently, the highest rent did not exceed €520/m² (Cœur Défense).

Despite a favourable market context, the Paris region lease incentives stayed high in 2017 with significant variations depending on volume and quality of the immediately available supply in the different sectors.

◆ *Investment market*

The total volume of transactions closed in the Paris region during 2017 amounted to €16.4 Bn[2] (stable compared to 2016). This volume was driven by €11.8 Bn of transactions in H2, compared to €4.6 Bn in H1.

45 large transactions (over €100 Mn) were recorded in 2017, compared to 46 in 2016. The largest were:

- Cœur Défense (approximately €1.7 Bn) and Tour Hekla (approximately €575 Mn) in La Défense;
- So Ouest Plaza in Levallois;
- Tours Duo and Parc Avenue in Paris 13;
- 92 Gambetta in Paris 20;
- In & Out in Boulogne-Billancourt and West Plaza in Colombes.

As in 2016, with some exceptions, French investors, primarily investment funds, insurance companies and SCPIs, drove the market in 2017.

Strong demand, ample availability of financing and the limited supply of high quality office buildings continued to compress yields for prime office assets in La Défense, where prime yields fell by about 50 bps to around 4.00-4.25%, as illustrated by the sale of Tour Hekla. In Paris CBD, prime yields were stable vs 2016 at around 3.00-3.25%.

4.

◆ Office division activity in 2017

Unibail-Rodamco's consolidated NRI from its offices portfolio amounted to €140.8 Mn, a -8.1% decrease compared to 2016 due primarily to the disposals in 2016 and 2017.

	Net Rental Income *(€Mn)*		
Region	2017	2016	%
France	123.6	135.7	-9.0%
Nordics	12.4	12.9	-4.2%
Other countries	4.9	4.6	5.1%
TOTAL NRI	**140.8**	**153.2**	**-8.1%**

Figures may not add up due to rounding.

The decrease of -€12.5 Mn breaks down as follows:

- +€1.7 Mn mainly due to the delivery in March 2016 of Village 3;
- -€0.4 Mn due to currency effects in Sweden and other minor effects;
- -€6.8 Mn mainly due to the transfer of Shift (formerly "Issy Guynemer") to the pipeline;
- -€22.1 Mn mainly due to disposals of 2-8 Ancelle in March 2016, So Ouest offices in July 2016, 70-80 Wilson and Nouvel Air in October 2016 and So Ouest Plaza in October 2017;
- The like-for-like NRI growth was +€15.1 Mn (+13.5%) mainly due to good leasing performance in France and the full year impact of the Deloitte lease in Majunga (commenced in April 2016).

(1) Source: BNP Paribas Real Estate.
(2) Source: Cushman & Wakefield.

Region	Net Rental Income *(€Mn)* Like-for-like 2017	2016	%
France	111.0	95.8	15.9%
Nordics	11.7	11.4	2.7%
Other countries	4.6	5.0	-6.7%
TOTAL NRI LFL	**127.3**	**112.2**	**13.5%**

Figures may not add up due to rounding.

A record 97,144 weighted square meters (wm²) were leased in standing assets, including 72,266 wm² in France. Lease agreements were signed with AEW, Paul Hastings, Arsene and Dior in Capital 8, with In'Li in Tour Ariane, with Orange in Les Villages 4 and 6, as well as the renewals of SNCF in CNIT and Marsh in Tour Ariane.

In addition, the Group has entered into exclusive negotiations with Nestlé to prelet the entire 44,566 m² Shift building, to be concluded during Q1-2018, more than one year prior to delivery.

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

Office	Lease expiry schedule: MGR *(€Mn)* at date of next break option	As a % of total	MGR *(€Mn)* at expiry date	As a % of total
Expired	1.8	1.1%	1.8	1.1%
2018	15.1	8.9%	10.5	6.2%
2019	37.6	22.2%	23.0	13.5%
2020	11.1	6.5%	4.2	2.5%
2021	9.6	5.7%	2.5	1.5%
2022	10.1	5.9%	6.8	4.0%
2023	8.6	5.0%	15.2	9.0%
2024	0.6	0.3%	5.9	3.5%
2025	40.8	24.1%	11.8	6.9%
2026	5.6	3.3%	8.4	5.0%
2027	1.3	0.8%	21.8	12.9%
2028	17.4	10.2%	37.8	22.3%
Beyond	10.1	5.9%	19.9	11.8%
TOTAL	**169.7**	**100%**	**169.7**	**100%**

Figures may not add up due to rounding.

ERV of vacant office space in operation amounted to €8.4 Mn as at December 31, 2017, corresponding to a financial vacancy[(1)] of 4.6% (13.1% as at year-end 2016), including €5.2 Mn and 3.3% (13.4% at year-end 2016) in France. This decrease is mainly due to the lettings of vacant areas in Capital 8 and Les Villages. The remaining vacancy as at year-end 2017 is mainly in Les Villages and Tour Ariane.

4.1.2.3. Convention & Exhibition

The activity is exclusively located in the Paris region 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.

2017 has been characterized by the following shows:

Annual shows:

- the International Agriculture's show ("SIA") attracted 619,000 visitors, +1.3% vs 2016;
- the 2017 edition of the "Foire de Paris" attracted 525,800 visitors, +1.5% vs 2016;
- the 2nd edition of Vivatech held in Paris Expo Porte de Versailles attracted over 60,000 visitors (+33% vs 2016), 500 international speakers and over 6,000 start-ups and exhibitors from over 50 countries.

Biennial shows:

- the 52nd edition of the "Le Bourget International Air Show" (SIAE) was a record-breaking event with almost 2,400 exhibitors from 48 countries and $150 Bn of new orders announced;
- the "Paris International Agri-Business Show" (SIMA) welcomed 1,770 exhibitors from 42 countries. It attracted approximately 232,000 visits (-3.0% vs 2015), including 23% from outside of France;
- "Le Mondial du Bâtiment", one of the world's leading construction shows welcomed 319,200 visitors (20% were international) in November.

In March, Samsung chose the Carrousel du Louvre to host the worldwide presentation of its new TV range "The Frame".

EuroPCR, the official congress of the European Association of Percutaneous Cardiovascular Interventions (EAPCI), is the

(1) EPRA Vacancy rate = Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.

world's leading annual congress in its field. Held in May in Paris, in Palais des Congrès, this event drew more than 12,000 participants.

"IFOS", the international congress of the International Federation of Oto-Rhino-Laryngological Societies, was held in Paris in June, in Paris Expo Porte de Versailles. Last hosted in Paris in 1961, this rotating congress drew more than 8,000 specialists, double the number of participants of the previous edition in Seoul in 2013.

In October, the Palais des Congrès de Paris welcomed the Google Cloud Summit with 2,500 delegates.

The new Paris Convention Centre was opened on November 22 and welcomed its first congress in December: the 30th Rheumatology congress with 5,000 participants.

In total, 725 events were held in the Viparis venues during 2017, of which 258 shows, 105 congresses and 362 corporate events.

Viparis's EBITDA[1] came to €134.4 Mn, flat compared to 2015 adjusted for the impact of the triennial Intermat exhibition. Growth in the turnover of the corporate events[2] (+13.6%) and congresses (+19.4%) segments was offset by the decline in the exhibition segment and the negative impact of the security costs post the 2015 terrorist attacks. The EBITDA decreased by -€8.7 Mn (-6.1%) compared to the reported EBITDA (€143.1 Mn) for 2015.

At the end of 2017, signed and pre-booked events in Viparis venues amounted to 92% of its expected 2018 rental income, slightly above usual levels of between 85% and 90%.

The NRI from hotels amounted to €11.6 Mn for the period, compared to €13.0 Mn in 2016, as a result of the closure in August 2017 of the Pullman Montparnasse hotel for renovation works.

4.1.3. 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.

The Group has taken up a new long-term challenge, with a set of objectives to be achieved by 2030: "Better Places 2030", a program launched in September 2016. The Group aims to reduce by -50% its carbon footprint by 2030. This strategy is now incorporated into the entire value chain, with a wide spectrum of initiatives covering the emissions resulting from the activities of the Group as well as its stakeholders. In doing so, the Group is the first listed real estate company to address the wide scope of indirect carbon emissions resulting from construction works, consumption of energy by tenants and transportation used by all users of its sites (employees and visitors).

"Better Places 2030" addresses the main challenges facing commercial real estate by 2030: moving toward a low-carbon economy, anticipating new modes of sustainable mobility, fully integrating the Group's business activities with the local communities, and engaging all of the Group's teams as well as its stakeholders. This 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.

In order to ensure the achievement of the Better Places 2030 ambitions, a clear governance has been set up, both at strategic and operational levels, with the support and expertise of the CSR team.

The main achievements[3] in 2017 are:

- Pillar 1 - "Better Buildings":
  - the carbon assessment methodology for construction and operations has been defined and has been applied to all active development projects at design stage in 2017 (Trinity, Val Tolosa, Benidorm, Phare-Sisters, 3 Pays, Überseequartier, Mall of Europe and the extensions of Garbera, La Part-Dieu and Vélizy 2), and a dedicated training has been rolled out across development teams,
  - following the contracts signed in 2017 for France and Central Europe, all the Group's regions are now supplied with Green Electricity[4]. As at December 31, 2017, 146 LED partnerships were signed with tenants, accounting for 15.6% of the total retail GLA[5],
  - the updated "Green Lease", which includes a mandatory requirement for the tenants to source green electricity and install LED lighting sources from 2020 onwards, is being implemented in all regions since May 1, 2017;
- Pillar 2 - "Better Connectivity":
  - 98% of the Group's standing assets[6] are now equipped with electrical vehicle charging spaces and six pilot assets have been equipped with next generation charging stations,
  - in partnership with Tesla, the Group is also rolling out Tesla chargers in its shopping centres (20 equipped),
  - three shopping centres implemented Mobility Action Plans that will be further rolled out throughout the Group in 2018, to improve global accessibility of shopping centres while reducing the associated carbon footprint;
- Pillar 3 - "Better Communities":
  - "UR for Jobs" program: this initiative which aims to create job opportunities for young people was conducted in 15 shopping centres, resulting in 250 young people having been hired[7] by the Group's tenants and suppliers,
  - "Solidarity Days": 12 initiatives took place to raise awareness amongst youth and visitors about local priority issues such as education, health and sustainability. 3,230 young people were supported
  - 719 of the Group's employees dedicated at least one day to volunteer for one of these initiatives;

4.

(1) EBITDA (Viparis): "Net rental income" and "Other site property services operating result" + "Recurring contribution of affiliates" of Viparis venues.
(2) Excluding CNIT, currently not operated due to the EOLE works.
(3) The data communicated in this paragraph are under review by auditors.
(4) In the common areas of owned and managed shopping centres.
(5) For owned and managed assets.
(6) For the shopping centres for which the Group owns and manages the car parks.
(7) Including integration in a training programme.

- Pillar 4 - "Better Collective Power":
  - CSR quantitative objectives tied to Short Term Incentives schemes were in place for the Management Board, the Group Management Team and Country Management teams,
  - specific CSR criteria and KPIs are included in all the Group's business decisions (e.g., investments, developments and annual asset reviews),
  - the Group is gradually replacing all company cars with hybrid or electrical vehicles. The Group is also engaged in a program of carbon offsets for its business travel carbon emissions (airplanes and trains),
  - UR Link #3: two French startups, focusing on waste recycling (Phenix) and carbon impact simulation for building design (Combo), have been selected for the Group's 2017 start-up acceleration programme to support the Better Places 2030 priorities. The Group's innovation partnership with Engie to accelerate the low carbon transition of its assets and activities is bearing fruit, with 13 projects underway at year end, such as energy performance contracts or the sourcing of green electricity for the common areas of the Group's French assets as of January 1, 2018.

Along with this long-term plan, Unibail-Rodamco continued to implement its policy of energy efficiency. In 2017, the Group's energy intensity remained stable[(1)] compared to 2016. This represents a cumulative -17.0% decrease of energy intensity since 2012, in line with the objective of a -25% decrease by 2020 from the 2012 baseline.

The Group also continued its programme of environmental certification of its assets. For its development projects, the Group obtained three new BREEAM Excellent certificates (design stage): Wroclavia Offices and Retail, and the Centrum Chodov extension. Regarding its standing portfolio, 23 shopping centres obtained a BREEAM In-Use certificate in 2017 (seven newly certified and 16 renewed), of which ten at the "Outstanding" level for the "Building Management (part 2)". As at December 31, 2017, the Group had 52 managed shopping centres certified 'BREEAM In-Use' in Europe, of which 63% rated 'Outstanding' (Part 2 'Building Management'), representing 3.4 million m^2 of total GLA. In comparison, only 10% of the European real estate[(2)] market has obtained the same certification. Unibail-Rodamco's portfolio has the highest certification profile in the European retail real estate market.

2017 was also an active year in terms of investor relations, with 43 meetings dedicated to Unibail-Rodamco's ESG performance, during conferences, one-on-one meetings and site visits. The Group also signed the first ever green credit facility in Europe.

The Group was again included in the main Environmental, Social and Governance indices in 2017 and is ranked among the top companies in the Real Estate sector in ESG benchmarks and profiles. Unibail-Rodamco ranked first among the financial services – real estate sector of Vigeo Eiris 2017 ESG rating and was confirmed as of December 2017 in the Euronext Vigeo indexes: World 120, Eurozone 120, Europe 120 and France 20. The Group was confirmed in June as industry leader in the updated Sustainalytics rating and remains a member of the STOXX® Global ESG Leaders indices for the sixth consecutive year. The Group was also confirmed as a member of the FTSE4Good Index series and as a member of the Ethibel® Sustainability Indexes Excellence Europe and Excellence Global in 2017. In 2017, the Group was ranked 3rd out of 243 real estate companies rated by Oekom research. It achieved a C+ (Prime status). In the 2017 GRESB Survey (Global Real Estate Sustainability Benchmark – the only sustainability benchmark dedicated to the real estate sector), Unibail-Rodamco was rated 'Green Star' for the seventh year in a row.

The Group's reporting complies with the EPRA Best Practice Recommendations for Sustainability Reporting and received its sixth consecutive EPRA Sustainability Gold Award with this regard, and with the new GRI (Global Reporting Initiative) sustainability reporting standards.

4.1.4. 2017 RESULTS

Other property services net operating result from property services companies in France, Spain and Germany was €39.6 Mn. The recurring part amounted to €42.0 Mn, an increase of +€6.2 Mn compared to 2016, mainly due to Germany.

Other Income of +€0.9 Mn is related to one-off items resulting mainly from litigation.

General expenses amounted to -€181.8 Mn (including -€62.4 Mn of non-recurring expenses related to the Westfield acquisition announcement incurred in 2017), compared to -€120.4 Mn in 2016 (including -€1.3 Mn non-recurring). As a percentage of NRI from Shopping Centres and Offices, recurring general expenses were 8.0% (vs 8.3% in 2016). As a percentage of GMV of Shopping Centres and Offices, recurring expenses stood at 0.30% (0.32% for 2016).

Development expenses incurred for feasibility studies of projects and potential acquisitions amounted to -€3.6 Mn in recurring expenses (-€5.9 Mn in 2016).

Recurring financial result totalled -€228.0 Mn (after deduction of capitalised financial expenses of €18.7 Mn allocated to projects under construction). This represents a -€26.9 Mn decrease compared to 2016.

The Group's average cost of debt[(3)] decreased to 1.4% (vs 1.6% for 2016).

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

Non-recurring financial result amounted to -€0.9 Mn, which breaks down as follows:

- -€90.1 Mn due to the marking-to-market of derivatives, including the impact of the marking-to-market of the EUR/USD swaptions related to the Westfield acquisition. Unibail-Rodamco recognises the change in value of its derivatives directly in the income statement;
- +€21.1 Mn mark-to-market of the ORNANEs issued in 2012, 2014 and 2015;

(1) In kWh/visit for the owned and managed shopping centre portfolio, on a like-for-like basis.
(2) Source: BRE Global BREEAM In-Use Data, BREEAM ES and BREEAM NL data as at December 31, 2017 – 309 retail assets certified under BREEAM In-Use international 2015 (Part 2).
(3) Average cost of debt = Recurring financial expenses (excluding those on financial leases and related to partners' current accounts) + capitalized financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact)/average net debt over the period.

- +€70.3 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;
- -€2.2 Mn of debt discounting and other minor items.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies[1] 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 -€17.7 Mn compared to -€11.1 Mn in 2016.

Non-recurring income tax expenses amounted to -€56.5 Mn (-€272.1 Mn in 2016), reflecting mainly the increase in deferred tax liabilities as a result of the revaluation of the Group's real estate assets. This amount also includes the benefit of the +€30.6 Mn refund claimed from the French tax authorities for the 3% tax levied on cash dividends paid by French companies between 2012 and 2016.

Non-controlling interests in the consolidated recurring net result after tax amounted to €176.9 Mn compared to €177.4 Mn in 2016. Minority interests mainly relate to French shopping centres (€94.3 Mn, mainly Les Quatre Temps, Parly 2 and Le Forum des Halles), to the stake of CCIR in Viparis (€42.8 Mn) and to Unibail-Rodamco Germany and Ruhr-park (€33.3 Mn). The non-recurring non-controlling interests amounted to €106.0 Mn, down from €231.0 Mn in 2016, due primarily to lower valuation movements in 2017.

Net result - owners of the parent was a profit of €2,439.5 Mn. This figure breaks down as follows:

- €1,202.1 Mn of recurring net result (+7.9% compared to 2016) as a result of strong NRI growth and lower interest expenses, partially offset by the impact of disposals in 2016 and 2017 and higher taxes;
- €1,237.4 Mn of non-recurring result[2] (compared to €1,294.8 Mn in 2016).

The average number of shares and ORAs[3] outstanding during 2017 was 99,752,597, compared to 99,160,738 in 2016. The increase is mainly due to stock options exercised in 2016 and 2017 and to the issuance of Performance Shares in 2016 and 2017, partially offset by the cancellation of 34,870 shares repurchased in 2017.

Recurring Earnings per Share (recurring EPS) for 2017 came to €12.05 compared to €11.24 for 2016, representing an increase of +7.2%.

4.1.5. POST-CLOSING EVENTS

In the context of the Westfield acquisition, the Group obtained commitments from Deutsche Bank and Goldman Sachs to finance the cash component of the transaction (including costs) and potential debt refinancing needs. The €6.1 Bn credit facility was signed on January 12, 2018. It was syndicated to over 29 banks.

4.1.6. WESTFIELD CORPORATION ACQUISITION

On December 12, 2017, Unibail-Rodamco announced it had entered into an agreement to acquire Westfield Corporation. Since the announcement, Unibail-Rodamco has obtained the unanimous positive opinions of its works councils, in accordance with Clause 2 of the Implementation Agreement dated December 12, 2017. The transaction remains subject to the conditions precedent described in the Implementation Agreement.

The Group expects to file the draft EU listing and Document E prospectuses and materials with the relevant regulatory authorities shortly. Unibail-Rodamco expects approval of the transaction documentation in March/April and to convene the Annual and Extraordinary shareholder meetings in Q2-2018. Westfield is expected to issue its Explanatory Memorandum in respect of the transaction to its security holders in Q1-2018 and convene its security holder meetings in Q2-2018.

The closing is expected to take place in Q2-2018 upon approval of shareholders of both companies and satisfaction of the conditions precedent.

(1) In France: SIIC (Société d'Investissements Immobiliers Cotée).
(2) Include valuation movements, disposals, mark-to-market and termination costs of financial instruments, including bond tenderpremiums, impairment of goodwill or reversal of negative goodwill and other non-recurring items.
(3) It has been assumed here that the ORAs have a 100% equity component.

4.1.7. DIVIDEND[1]

For the fiscal year 2017, the Group will propose a cash dividend of €10.80 per share for approval by its Annual General Meeting (AGM). Further to the announcement of the agreement to acquire Westfield Corporation, the Group will reschedule this AGM, originally scheduled on April 18, 2018, to a date expected to be in May 2018.

The dividend payment schedule will be as follows:

- an interim dividend of €5.40 per share on March 29, 2018 (ex-dividend date March 27, 2018); and
- a final dividend of €5.40 per share, subject to approval of the AGM. The final dividend will be paid to Unibail-Rodamco shareholders of record prior to the closing of the Westfield acquisition.

The total amount of dividends paid with respect to 2017 would be €1,078.5 Mn for the 99,856,676 shares issued as at December 31, 2017. This represents a 90% pay-out ratio of the net recurring result, in line with the Group's 85%-95% dividend pay-out policy.

The statutory 2017 result of Unibail-Rodamco SE (parent company) was a profit of €1,191.8 Mn. The 2017 result of Unibail-Rodamco SE's SIIC sector amounted to €511.5 Mn. The dividend distribution obligation will be €414.7 Mn. After payment of the proposed dividend, the SIIC distribution requirement will have been met for 2018.

Assuming approval by the Annual General Meeting expected to be held in May 2018:

(i) €4.15 of the dividend will have been paid from Unibail-Rodamco's tax exempt real estate activities (the "SIIC dividend"). This dividend corresponds to the distribution obligation under the SIIC regime:

- for French tax residents, the SIIC dividend will not be eligible for the tax exemption provided for under the parent-subsidiary regime when received by institutional shareholders that are subject to corporate income tax. A 12.8% flat tax, plus 17.2% of social charges, will be withheld for individual shareholders. Individual shareholders may elect to pay income tax at the standard progressive rate (without the benefit of the 40% rebate) instead of paying the flat tax at 12.8%,
- for non-French tax residents, the SIIC dividend will bear French withholding tax (30% for institutional shareholders and 12.8% for individual shareholders) reduced by the provisions of applicable double tax treaties,
- for French Undertakings for Collective Investments (UCI) and comparable non-French UCIs, a 15% withholding tax will be levied on the SIIC dividend;

(ii) the remaining €6.65 will have been paid from Unibail-Rodamco's non-tax exempt activities (the "non-SIIC dividend"):

- for French tax residents, the non-SIIC dividend will be eligible for the tax exemption provided for under the parent-subsidiary regime when received by institutional shareholders subject to French corporate income tax. The 12.8% flat tax, plus 17.2% of social charges, will be withheld for individual shareholders. Individual shareholders may elect to pay income tax at the standard progressive rate (with the benefit of the 40% rebate) instead of paying the flat tax at 12.8%,
- for non-French tax residents, the non-SIIC dividend will bear applicable French withholding tax (30% for institutional shareholders and 12.8% for individual shareholders) reduced by the provisions of applicable double tax treaties. Non-French UCIs could be exempt from the withholding tax if certain conditions are met.

4.1.8. OUTLOOK

The macroeconomic environment in 2017 improved on the back of the recovery in investment, manufacturing and trade which in turn strengthened consumer confidence. Looking ahead, the outcome of elections in certain European countries, including Italy, the formation of a government in Germany, the Brexit process, trade policies enacted by the United States administration, responses thereto from its trading partners, adverse geopolitical events or further terrorist threats could affect economic growth in Europe and the Group's business.

The Group expects to grow its recurring EPS in 2018 to between €12.75 and €12.90 on a standalone basis.

For the medium term and on a standalone basis, **Unibail-Rodamco expects to grow its recurring EPS at a compound annual growth rate of between +6% and +8%**. This medium-term outlook is derived from the annual business plan exercise for Unibail-Rodamco. This results in annual growth rates which vary from year to year. The key inputs in the Group's business plan, which is built on an asset by asset basis and based on economic conditions as at year-end 2017, are estimates and assumptions relating to indexation, rental uplifts, disposals of approximately €3 Bn over the next several years, 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 Group's current business plan does not assume any acquisitions, nor the Westfield transaction.

(1) *The tax elements included in this section are not intended to constitute tax advice, and shareholders should consult their own tax advisers.*

4.2. INVESTMENTS AND DIVESTMENTS

In 2017, Unibail-Rodamco invested €1,223.4 Mn, group share, in acquisitions of assets and in construction, extension and refurbishment projects, compared to €1,136.1 Mn in 2016. The Group also invested €146.0 Mn in acquisition of shares in two assets, in Prague and Cagnes-sur-Mer[1]. The Group divested a total amount of €709.9 Mn at an average premium of +15.0% above the last unaffected appraisal value.

4.2.1. SHOPPING CENTRES

Unibail-Rodamco invested €1,020.8 Mn[2] in its shopping centre portfolio in 2017:

- new acquisitions amounted to €57.0 Mn, mainly units in Parquesur, La Valentine, Le Forum des Halles and Mall of The Netherlands;
- €744.2 Mn were invested in construction, extension and refurbishment projects, including the Carré Sénart, Parly 2, Glòries, Centrum Chodov, Wroclavia and Überseequartier projects (see also Section *"Development projects"*);
- replacement Capex[3] amounted to €93.2 Mn;
- financial, eviction and other costs were capitalised for €11.4 Mn, €83.7 Mn and €31.3 Mn, respectively.

The Group disposed of a number of non-core assets, including:

- in September, two Swedish assets, Eurostop Arlanda and Arninge Centrum. The total GLA disposed of was almost 64,000 m², including approximately 17,500 m² of hotel and office space;
- in October, Eurostop Örebro (GLA of 15,300 m²);
- in November, Barnasud (GLA of 35,800 m²);
- in December, two outlet centres located in France: the Channel Outlet Store and L'Usine Roubaix.

Collectively, the Group disposed retail assets for a total Net Disposal Price (NDP)[4] of €250.8 Mn at an average premium of +12.3% above the last unaffected appraisal value.

On October 23, the Group formed a joint venture with Commerz Real and acquired 50% of the shopping centre Metropole Zlicin for a Total Acquisition Cost (TAC)[5] of €110 Mn. Metropole Zlicin, located in Prague, has a GLA of approximately 56,000 m². This asset is accounted for using the equity method.

On December 29, the Group acquired a 45% stake in the companies holding the shopping centre Polygone Riviera from its joint-venture partner. As at December 31, 2017, the Group owned a 95% interest in this asset. On January 4, 2018, the Group acquired the remaining 5% stake in the asset.

4.2.2. OFFICES

Unibail-Rodamco invested €114.4 Mn[6] in its office portfolio in 2017:

- €100.8 Mn were invested in works and minor acquisitions, mainly in France for the Trinity project in La Défense and for the Versailles Chantiers project (see also Section *"Development Projects"*);
- replacement Capex amounted to €1.4 Mn;
- financial and other costs capitalised amounted to €12.2 Mn.

On October 2, 2017, further to the agreement (*promesse de vente*) entered into in February 2017, Unibail-Rodamco disposed of the 36,600 m² So Ouest Plaza building, located in Levallois-Perret, to an institutional investor represented by BNP Paribas Real Estate Investment Services.

Collectively, the Group disposed for a total NDP of €459.1 Mn of office assets, at an average premium of +16.6% above the last unaffected appraisal value.

Further to its annual Business Plan review, the Group has identified ca. €3 Bn of assets to be disposed of in the next several years.

4.2.3. CONVENTION & EXHIBITION

Unibail-Rodamco invested €88.2 Mn[6] in its Viparis sites in 2017:

- €56.9 Mn were invested for works, mainly in Porte de Versailles;
- financial and other costs capitalised amounted to €31.3 Mn.

The first phase of renovation works (2015-2017) on the Porte de Versailles site was completed with the grand opening of the 72,000 m² Hall 7 on November 22, to create the new Paris Convention Centre, including a 5,200-seat plenary room. It is the largest in Europe and can accommodate the biggest national and international events with space for 35,000 participants. The construction of Phase 2 began in H2-2017 with the demolition of Pavilions 6 and 8 and the construction of a new Pavilion 6.

(1) *Payment for the acquisition of the 50% stake in Polygone Riviera was made on January 4, 2018.*
(2) *Total capitalised amount in asset value Group share.*
(3) *Replacement Capex relates to works either on equipment or the structure of a standing asset. The primary purpose of Replacement Capex is to ensure that the asset is in good working order and/or to make minor improvements. These investments can be triggered by obsolescence, maintaining technical performance at market levels or compliance with regulatory requirements. These amounts do not include Replacement Capex spent as part of the TIC of extension and/or renovation projects and on which the Group's standard Return On Investment (ROI) is expected.*
(4) *Net Disposal Price (NDP): Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.*
(5) *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.*
(6) *Total capitalised amount in asset value Group share.*

4.3. DEVELOPMENT PROJECTS AS AT DECEMBER 31, 2017

As at December 31, 2017, Unibail-Rodamco's consolidated development project pipeline amounted to €7.9 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 (67% of the total investment cost)[1].

4.3.1. DEVELOPMENT PROJECTS PORTFOLIO EVOLUTION

2017 was a very active year, with five deliveries in Q4:

- the new 81,032 m² shopping centre Wroclavia;
- the renovation and 41,948 m² extension of Centrum Chodov;
- the renovation and 31,310 m² extension of Carré Sénart;
- the full redevelopment and extension of Glòries, with 10,501 m² of new GLA; and
- the 7,604 m² extension of Parly 2.

Two new extension and renovation projects were added to Unibail Rodamco's development pipeline:

- the Vitam project, with a total investment cost (TIC)[2] of €322 Mn and a GLA of 69,621 m², encompassing the renovation and extension of an existing leisure and retail centre organized around an aquatic park in France, close to Geneva; and
- the 15,693 m² extension of Fisketorvet.

The Group made significant progress on existing pipeline projects. After final administrative authorizations were obtained, works started in July for Villeneuve 2 and Gaîté Montparnasse, in August for the Parly 2 Cinema, and in December for the La Part-Dieu extension. The final building permit for the Carré Sénart leisure extension was obtained in November.

4.3.2. OVERVIEW OF DEVELOPMENT PROJECTS

The estimated TIC of the consolidated development pipeline[3] as at year-end 2017, amounts to €7.9 Bn. The pipeline does not include projects under development by companies accounted for using the equity method[4] (circa €0.2 Bn in Group share), Convention & Exhibition projects and projects under consideration or for which the Group is competing.

The €7.9 Bn development pipeline compares with the €8.0 Bn as at year-end 2016. The changes in the TIC (-€0.1 Bn) and in the aggregate GLA (-50,822 m²) result from: (i) the delivery of five projects (-€0.9 Bn; -171,091[5] m²), (ii) modifications in the program of existing projects and indexation, discounting and currency movements (+€0.3 Bn; +34,955 m²), and (iii) new projects added (+€0.5 Bn; +85,314 m²).

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

(2) *The Total Investment Cost equals the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, technical fees, tenant fitting-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) tenants' lease incentives and opening marketing expenses. It does not include capitalized interest and internal costs capitalized.*

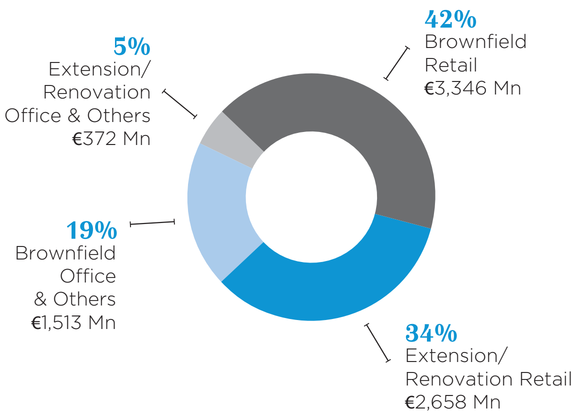
(3) *The development pipeline includes only the projects in the shopping centre and office divisions of the Group. The Porte de Versailles renovation project TIC remaining to be spent is €453 Mn.*

(4) *Mainly the extension a shopping centre located in Central Europe and the renovation of Gropius shopping centre, except for Vitam accounted for under the equity method but presented here at full consolidation, as full control of the project by Unibail-Rodamco will be obtained before start of works.*

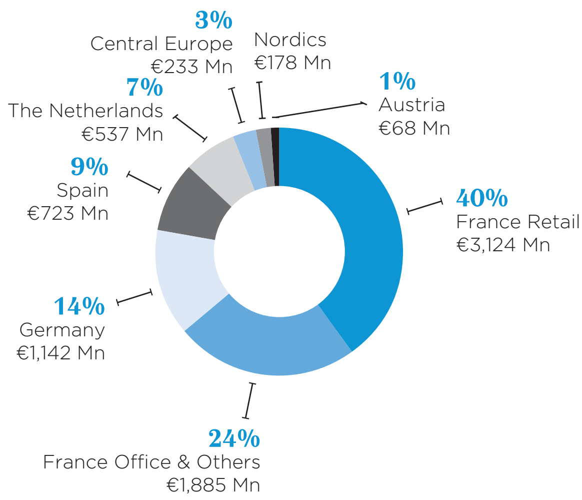
(5) *GLA as reported as at December 31, 2016. Square meters delivered may vary from the last pipeline report, as a result of adjustments during the development of a project.*

The pipeline categories are as follows:

CONSOLIDATED DEVELOPMENT PIPELINE BY CATEGORY[(1)]



CONSOLIDATED DEVELOPMENT PIPELINE BY REGION[(1)]



The €6.0 Bn Retail pipeline is split between brownfield projects (56%) and extensions and renovations (44%). The Group currently expects to add 1.1 million m² of retail GLA, representing an increase of ca. 32% of the Group's existing retail GLA. Out of the Retail pipeline, €1.2 Bn (20%) are committed.

Development projects in the Office & Others sector amount to €1.9 Bn. Brownfield projects represent 80% and correspond to some 240,000 m2 of new GLA, of which 73% are 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, €746 Mn (40%) are committed.

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

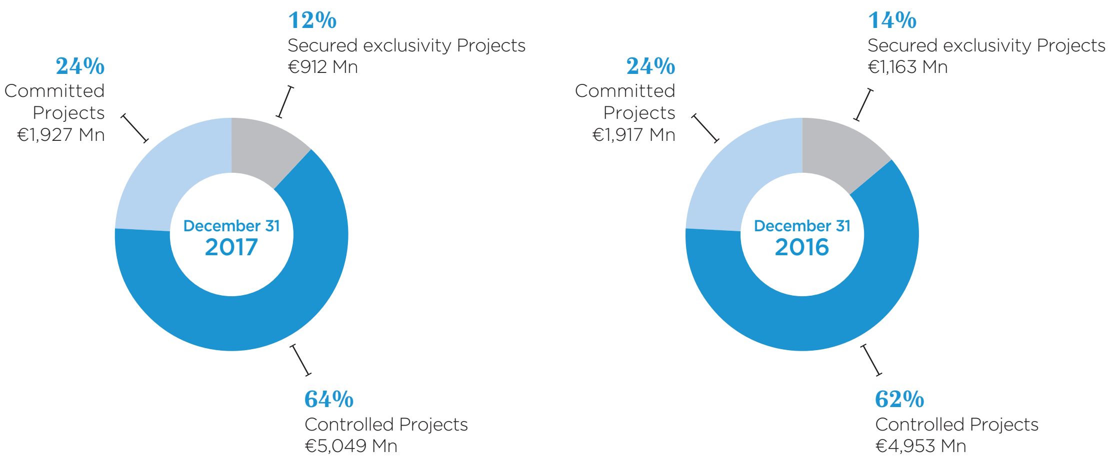
4.3.3. A SECURED AND FLEXIBLE DEVELOPMENT PIPELINE

The table below shows the evolution of the development pipeline between December 31, 2016, and December 31, 2017, by commitment categories:

In € Bn	December 31, 2017	December 31, 2016
"Committed" projects(1)	1.9	1.9
"Controlled" projects(2)	5.0	4.9
"Secured Exclusivity" projects(3)	0.9	1.2
CONSOLIDATED TOTAL INVESTMENT COST	**7.9**	**8.0**

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

CONSOLIDATED DEVELOPMENT PIPELINE BY PHASE (1)



Of the €1.9 Bn "Committed" development pipeline, €0.6 Bn have already been spent, with €1.3 Bn still to be invested over the next 3 years. Of this amount, €0.6 Bn have been contracted.

The "Committed" category now includes Villeneuve 2, Gaîté Montparnasse, the Parly 2 Cinema, and the La Part-Dieu extension.

The "Controlled" category now includes the Carré Sénart leisure extension, the Garbera extension and 3 Pays, following progress on administrative authorizations.

In 2017, the Vitam and the Fisketorvet extension projects were added to the "Secured Exclusivity" projects.

The "Controlled" and "Secured exclusivity" development pipeline represents options to create significant value for the Group. €0.7 Bn have already been spent on these two categories.

4.3.4. CHANGES IN DEVELOPMENT PIPELINE PROJECTS IN 2017

In 2017, two projects were added to the development pipeline:

- the Vitam renovation and extension, with a TIC of ca. €0.3 Bn;
- the Fisketorvet extension, with a TIC of ca. €0.2 Bn.

Since December 31, 2016, the delivery dates of some of the Group's projects have been pushed back, for example:

- the Maquinext extension was delayed by 44 months due to ongoing negotiations with the City;
- the Triangle development was delayed by 21 months because of claims against the building permit;
- SCS West extension was delayed by 15 months due to ongoing negotiations with co-owners;
- the Garbera extension project was delayed by 15 months due to an additional environmental study required by the municipality;
- the Mall of The Netherlands extension project was delayed by 14 months because of construction delays;
- the Val Tolosa project was delayed by 13 months due to further claims against the project.

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

4.3.5. INVESTMENTS IN 2017

See Section 4.2. *"Investments and divestments"*.

4.3.6. DELIVERED PROJECTS IN 2017

The following five retail projects, representing a TIC of €929.9 Mn and a total GLA of 172,395 m², were delivered in 2017:

- the 81,032 m² new Wroclavia Shopping Centre;
- the 41,948 m² extension of Centrum Chodov;
- the 31,310 m² extension of Carré Sénart;
- the 10,501 m² extension and refurbishment of Glòries;
- the 7,604 m² extension of Parly 2.

The weighted average yield on cost was 7.7%[(1)].

4.3.7. DELIVERIES EXPECTED IN THE NEXT 12 MONTHS

Two projects representing an expected TIC of ca.

€64 Mn are scheduled to be delivered in 2018:

- the complete refurbishment of Villeneuve 2 in July 2018;
- the 16,147 m² brownfield office project of Versailles Chantiers in October 2018.

The average pre-letting of Versailles Chantiers stands at 36%[(2)].

4.3.8. PROJECTS OVERVIEW

See table next page

The aggregate TIC of existing projects increased due to:

- the mechanical effects of inflation, discounting and currency movements;
- programme changes, mainly for Neo with the integration of the metro connection, Mall of The Netherlands and La Part-Dieu;
- increase of construction costs and/or square meters in some projects (*e.g.*, Shift, formerly "Issy Guynemer", the Vélizy 2 retail extension and the Phare-Sisters office project).

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

DEVELOPMENT PROJECTS – DECEMBER 31, 2017

Consolidated Development projects[1]	Business	Country	City	Type	Total Complex GLA (m^2)	GLA U-R scope of consolidation (m^2)	Cost to date[2] U-R scope of consolidation (€Mn)	Expected cost[3] U-R scope of consolidation (€Mn)	Expected Opening date[4]	U-R Yield on cost (%)[5]	Project Valuation
Villeneuve 2 Renovation	Shopping Centre	France	Lille Region	Extension/Renovation	0 m^2	0 m^2	2	8	H2 2018		Fair value
Versailles Chantiers	Office & others	France	Paris Region	Greenfield/Brownfield	16,147 m^2	16,147 m^2	18	55	H2 2018		Fair value
Velizy 2 Leisure Extension	Shopping Centre	France	Paris Region	Extension/Renovation	19,968 m^2	19,968 m^2	27	118	H1 2019		At cost
Shift[6]	Office & others	France	Paris Region	Redevelopment/Extension	44,566 m^2	44,566 m^2	23	161	H1 2019		Fair value
Trinity	Office & others	France	Paris	Greenfield/Brownfield	48,939 m^2	48,939 m^2	153	320	H1 2019		At cost
Parly 2 Cinema	Shopping Centre	France	Paris Region	Extension/Renovation	3,699 m^2	3,699 m^2	8	26	H2 2019		Fair value
Mall of the Netherlands[7]	Shopping Centre	Netherlands	The Hague Region	Redevelopment/Extension	87,806 m^2	87,806 m^2	278	537	H1 2020		At cost
Gaite Montparnasse Retail	Shopping Centre	France	Paris	Redevelopment/Extension	27,778 m^2	27,778 m^2	33	145	H1 2020		At cost
Gaîté Montparnasse Offices[8]	Office & others	France	Paris	Redevelopment/Extension	61,126 m^2	61,126 m^2	51	211	H1 2020		At cost
La Part-Dieu Extension	Shopping Centre	France	Lyon	Extension/Renovation	30,617 m^2	30,617 m^2	49	346	H1 2020		At cost
Committed Projects					**340,644 m^2**	**340,644 m^2**	**643**	**1,927**		**7.0%[10]**	
Carré Sénart Leisure Extension	Shopping Centre	France	Paris Region	Extension/Renovation	3,803 m^2	3,803 m^2	2	22	H1 2019		At cost
Aupark extension	Shopping Centre	Slovakia	Bratislava	Extension/Renovation	7,083 m^2	7,083 m^2	0	14	H1 2020		At cost
Benidorm	Shopping Centre	Spain	Benidorm	Greenfield/Brownfield	58,367 m^2	58,367 m^2	83	212	H1 2020		At cost
Val Tolosa	Shopping Centre	France	Toulouse	Greenfield/Brownfield	97,936 m^2	65,308 m^2	51	281	H2 2020		At cost
Garbera Extension	Shopping Centre	Spain	San Sebastián	Extension/Renovation	20,384 m^2	20,384 m^2	1	119	H1 2021		At cost
Velizy 2 retail Extension	Shopping Centre	France	Paris Region	Extension/Renovation	18,380 m^2	18,380 m^2	1	189	H2 2021		At cost
Überseequartier	Shopping Centre	Germany	Hamburg	Greenfield/Brownfield	209,566 m^2	209,566 m^2	227	1,014	H2 2021		At cost
3 Pays	Shopping Centre	France	Hésingue	Greenfield/Brownfield	86,600 m^2	86,600 m^2	5	401	H1 2022		At cost
Phare - Sisters	Office & others	France	Paris	Greenfield/Brownfield	89,259 m^2	89,259 m^2	65	616	H1 2022		At cost
Neo	Shopping Centre	Belgium	Brussels	Greenfield/Brownfield	125,352 m^2	125,352 m^2	12	591	Post 2022		At cost
Triangle	Office & others	France	Paris	Greenfield/Brownfield	85,140 m^2	85,140 m^2	12	523	Post 2022		At cost
Bubny	Shopping Centre	Czech Rep.	Prague	Greenfield/Brownfield	55,114 m^2	55,114 m^2	23	219	Post 2022		At cost
Maquinext	Shopping Centre	Spain	Barcelona	Extension/Renovation	37,616 m^2	37,616 m^2	64	170	Post 2022		At cost
Others					193,513 m^2	193,513 m^2	133	679			
Controlled Projects					**1,088,113 m^2**	**1,055,485 m^2**	**678**	**5,049**		**8% target**	
SCS West Extension	Shopping Centre	Austria	Vienna	Extension/Renovation	7,125 m^2	7,125 m^2	0	68	H2 2022		At cost
Fisketorvet Extension	Shopping Centre	Denmark	Copenhagen	Extension/Renovation	15,693 m^2	15,693 m^2	4	178	Post 2022		At cost
Vitam	Shopping Centre	France	Neydens	Extension/Renovation	69,621 m^2	69,621 m^2	0	322	Post 2022		At cost
Others					71,040 m^2	71,040 m^2	12	344			
Secured Exclusivity Projects					**163,479 m^2**	**163,479 m^2**	**16**	**912**		**8% target**	
U-R Total Pipeline					1,592,236 m^2	1,559,608 m^2	1,337	7,889	8% target		
					Of which additionnal area	1,327,907 m^2					
					Of which redevelopped area	231,701 m^2					
Gropius	Shopping Centre	Germany	Berlin	Extension/Renovation	471 m^2	94 m^2	13	25	H2 2019		
Committed Projects					**471 m^2**	**94 m^2**	**13**	**25**		**8% target**	
Others[9]					105,424 m^2	52,712 m^2	5	182			
Controlled Projects					**105,424 m^2**	**52,712 m^2**	**5**	**182**		**8% target**	
U-R TOTAL PIPELINE – PROJECTS UNDER EQUITY METHOD					**105,895 M^2**	**52,806 M^2**	**18**	**207**		**8% TARGET**	

(1) *Figures subject to change according to the maturity of projects.*
(2) *Excluding financial costs and internal costs capitalized.*
(3) *Excluding financial costs and internal costs capitalized. The costs are discounted as at December 31, 2017.*
(4) *In the case of staged phases in a project, the date corresponds to the opening of the last phase.*
(5) *Annualized expected rents net of expenses divided by the TIC.*
(6) *Previously Issy Guynemer.*
(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 49,276 m^2 valued at fair value.*
(9) *Under confidentiality agreement.*
(10) *The yield on cost for committed retail projects stands at 7.1%.*

4.4. PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT DECEMBER 31, 2017

Unibail-Rodamco's EPRA triple Net Asset Value (NNNAV)[1] amounted to €200.50 per share as at December 31, 2017, an increase of +9.1%, or +€16.80, from €183.70 as at December 31, 2016. This increase of +€16.80 is the result of: (i) the value creation of +€26.24 per share representing the sum of: (a) the revaluation of property and intangible assets and capital gains on disposals of +€14.16 per share, (b) the Recurring Earnings Per Share of +€12.05, (c) foreign exchange movements and other items for -€0.90 per share, (d) the change of transfer taxes and deferred tax adjustments of +€0.78 per share, and (e) the accretive effect of the instruments giving access to Group's shares of +€0.15 per share; (ii) the impact of the payment of a total dividend of -€10.20 per share in March and July 2017; and (iii) the positive impact of the mark-to-market of debt and financial instruments of +€0.76 per share.

The Going Concern NAV[2] (GMV based), measuring the fair value on a long term, ongoing basis, came to €219.20 per share as at December 31, 2017, up by +8.8%, or +€17.70, compared to €201.50 as at December 31, 2016.

The Group's EPRA NAV per share increased by +7.9% to €211.00 as at December 31, 2017, compared to €195.60 as at December 31, 2016.

4.4.1. PROPERTY PORTFOLIO

Demand for real estate in 2017 remained at robust levels. Investment volumes in European commercial real estate[3] amounted to €265.0 Bn, an increase of +20% vs 2016. Excluding the United Kingdom, volumes increased by +16%. Retail investment volumes accounted for 19% of total volumes, of which shopping centres represented 35%.

In Continental Europe, volumes were underpinned by transactions in Central and Eastern Europe. The Czech Republic was the largest market, with Poland and Hungary registering healthy levels of investment as well. Demand for prime and core property assets remained high across all sectors. Scarcity of prime assets has caused investors to move up the risk curve and look at non-prime assets in secondary cities. Recent transactions indicate further yield compression. Based on these transactions and strong rental growth, appraisers lowered yields further.

Unibail-Rodamco's shopping centre portfolio GMV increased by +3.9% or +€1,055 Mn on a like-for-like basis compared to 2016. The growth in retail GMV was exclusively driven by the rental effect (+3.9%). Shopping centres attracting six million or more visits per annum, which represent 97% of the Group's retail portfolio[4], experienced a like-for-like growth in GMV of +4.1%, while GMV of those with ten million or more visits increased by +5.4%. The value of the Group's Central Europe shopping centre portfolio experienced the highest increase with +6.0% on a like-for-like basis, of which +6.3% driven by the rental effect. The like-for-like GMV growth of the Group's Spanish, French, Nordics, Austrian and German shopping centres was +5.2%, +4.1%, +4.1%, +3.8% and +2.9%, respectively, while The Netherlands saw a like-for-like GMV decline of -5.1%.

The value of the Group's office portfolio increased by +10.1% on a like-for-like basis, primarily (+6.5%) as a result of yield compression driven by reference transactions in Paris CBD and La Défense. Unibail-Rodamco's office portfolio in the Paris region saw a like-for-like GMV growth of +11.0%, of which +7.6% due to the yield effect.

The Convention & Exhibition portfolio value decreased by -2.4% on a like-for-like basis as a result of capex spent on the Porte de Versailles development project.

Unibail-Rodamco's asset portfolio, including transfer taxes, amounted to €43,057 Mn as at December 31, 2017, compared to €40,495 Mn as at 2016. On a like-for-like basis, the GMV of the Group's portfolio increased by +3.9% or +€1,307 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, estimates.
(4) In term of GMV as at December 31, 2017, including values of shares in assets accounted for using the equity method.

Asset portfolio valuation of UNIBAIL-RODAMCO (including transfer taxes)[1]	December 31, 2017		Like-for-like change net of investment - 2017[2]		December 31, 2016	
	€Mn	%	€Mn	%	€Mn	%
Shopping centres	35,408	82%	1,055	3.9%	33,082	82%
Offices	4,171	10%	303	10.1%	4,045	10%
Convention & Exhibition	3,063	7%	(68)	-2.4%	2,970	7%
Services	415	1%	18	4.4%	397	1%
TOTAL	**43,057**	**100%**	**1,307**	**3.9%**	**40,495**	**100%**

Figures may not add up due to rounding.

(1) Based on a full scope of consolidation, including transfer taxes and transaction costs (see 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 Center shopping centres in Germany, the Zlote Tarasy complex in Poland, Metropole Zlicin in the Czech Republic 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 €1,913 Mn as at December 31, 2017, compared to €1,708 Mn as at December 31, 2016.
The valuations take into account the negative cash flows related to rents paid on concessions or leaseholds, which are accounted for as financial debt on the consolidated balance sheet.
The portfolio does not include financial assets such as the €575 Mn of cash and cash equivalents on the Group's balance sheet as at December 31, 2017.
(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 2017. Changes in scope consist mainly of:
- acquisitions of retail units in Leidsenhage for the Mall of The Netherlands project, in La Valentine, in Toison d'Or, in La Part-Dieu and in Le Forum des Halles;
- acquisition of land in Hamburg for the Überseequartier project;
- acquisition of shares in a company holding Metropole Zlicin;
- acquisition of office units in Rosny;
- disposals of retail assets: L'Usine Roubaix, the Channel Outlet Store, Barnasud, Arninge Centrum, Eurostop Arlanda and Eurostop Örebro;
- disposal of a hotel: Eurostop Arlanda;
- disposal of an office asset: So Ouest Plaza;
- extensions of Centrum Chodov, Carré Sénart and Parly 2 and Wroclavia, delivered in 2017.
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 centralized 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/The Netherlands/Central Europe	49%
JLL	France/Germany/Nordics/Spain/Austria	41%
PwC	France/Germany	7%
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 capitalize the exit rent to determine an exit value.

Valuation scope

As at December 31, 2017, 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 residual level of risk, focusing notably on uncertainty remaining in construction and leasing.

IPUC were valued using a discounted cash flow or yield method approach in accordance with RICS and IVSC standards[(1)] as deemed appropriate by the independent appraiser. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The Parly 2 Cinema project, Gaîté Montparnasse hotel, Villeneuve 2 renovation and Versailles Chantiers Offices have been assessed at fair value for the first time as at December 31, 2017. The Shift project has been assessed at fair value since year-end 2016.

Refer to the table in the Section *"Development Projects as at December 31, 2017"* for an overview of valuation methods used for development projects.

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

- at cost for IPUC for which a reliable value could not yet be established. These include assets under development: Trinity, Vélizy 2 extension and renovation, Gaîté Montparnasse retail and office, Mall of The Netherlands, La Part-Dieu extension, 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 2017 that were not appraised.

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, except as noted above. This approach does not include the "portfolio value", which reflects the additional value of having a large group of unique assets in a single portfolio although it is certainly part of the appeal to the Group's shareholders.

Evolution of Unibail-Rodamco's shopping centre portfolio valuation

The value of Unibail-Rodamco's shopping centre portfolio grew from €33,082 Mn as at December 31, 2016, to €35,408 Mn as at December 31, 2017, including transfer taxes and transaction costs.

Valuation December 31, 2016 *(€Mn)*	33,082
Like-for-like revaluation	1,055
Revaluation of non like-for-like assets	280[(1)]
Revaluation of shares	113[(2)]
Capex/Acquisitions	1,156
Disposals	(236)[(3)]
Constant Currency Effect	(43)[(4)]
VALUATION DECEMBER 31, 2017 *(€MN)*	**35,408**

(1) Non like-for-like assets include IPUC valued at cost or at fair value, projects such as the Parly 2 Cinema and assets delivered in 2017 such as the extension of Centrum Chodov, Carré Sénart, Parly 2 and the Wroclavia brownfield project.
(2) Revaluation of the shares in companies holding the assets accounted for using the equity method.
(3) Value as at December 31, 2016.
(4) Currency impact of -€43 Mn mainly in the Nordics, before offsets from foreign currency loans and hedging programs.

Figures may not add up due to rounding.

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

Based on an asset value excluding estimated transfer taxes and transaction costs, the shopping centre division's net initial yield decreased to 4.3% as at December 31, 2017, from 4.4% as at December 31, 2016.

Shopping Centre portfolio by region - December 31, 2017	Valuation including transfer taxes *(in € Mn)*	Valuation excluding estimated transfer taxes *(in €Mn)*	**Net inital yield[(1)] December 31, 2017**	Net inital yield[(1)] December 31, 2016
France[(2)]	15,752	15,150	4.0%	4.1%
Central Europe[(3)]	5,063	5,020	4.9%	4.9%
Spain	3,764	3,685	4.7%	4.8%
Nordics	3,516	3,439	4.3%	4.4%
Germany	3,209	3,085	4.5%	4.5%
Austria	2,498	2,486	4.2%	4.3%
The Netherlands	1,607	1,528	5.0%	5.0%
TOTAL[(4)]	**35,408**	**34,393**	**4.3%**	**4.4%**

(1) Annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. 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 have no impact on the net initial yield as at December 31, 2017.
(3) Ring-Center is included in the Central Europe region.
(4) Valuation amounts include the Group's share equity investments in assets accounted for using the equity method.
Figures may not add up due to rounding.

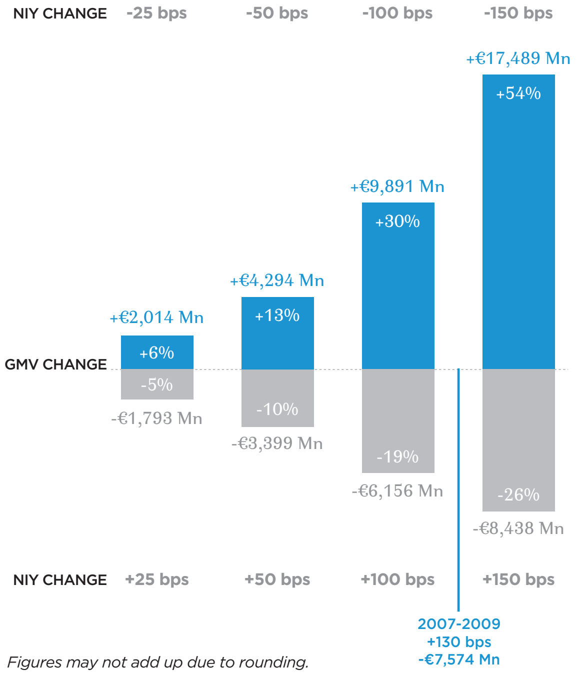
The following table shows the geographic split of the Group's retail assets:

	December 31, 2017		December 31, 2016	
Valuation of Shopping Centre portfolio (including transfer taxes)	*€Mn*	*%*	*€Mn*	*%*
France	15,752	44%	14,807	45%
Central Europe	5,063	14%	4,385	13%
Spain	3,764	11%	3,556	11%
Nordics	3,516	10%	3,490	11%
Germany	3,209	9%	2,908	9%
Austria	2,498	7%	2,356	7%
The Netherlands	1,607	5%	1,579	5%
TOTAL[(1)]	**35,408**	**100%**	**33,082**	**100%**

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

◆ *Sensitivity*

SENSITIVITY TO NET INITIAL YIELD CHANGE



Figures may not add up due to rounding.

A change of +25 basis points in net initial yield, the main output of the appraisal models, would result in a downward adjustment of -€1,793 Mn (or -5.5%) of the shopping centre portfolio value (excluding assets under development or accounted for using the equity method), including transfer taxes and transaction costs.

◆ *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, capitalized financial and leasing expenses and eviction costs, increased by +€1,055 Mn (or +3.9%). This increase was the result of the rent impact of +3.9%.

Shopping Centre - Like-for-like (Lfl) change[1] 2017	Lfl change *(in €Mn)*	Lfl change *(in %)*	Lfl change - Rent impact	Lfl change - Yield impact[2]
France	483	4.1%	2.3%	1.8%
Central Europe	166	6.0%	6.3%	-0.3%
Spain	175	5.2%	5.8%	-0.6%
Nordics	140	4.1%	5.8%	-1.7%
Germany	63	2.9%	2.5%	0.4%
Austria	90	3.8%	5.3%	-1.5%
The Netherlands	(62)	-5.1%	1.5%	-6.6%
TOTAL	**1,055**	**3.9%**	**3.9%**	**0.0%**

(1) Like-for-like change net of investments from December 31, 2016 to December 31, 2017, 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.
Figures may not add up due to rounding.

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

Shopping Centre - Like-for-like (Lfl) change by footfall category[1] 2017	Lfl change *(in €Mn)*	Lfl change *(in %)*	Lfl change - Rent impact	Lfl change - Yield impact[2]
6 Mn visits and above	1,074	4.1%	4.2%	-0.1%
Below 6 Mn visits	(19)	-2.9%	-5.3%	2.3%
TOTAL	**1,055**	**3.9%**	**3.9%**	**0.0%**

(1) Like-for-like change net of investments from December 31, 2016 to December 31, 2017, 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.
Figures may not add up due to rounding.

On a Like-for-like basis, the value of the shopping centres attracting 10 million or more visits per annum increased by +5.4% (+5.2% rent impact and +0.2% yield impact).

Since December 31, 2011, the increase in the quality of the Group's shopping centres has resulted in a +53.7% increase in value[1] per square meter, from €6,102 to €9,379 as at December 31, 2017. On a like-for-like basis[2], the net revaluation amounted to +41.4% of which +25.0% due to a rent effect and +16.4% due to yield compression.

◆ Office portfolio

◆ *Evolution of Unibail-Rodamco's Office portfolio valuation*

The value of the office portfolio increased to €4,171 Mn as at December 31, 2017 from €4,045 Mn as at December 31, 2016, including transfer taxes and transaction costs:

Valuation December 31, 2016 *(€Mn)*	4,045
Like-for-like revaluation	303
Revaluation of non like-for-like assets	115[1]
Revaluation of shares	7[2]
Capex/Acquisitions	101
Disposals	(398)[3]
Constant Currency Effect	(3)[4]
VALUATION DECEMBER 31, 2017 *(€MN)*	**4,171**

(1) Non like-for-like assets including investment properties under construction or refurbishment valued at cost or at fair value, including assets such as Shift, Gaîté Montparnasse office, Trinity and Versailles Chantiers as at December 31, 2017.
(2) Revaluation of the shares in Zlote Tarasy offices (Lumen and Skylight) accounted for using the equity method.
(3) Value as at December 31, 2016.
(4) Currency impact of -€3 Mn in the Nordics, before offsets from foreign currency loans and hedging programs.
Figures may not add up due to rounding.

(1) Gross Market Value per m² 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, 2017 (assets owned by the Group as of December 31, 2011 through December 31, 2017).

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

	December 31, 2017		December 31, 2016	
Valuation of Office portfolio (including transfer taxes)	€Mn	%	€Mn	%
France	3,738	90%	3,614	89%
Nordics	173	4%	190	5%
Other countries	260	6%	241	6%
TOTAL	**4,171**	**100%**	**4,045**	**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 fell by -23 bps to 5.6% as at December 31, 2017.

Valuation of occupied office space - December 31, 2017	Valuation including transfer taxes *(in €Mn)*(1)(2)	Valuation excluding estimated transfer taxes *(in €Mn)*(2)	Net inital yield(3) December 31, 2017	Net inital yield(4) December 31, 2016
France	3,295	3,203	5.5%	5.7%
Nordics	156	152	7.6%	7.5%
Other countries	240	238	5.9%	6.8%
TOTAL	**3,691**	**3,593**	**5.6%**	**5.8%**

(1) Valuation of occupied office space as at December 31, 2017, 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) Annualized 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, is not included in this calculation.
The 7 Adenauer office building (occupied by Unibail-Rodamco) is now included.
(4) Annualized 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.
Figures may not add up due to rounding.

◆ Sensitivity

A change of +25 basis points in net initial yield, the main output of the appraisal models, would result in a downward adjustment of -€146 Mn (-4.4%) 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 the office portfolio, including transfer taxes and transaction costs, and after accounting for the impact of works and capitalized financial and leasing expenses, increased by +€303 Mn (+10.1%) on a like-for-like basis, due to a rent effect of +3.7% and yield effect of +6.5%.

Offices - Like for Like (LxL) change(1) 2017	Like for Like change *(in €Mn)*	Like for Like change *(in %)*	LxL change - Rent impact	LxL change - Yield impact(2)
France	299	11.0%	3.4%	7.6%
Nordics	3	2.1%	8.5%	-6.5%
Other countries	1	0.6%	-0.3%	0.9%
TOTAL	**303**	**10.1%**	**3.7%**	**6.5%**

(1) Like-for-like change net of investments from December 31, 2016 to December 31, 2017. 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).
Figures may not add up due to rounding.

◆ French Office portfolio

The French office portfolio split by sector is the following:

	Valuation (including transfer taxes)	
French Office portfolio by sector - December 31, 2017	€Mn	%
La Défense	2,193	59%
Paris CBD & others	1,545	41%
TOTAL	**3,738**	**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 came to 5.5%, reflecting a -23 bps yield compression during 2017.

Valuation of French occupied office space - December 31, 2017	Valuation including transfer taxes *(in €Mn)*(1)	Valuation excluding estimated transfer taxes *(in €Mn)*	Net inital yield December 31, 2017(2)	Average price *(€/m²)*(3)
La Défense	2,151	2,093	6.1%	8,015
Paris CBD and others	1,144	1,110	4.4%	13,165
TOTAL	**3,295**	**3,203**	**5.5%**	**9,356**

(1) Valuation of occupied office space as at December 31, 2017, based on the appraiser's allocation of value between occupied and vacant spaces.
(2) Annualized contracted rent (including latest indexation) net of expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs.
(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 Issy and €15,000 for other areas.
Figures may not add up due to rounding.

◆ 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 capitalized cash flows over the last year, including the remaining capex to be spent on Porte de Versailles (€453 Mn).

The discounted cash flow methodology has been adopted for the CNIT Hilton, the Novotel Confluence and the Pullman Montparnasse hotels as at December 31, 2017.

◆ *Evolution of the Convention & Exhibition valuation*

The value of Convention & Exhibition centres and hotels, including transfer taxes and transaction costs, grew to €3,063 Mn(1) as at December 31, 2017:

Valuation as at December 31, 2016 *(€Mn)*	2,970(1)
Like-for-like revaluation	(68)
Revaluation of non like-for-like assets	(2)
Capex/Acquisitions	163
VALUATION AS AT DEC. 31, 2017 *(€ MN)*	**3,063(2)**

(1) Of which €2,747 Mn for Viparis (including Palais des Sports) and €223 Mn for hotels (including the hotel projects in Porte de Versailles). Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by Unibail-Rodamco, the valuation for Viparis (including Palais des Sports) was €2,555 Mn.
(2) Of which €2,783 Mn for Viparis (including Palais des Sports) and €280 Mn for hotels (including the hotel projects in Porte de Versailles). Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by Unibail-Rodamco, the valuation for Viparis (including Palais des Sports) is €2,624 Mn.
Figures may not add up due to rounding.

On a like-for-like basis, net of investments, the value of Convention & Exhibition properties and hotels is down -€68 Mn (-2.4%) compared to December 31, 2016.

	2017	
Convention & Exhibition - Like-for-like change net of investment	*€Mn*	*%*
Viparis and others(1)	(74)	-2.7%
Hotels	6	9.2%
TOTAL	**(68)**	**-2.4%**

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

Based on these valuations, the average EBITDA yield (recurring earnings before interest, tax, depreciation and amortization divided by the value of assets, excluding estimated transfer taxes and transaction costs) of Viparis's consolidated venues decreased by -8 basis points from December 31, 2016, to 5.3% as at December 31, 2017.

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

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 recognized at cost less any amortization charges and/or impairment losses booked.

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 - December 31, 2017	*€Mn*	*%*	*€Mn*	*%*
Shopping centres	35,408	82%	31,018	83%
Offices	4,171	10%	4,146	11%
Convention & Exhibition	3,063	7%	1,747	5%
Services	415	1%	329	1%
TOTAL	**43,057**	**100%**	**37,241**	**100%**

	Full scope consolidation		Group share	
Asset portfolio valuation - December 31, 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%**

Like-for-like change - net of Investments - 2017	*€Mn*	*%*	*€Mn*	*%*
Shopping centres	1,055	3.9%	919	3.9%
Offices	303	10.1%	302	10.2%
Convention & Exhibition	(68)	-2.4%	(48)	-3.1%
Services	18	4.4%	11	3.4%
TOTAL	**1,307**	**3.9%**	**1,184**	**4.1%**

Like-for-like change - net of Investments - 2017 - Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping centres	3.9%	0.0%	4.0%	-0.1%
Offices	3.7%	6.5%	3.7%	6.5%

Net Initial Yield	**December 31, 2017**	December 31, 2016	**December 31, 2017**	December 31, 2016
Shopping centres(1)	4.3%	4.4%	4.3%	4.4%
Offices - occupied space(2)	5.6%	5.8%	5.6%	5.9%

(1) Annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or held by companies accounted for using the equity method are not included in the calculation.

(2) Annualized 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, are not included in this calculation. The 7 Adenauer building was not included as at December 31, 2016 and is now included as at December 31, 2017.

Figures may not add up due to rounding.

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.

(1) EPRA Position Paper on IFRS 13 - Fair value measurement and illustrative disclosures, February 2013.

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*

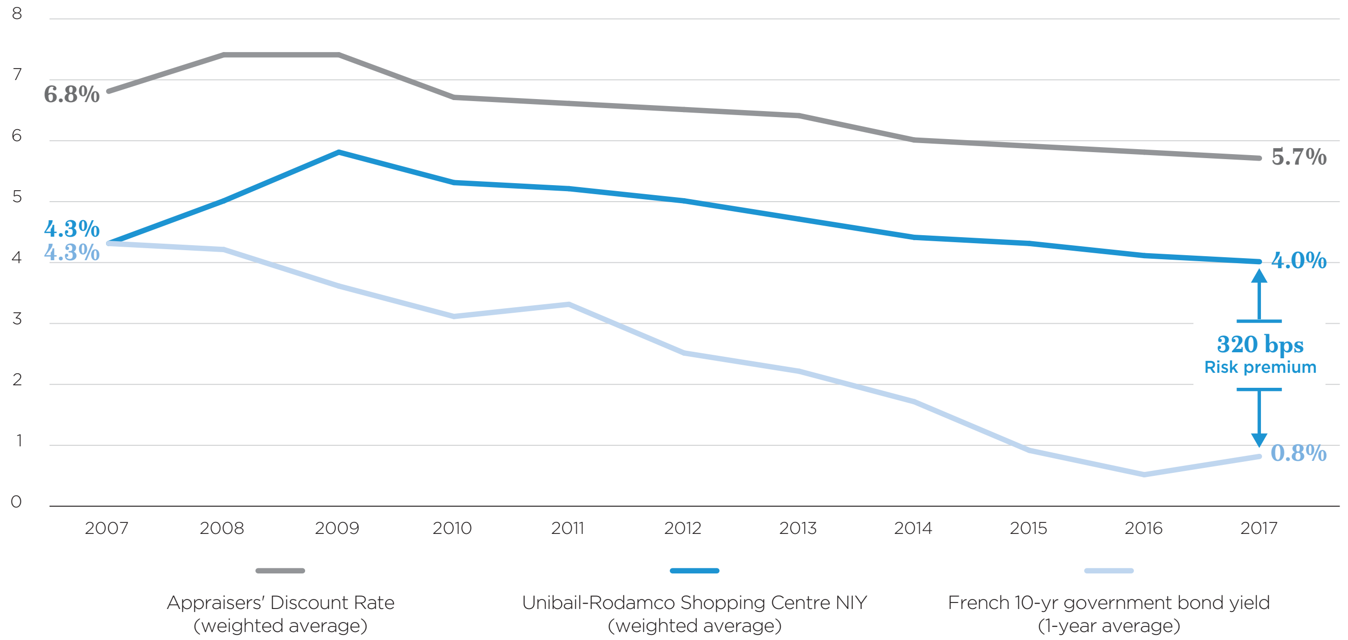
All shopping centres are valued using the discounted cash flow and/or yield methodologies.

Shopping Centres - December 31, 2017		Net initial yield	Rent in € per sqm[(1)]	Discount Rate[(2)]	Exit yield[(3)]	CAGR of NRI[(4)]
France	Max	7.7%	901	13.0%	9.0%	11.8%
	Min	2.0%	122	5.3%	3.5%	1.6%
	Weighted average	4.0%	537	5.7%	4.0%	4.2%
Central Europe	Max	6.8%	583	7.9%	7.6%	3.2%
	Min	4.7%	205	6.4%	4.7%	2.3%
	Weighted average	4.9%	416	6.7%	5.0%	2.5%
Spain	Max	8.2%	813	11.3%	7.0%	3.7%
	Min	4.0%	117	7.0%	4.2%	2.3%
	Weighted average	4.7%	320	7.5%	4.7%	3.3%
Nordics	Max	5.2%	488	8.7%	5.0%	5.3%
	Min	4.0%	201	6.5%	3.9%	2.9%
	Weighted average	4.3%	387	6.8%	4.2%	3.3%
Germany	Max	7.2%	471	8.0%	6.6%	4.1%
	Min	3.9%	252	5.9%	3.9%	2.4%
	Weighted average	4.5%	310	6.4%	4.5%	3.3%
Austria	Max	4.4%	395	6.2%	4.1%	3.0%
	Min	4.1%	377	6.1%	4.1%	2.7%
	Weighted average	4.2%	386	6.2%	4.1%	2.9%
The Netherlands	Max	8.6%	406	9.0%	8.8%	4.7%
	Min	4.4%	124	5.8%	4.2%	2.8%
	Weighted average	5.0%	256	6.3%	5.0%	3.3%

(1) Average annual rent (minimum guaranteed rent + sales based rent) per asset per m².
(2) Rate used to calculate the net present value of future cash flows.
(3) Rate used to capitalize 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).

Net initial yield, discount rate and exit yield weighted by GMV.

FRANCE SHOPPING CENTRES



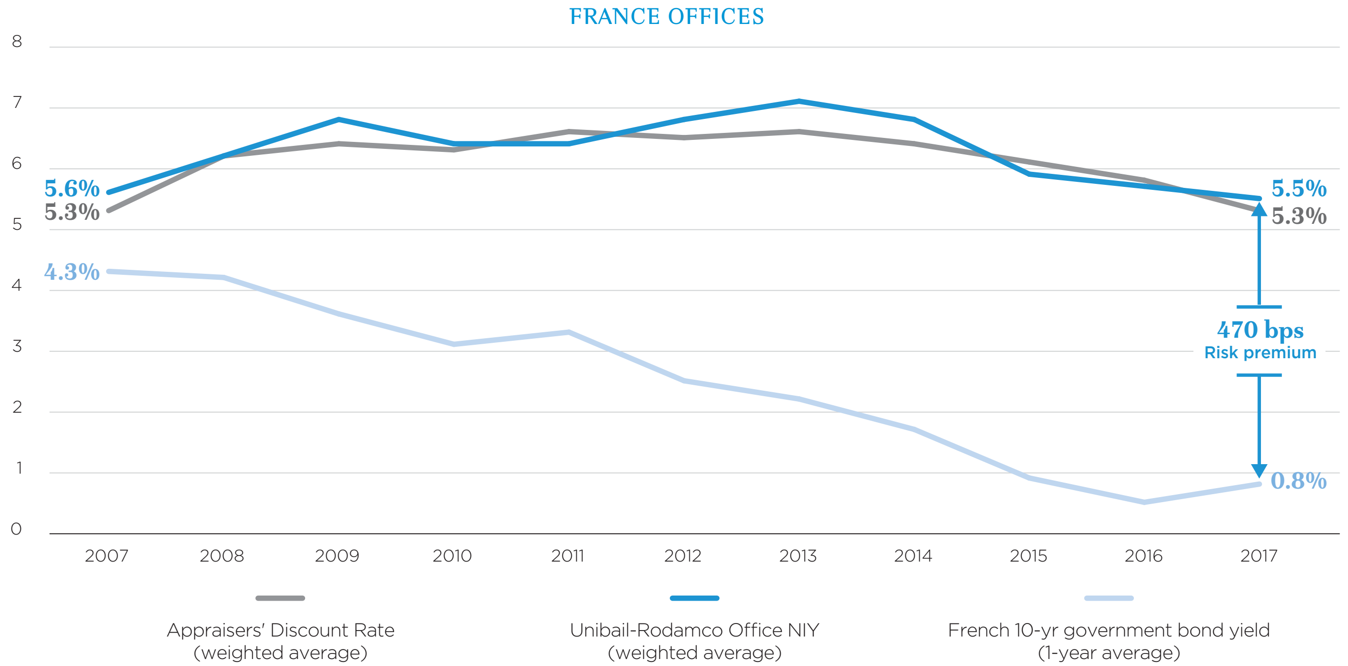
◆ *Offices*

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

Offices - December 31, 2017		Net initial yield on occupied space	Rent in € per sqm(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
France	Max	11.4%	734	9.5%	8.2%	2.4%
	Min	3.9%	106	4.2%	3.4%	-5.1%
	Weighted average	5.5%	502	5.3%	4.5%	0.2%
Nordics	Max	9.4%	219	9.4%	7.8%	2.6%
	Min	6.2%	108	7.1%	5.2%	1.4%
	Weighted average	7.6%	196	7.9%	6.3%	2.2%
Other countries	Max	11.7%	159	13.8%	9.8%	26.8%
	Min	2.7%	23	5.9%	4.1%	0.6%
	Weighted average	5.3%	114	7.4%	5.9%	11.1%

(1) Average annual rent (minimum guaranteed rent) per asset per m². 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 capitalize 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).

Net initial yield, discount rate and exit yield weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in this table.



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 shopping centre and office assets in France and the French government bond yields has widened materially, despite a recent increase in French government bond yields. This and their judgment on appropriate exit cap rates have led to wide yield differentials between the Group's French shopping centre and office assets relative to French government bond yields.

4.4.2. 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.

Consolidated shareholders' equity

As at December 31, 2017, consolidated shareholders' equity (Owners of the parent) came to €18,916.2 Mn.

Shareholders' equity (Owners of the parent) incorporated the net recurring profit of €1,202.1 Mn and the net positive impact of €1,237.4 Mn of fair value adjustments on property assets and financial instruments, as well as the capital gain on sales of properties.

Impact of rights giving access to share capital

Dilution from securities giving access to share capital as at December 31, 2017, was computed for such instruments "in the money" and having fulfilled the performance conditions.

The debt component of the ORAs[1], recognized 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, 2017, but only had a marginal impact on the NNNAV calculation and on the potential dilution (+263 shares) in the number of fully diluted shares outstanding as at December 31, 2017.

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, 2017, 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, 2017, would have led to a rise in the number of shares by +46,059, generating an increase in shareholders' equity of +€3 Mn.

As at December 31, 2017, the fully-diluted number of shares taken into account for the NNNAV calculation was 99,910,659.

Unrealized capital gains on intangible and operating assets

The appraisal of property service companies in France and Germany, 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 unrealized capital gain of +€406 Mn, which was added for the purpose of the NAV calculation.

Adjustment of deferred taxes on capital gains

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at December 31, 2017.

For the purpose of the EPRA NAV calculation, deferred taxes on unrealized capital gains on assets not qualifying for tax exemption (€1,776 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 €256 Mn.

For the calculation of the EPRA NNNAV, estimated taxes actually payable should a disposal take place (€823 Mn) were deducted.

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 (€232 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 (June 30, 2007). Taking fixed rate debt at its fair value would have had a negative impact of -€579 Mn. This impact was taken into account in the EPRA NNNAV calculation.

Restatement of transfer taxes and transaction costs

Transfer taxes and transaction costs are estimated after taking into account the disposal scenario minimizing 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, 2017, 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 €591 Mn.

EPRA Triple Net Asset Value

Unibail-Rodamco's EPRA NNNAV (Owners of the parent) stood at €20,035 Mn or €200.50 per share (fully-diluted) as at December 31, 2017.

The EPRA NNNAV per share increased by +2.7% (or +€5.20) compared to June 30, 2017 and increased by +9.1% (or +€16.80) compared to December 31, 2016.

The increase of +€16.80 compared to December 31, 2016 was the sum of: (i) the value creation of +€26.24 per share, (ii) the impact of the dividend paid in March and July 2017 of -€10.20, and (iii) the positive impact of the +€0.76 mark-to-market of the fixed-rate debt and derivatives.

4.4.3. 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 stood at €219.20 per share as at December 31, 2017, an increase of +€17.70 (+8.8%) compared to December 31, 2016.

This increase was the sum of: (i) the value creation of +€27.14 per share, (ii) the impact of the dividend paid in March and July 2017 of -€10.20, and (iii) the positive impact of the +€0.76 mark-to-market of the fixed-rate debt and derivatives.

(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.*

The following tables show the calculation presented in compliance with EPRA best practices recommendations. A bridge from December 31, 2016 to December 31, 2017 is also presented.

EPRA NNNAV calculation (All figures are Group share, *in €Mn*)	December 31, 2016		June 30, 2017		December 31, 2017	
	€Mn	*€/share*	*€Mn*	*€/share*	*€Mn*	*€/share*
Fully diluted number of shares		100,535,706		100,242,464		99,910,659
NAV per the financial statements	17,465		18,001		18,916	
Amounts owed to shareholders	0		510		0	
ORA and ORNANE	2		2		0	
Effect of exercise of options	191		74		3	
Diluted NAV	17,658		18,586		18,919	
Add						
Revaluation of intangible and operating assets	345		366		406	
Added back/deducted						
Fair value of financial instruments	253		265		232	
Deferred taxes on balance sheet	1,676		1,716		1,776	
Goodwill as a result of deferred taxes	-264		-264		-256	
EPRA NAV	**19,667**	**€195.60**	**20,669**	**€206.20**	**21,078**	**€211.00**
Fair value of financial instruments	-253		-265		-232	
Fair value of debt	-655		-559		-579	
Effective deferred taxes	-792		-810		-823	
Impact of transfer taxes estimation	505		544		591	
EPRA NNNAV	**18,472**	**€183.70**	**19,579**	**€195.30**	**20,035**	**€200.50**
% of change over 6 months		**5.3%**		**6.3%**		**2.7%**
% of change over 1 year		**8.1%**		**12.0%**		**9.1%**

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*)	December 31, 2016		June 30, 2017		December 31, 2017	
	€Mn	*€/share*	*€Mn*	*€/share*	*€Mn*	*€/share*
EPRA NNNAV	18,472		19,579		20,035	
Effective deferred capital gain taxes	792		810		823	
Estimated transfer taxes	998		1,021		1,040	
GOING CONCERN NAV	**20,263**	**€201.50**	**21,410**	**€213.60**	**21,898**	**€219.20**
% of change over 6 months		**5.1%**		**6.0%**		**2.6%**
% of change over 1 year		**7.9%**		**11.4%**		**8.8%**

The change in EPRA NNNAV and Going concern NAV between December 31, 2016 and December 31, 2017 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, 2016, per share (fully diluted)		**€183.70**	**€201.50**
Revaluation of property assets*		12.97	12.97
◆ Retail	10.27		
◆ Offices	3.60		
◆ Convention & Exhibition	(0.90)		
Revaluation of intangible and operating assets		0.45	0.45
Capital gain on disposals		0.74	0.74
Recurring Net Result		12.05	12.05
Distribution		(10.20)	(10.20)
Mark-to-market of debt and financial instruments		0.76	0.76
Variation in transfer taxes & deferred taxes adjustments		0.78	1.51
Variation in the fully diluted number of shares		0.15	0.27
Other (including foreign exchange difference)		(0.90)	(0.85)
AS AT DECEMBER 31, 2017, PER SHARE (FULLY DILUTED)		**€200.50**	**€219.20**

* *Revaluation of property assets is €9.87 per share on like-for-like basis, of which +€9.22 is due to rental effect and +€0.65 is due to yield effect.*

4.5. FINANCIAL RESOURCES

In 2017, markets mainly focused on elections (The Netherlands, France and Germany) and on the monetary policy of the European Central Bank and the US Federal Reserve Bank. Monetary policy became less accommodative with the ECB deciding to reduce its QE programme while extending it until at least September 2018, and the Fed deciding to increase its Fund rate in March, June and December.

In this context, Unibail-Rodamco raised €3,506 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, 2017:

- the Interest Coverage Ratio (ICR) was 6.7x (5.9x in 2016);
- the Loan to Value (LTV) ratio remained stable at 33%.

The average cost of debt decreased further to reach a new historic low of 1.4% for 2017 (1.6% for 2016).

The Group also proceeded to a share buy back, with 34,870 shares acquired for a total amount of €7.3 Mn, and cancelled these in October 2017.

4.5.1. DEBT STRUCTURE AS AT DECEMBER 31, 2017

Unibail-Rodamco's consolidated nominal financial debt as at December 31, 2017, increased to €14,864 Mn[(1)] from €13,819 Mn as at December 31, 2016.

Financial debt includes €1,000 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.

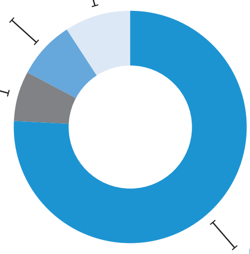
Debt breakdown

Unibail-Rodamco's nominal financial debt as at December 31, 2017, breaks down as follows[(2)]:

- €11,348 Mn in bonds under its Euro Medium Term Notes (EMTN);
- €1,000 Mn in ORNANE;
- €1,172 Mn in short term paper (*billets de trésorerie* and BMTN)[(3)];
- €1,343 Mn in bank loans, overdrafts and other including €350 Mn in unsecured corporate loans, €937 Mn in mortgage loans and €56 Mn of overdrafts and other.

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

The Group's debt remains well diversified with a predominant proportion of bond financing.



Funds raised

In 2017, the Group took advantage of favorable market windows to extend its maturity profile and secure attractive funding conditions through the following transactions:

- a new 20-year Euro bond with the lowest spread achieved by the Group for this maturity;
- new 11-year and 12-year benchmark Euro bonds;
- two new 5-year benchmark SEK bonds.

In total, medium-to long-term financing transactions completed in 2017 amounted to €3,506 Mn and include:

- the signing of €1,651 Mn medium-to long-term bank loan and credit facilities with an average maturity of 5.0 years and an average margin of 33 bps[(5)], including the first ever "green" credit facility signed in Europe.

  The margin of the "green" facility depends on the achievement by the Group of three CSR objectives part of the Group's strategy;
- five public EMTN bonds issued in February, May and June 2017 for a total amount of € 1,700 Mn with the following features:
  - €600 Mn with an 11-year maturity and a coupon of 1.5%,
  - €500 Mn with a 12-year maturity and a coupon of 1.5%,
  - €500 Mn with a 20-year maturity and a coupon 2.0%,
  - SEK 600 Mn, equivalent to €60 Mn, with a 5-year maturity and a coupon of 0.875%,
  - SEK 400 Mn Floating Rate Note (FRN), equivalent to €40 Mn, with a 5-year maturity and a spread of 80 bps above 3-months Stibor;

(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.
(4) Barring exceptional circumstances (change in control).
(5) Taking into account current rating and based on current utilization of these lines and the achievement of the Group's CSR targets set in the green line.

- the issue of two private placements under Unibail-Rodamco's EMTN program for a total equivalent amount of €155 Mn through two taps (€105 Mn and €50 Mn) of its outstanding 1.375% 2030 bond, increasing the size of the bond to €655 Mn.

In total, these bonds were issued at an average margin of 62 bps over mid-swaps for an average duration of ca. 14 years, vs 74 bps on average in 2016 for an average duration of 12 years.

In addition, Unibail-Rodamco accessed the money market by issuing short term paper (BMTN, *"billets de trésorerie"* and *"US Commercial Paper"* (USCP));

- the average amount of short term paper outstanding in 2017 was equivalent to €1,378 Mn (€1,252 Mn in 2016). This higher amount is due to an increase of the issuances in the first half of 2017 ahead of the French elections to secure additional liquidity;
- *Billets de trésorerie* were raised in 2017 at an average margin of 1 bp above Eonia(1) (vs an average of 8 bps above Eonia in 2016).

As at December 2017, the total amount of undrawn credit lines came to €6,203 Mn, and cash on-hand came to €575 Mn (€400 Mn as at December 31, 2016).

Bridge loan facility

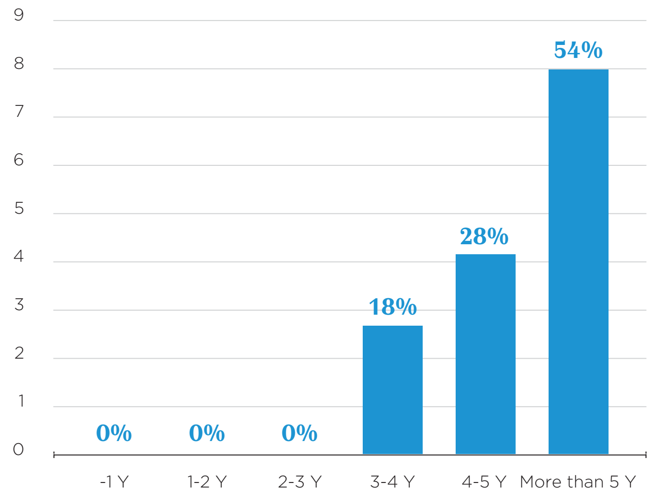
In the context of the Westfield acquisition, the Group obtained commitments from Deutsche Bank and Goldman Sachs to finance the cash component of the transaction (including costs) and potential debt refinancing needs. The €6.1 Bn credit facility was signed on January 12, 2018. It was syndicated to over 29 banks. The Group's banking partners received a total of €11.2 Bn of commitments.

Unibail-Rodamco expects to refinance the bridge facility through the issuance of €2.0 Bn of deeply subordinated perpetual hybrid securities and a combination of senior bond issuances and asset disposal proceeds.

Debt maturity

The following chart illustrates Unibail-Rodamco's debt as at December 31, 2017, 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.

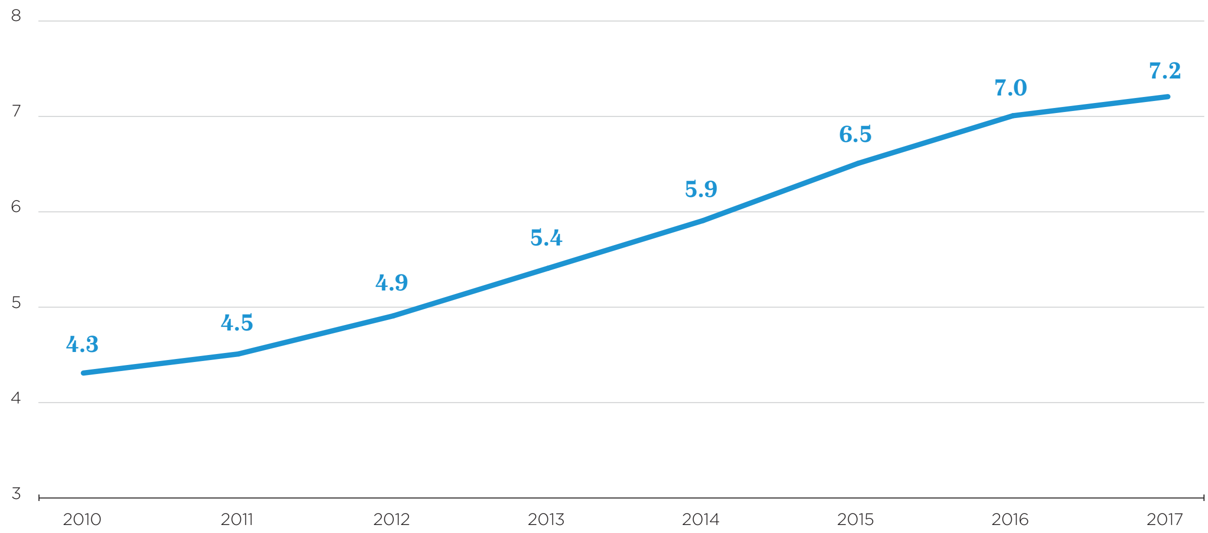
DEBT MATURITY € Bn



100% of the debt had a maturity of more than 3 years as at December 31, 2017 (after taking into account undrawn credit lines).

The average maturity of the Group's debt as at December 31, 2017, taking into account the unused credit lines increased to 7.2 years (7.0 years as at December 2016).

YEARS



(1) *The average Eonia rate in 2017 was -0.355%.*

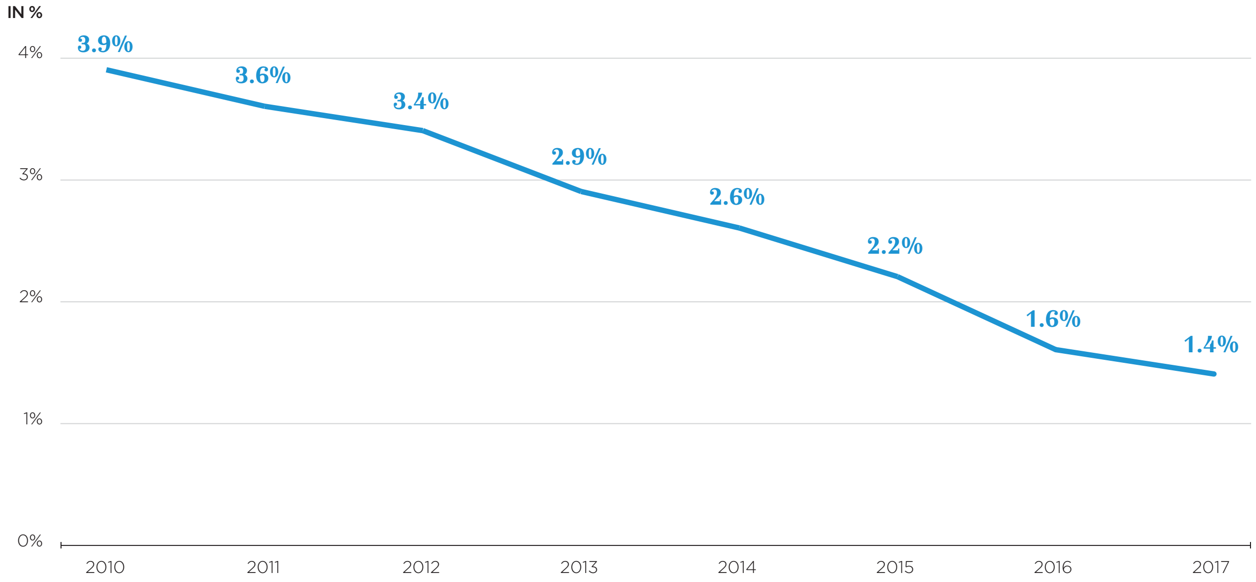
Liquidity needs

Unibail-Rodamco's debt repayment needs(1) for the next 12 months are covered by the available undrawn credit lines and cash on-hand. As at December 31, 2017, the amount of bonds and bank loans outstanding and maturing or amortising within a year was €1,024 Mn (including a total of €957 Mn of bonds maturing in August, September, October and December 2018) compared with €6,203 Mn of undrawn committed credit lines and €575 Mn of cash on-hand. In addition, to finance the Group's cash requirements for the Westfield transaction, it has entered into a €6.1 Bn credit facility in January 2018 (see Paragraph 1.3).

Average cost of Debt

Unibail-Rodamco's average cost of debt decreased to 1.4% for 2017 from 1.6% for 2016. This new record low average cost of debt results from:

- low coupon levels the Group achieved during the last years on its fixed rate debt;
- the level of margins on existing borrowings;
- the Group's active balance sheet management trough tender offer transactions;
- the hedging instruments in place;
- the cost of carry of the undrawn credit lines;
- the cost of placement of extra liquidity raised ahead of the French elections.



4.5.2. RATINGS

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

In June 2017, both S&P and Fitch confirmed the Group's "A" long term rating with stable outlook and "A-1" and "F1", respectively, for its short term rating.

Following the announcement of the Westfield acquisition, rating agencies published reports indicating the rating for the new Group after the closing.

On December 12, 2017, Standard & Poor's affirmed its long term rating "A" and its short-term rating "A-1", and maintained its stable outlook for the new Group.

On December 12, 2017, Fitch placed the Group's "A" long term rating on Rating Watch Negative. Upon completion of the Westfield transaction, Fitch will downgrade the Group's rating by one notch to "A-". Should the transaction not close, Fitch said it would remove the negative watch and keep the "A" rating.

The Group appointed Moody's as an additional rating agency in connection with the Westfield acquisition, Westfield being currently rated by Moody's. On December 13, 2017, Moody's assigned to the new Group a long term rating of "A2" with stable outlook, which would also apply in case the transaction were not completed.

4.5.3. MARKET RISK MANAGEMENT

Market risks can generate losses resulting from fluctuations in interest rates, exchange rates, raw material prices and share prices. Unibail-Rodamco's risk mainly relates 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 minimizing 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.

(1) Excluding Commercial Paper and BMTN maturing in 2018 (€1,172 Mn), overdrafts and other.

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 instruments at current market rates in the case of default. The Group implemented IFRS 13 for the mark-to-market calculations of its derivative instruments.

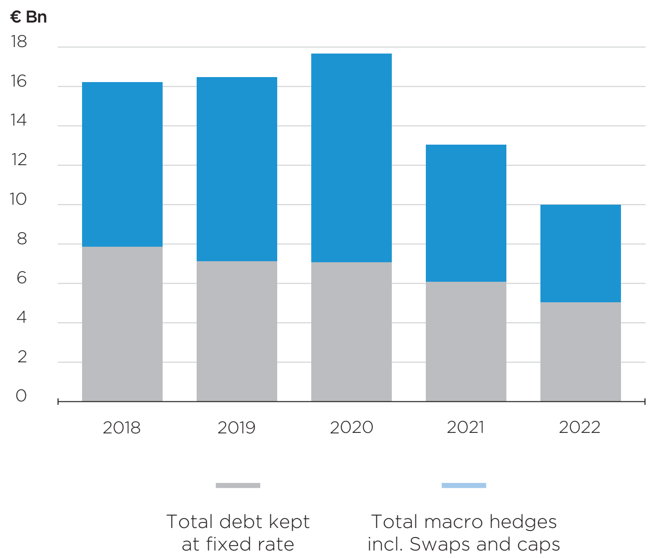
Interest rate risk management

In view of the Group's hedging program, the bonds issued at a fixed rate in 2017 were swapped back to variable rates, except the 20-year bond which was kept at fixed rate.

The Group also extended further its hedging programme and added caps for a total cost of €10 Mn.

In this context:

- the anticipated Group's debt is fully hedged until 2020 (excluding the debt to be raised to finance the Westfield acquisition);
- the anticipated Group's debt in 2021 and 2022 is hedged at circa 80% and 60%, respectively.



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 recognized in the Group's income statement.

Measuring interest rate exposure

As at December 31, 2017, net financial debt stood at €14,289 Mn (€13,419 Mn as at December 31, 2016), excluding partners' current accounts and after taking into account the cash surpluses of €575 Mn.

The outstanding debt was fully hedged against an increase in variable rates, based on debt outstanding as at December 31, 2017 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 2018, if interest rates (Euribor, Stibor or Pribor) were to rise by an average of +0.5%[1] (50 bps) during 2018, the estimated impact on financial expenses would be -€2.1 Mn, reducing the 2018 recurring net profit by a broadly similar amount. A further rise of +0.5% (50 bps) would reduce financial expenses by +€2.8 Mn. In total, a +1.0% (100 bps) increase in interest rates during 2018 would have a net positive impact on financial expenses of +€0.7 Mn. A -0.5% (50 bps) drop in interest rates (leading to further negative interest rates) would reduce the financial expenses by +€35.7 Mn and would increase the recurring net profit in 2018 by a broadly equivalent amount.

(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, 2017 of -0.329%.

Other risk management

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.

MEASURE OF THE EXPOSURE TO OTHER RISKS (€ MN)

Currency *(in € Mn)*	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
DKK	461	(69)	393	0	393
PLN	117	(0)	116	0	116
SEK	2,812	(1,029)	1,783	0	1,783
Others	47	(600)	(552)	600	47
TOTAL	**3,438**	**(1,698)**	**1,739**	**600**	**2,339**

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 -€163.8 Mn negative impact on shareholders' equity;
- the sensitivity of the 2018 recurring result[1] to a 10% change in the EUR/SEK exchange rate is limited to -€10.3 Mn.

The SEK 1,750 Mn credit line signed in December 2017 is undrawn as at December 31, 2017.

The Westfield Corporation acquisition

As the cash component of the transaction is denominated in USD and in view of the EUR/USD volatility, the Group hedged the EUR/USD foreign exchange risk on the transaction on the announcement date. The Group's USD requirements are fully hedged.

4.5.4. FINANCIAL STRUCTURE

As at December 31, 2017, the portfolio valuation (including transfer taxes) of Unibail-Rodamco amounted to €43,057 Mn.

Debt ratio

As at December 31, 2017, the Loan-to-Value (LTV) ratio amounted to 33%, stable compared to year-end 2016.

Interest coverage ratio

The Interest Coverage Ratio (ICR) improved to 6.7x for 2017 as a result of strong rental growth and the lower cost of debt.

Financial ratios	**December 31, 2017**	December 31, 2016
LTV[1]	33%	33%
ICR[2]	6.7x	5.9x

(1) Loan-to-Value (LTV) = Net financial debt/total portfolio valuation including transfer taxes. Total Portfolio valuation includes consolidated portfolio valuation (€43,057 Mn as at December 31, 2017 versus €40,495 Mn as at December 31, 2016). 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.

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

As at December 31, 2017, 95% 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 (such as LTV or ICR) in the EMTN, CP or 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 9.8438.

4.6. EPRA PERFORMANCE MEASURES

In compliance with the EPRA[1] best practices recommendations[2], Unibail-Rodamco summarises below the Key Performance Measures over 2017.

4.6.1. EPRA EARNINGS

EPRA earnings are defined as "recurring earnings from core operational activities", and are equal to the Group's definition of recurring earnings.

	2017	2016
EPRA Earnings *(in €Mn)*	1,202.1	1,114.2
EPRA Earnings/share *(€/share)*	12.05	11.24
Growth EPRA Earnings/share *(%)*	7.2%	7.5%

Bridge between Earnings per IFRS Income Statement and EPRA Recurring Earnings:

	2017	2016
Earnings per IFRS income statement (Group share)	**2,439.5**	**2,409.0**
Adjustments to calculate EPRA Recurring Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	1,364.4	2,005.8
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	73.8	96.2
(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	(12.8)	(2.0)
(v) Negative goodwill/goodwill impairment	(9.2)	0.0
(vi) Changes in fair value of financial instruments and associated close-out costs	(0.9)	(240.4)
(vii) Acquisition costs on share deals and non-controlling joint venture interests	(62.4)	(1.3)
(viii) Deferred tax in respect of EPRA adjustments	(43.7)	(270.1)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	34.1	(62.4)
(x) Non-controlling interests in respect of the above	(106.0)	(231.0)
EPRA Recurring Earnings	**1,202.1**	**1,114.2**
Average number of shares and ORA	99,752,597	99,160,738
EPRA Recurring Earnings per Share (EPS)	**€12.05**	**€11.24**
EPRA Recurring Earnings per Share growth	**7.2%**	**7.5%**

4.6.2. 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.

	December 31, 2017	December 31, 2016
EPRA NAV *(€/share)*	211.00	195.60
EPRA NNNAV *(€/share)*	200.50	183.70
% change over 1 year *(%)*	9.1%	8.1%

(1) EPRA: European Public Real estate Association.
(2) Best Practices Recommendations. See www.epra.com.

4.6.3. 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:

	December 31, 2017		December 31, 2016	
	Retail(3)	Offices(3)	Retail(3)	Offices(3)
Unibail-Rodamco yields	**4.3%**	**5.6%**	**4.4%**	**5.8%**
Effect of vacant units	0.0%	-0.1%	0.0%	-1.0%
Effect of EPRA adjustments on NRI	0.1%	0.0%	0.1%	0.0%
Effect of estimated transfer taxes and transaction costs	-0.1%	-0.2%	-0.1%	-0.2%
EPRA topped-up yields(1)	**4.3%**	**5.3%**	**4.3%**	**4.7%**
Effect of lease incentives	-0.1%	-1.9%	-0.2%	-2.1%
EPRA Net Initial Yield(2)	**4.1%**	**3.4%**	**4.2%**	**2.6%**

(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.

4.6.4. 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).

	December 31, 2017	December 31, 2016
Retail		
France	2.8%	2.8%
Central Europe	0.4%	0.1%
Spain	1.0%	1.0%
Nordics	4.2%	3.3%
Austria	1.0%	1.2%
Germany	2.6%	2.2%
Netherlands	6.5%	6.0%
TOTAL RETAIL	**2.4%**	**2.3%**
Offices		
France	3.3%	13.4%
TOTAL OFFICES	**4.6%**	**13.1%**

4.6.5. EPRA COST RATIOS

EPRA references		2017	2016
	Include:		
(i-1)	General expenses	(119.5)	(119.0)
(i-2)	Development expenses	(3.6)	(5.9)
(i-3)	Operating expenses	(111.6)	(109.3)
(ii)	Net service charge costs/fees	(22.8)	(29.2)
(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	(10.0)	(14.7)
	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	23.3	21.8
	EPRA Costs (including direct vacancy costs) (A)	**(244.2)**	**(256.3)**
(ix)	Direct vacancy costs	(22.8)	(29.2)
	EPRA Costs (excluding direct vacancy costs) (B)	**(221.4)**	**(227.1)**
(x)	Gross Rental Income (GRI) less ground rents	1,633.8	1,577.8
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	(23.3)	(21.8)
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	113.2	111.2
	Gross Rental Income (C)	**1,723.7**	**1,667.1**
	EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	**14.2%**	**15.4%**
	EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	**12.8%**	**13.6%**

The calculation is based on the EPRA recommendations and is applied on Shopping Centres and Offices sectors.

4.6.6. CAPITAL EXPENDITURE

	2017		2016	
(in €Mn)	100%	Group Share	100%	Group Share
Acquisitions(1)	67.2	62.9	146.7	98.6
Development(2)	472.3	465.7	367.2	356.7
Like-for-like portfolio(3)	627.0	524.9	663.9	541.1
Other(4)	188.8	169.9	175.0	139.7
TOTAL CAPITAL EXPENDITURE	**1,355.3**	**1,223.4**	**1,352.7**	**1,136.1**

(1) In 2017, includes mainly the acquisitions of plots related to Parquesur, Le Forum des Halles and to the Mall of The Netherlands project.
(2) In 2017, includes mainly the capital expenditures related to investments in the Carré Sénart and Centrum Chodov extension projects and to the Trinity, Wroclavia and Überseequartier new development projects.
(3) In 2017, includes mainly the capital expenditures related to Viparis Porte de Versailles, Donau Zentrum, Le Forum des Halles, Glòries 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 €84.2 Mn, €15.9 Mn, €27.0 Mn and €42.8 Mn in 2017, respectively (amounts in group share).

4.6.7. LTV RECONCILIATION WITH B/S

(in €Mn)	December 31, 2017	December 31, 2016
Amounts accounted for in B/S	**41,348.5**	**39,078.1**
Investment properties at fair value	37,181.5	35,426.9
Investment properties at cost	1,342.8	954.0
Other tangible assets	216.3	219.8
Goodwill	522.4	539.9
Intangible assets	172.2	229.4
Shares and investments in companies under the equity method	1,913.3	1,708.2
Properties or shares held for sale	0.0	0.0
Adjustments	**1,708.5**	**1,416.9**
Transfer taxes	1,947.5	1,804.9
Goodwill	(389.2)	(397.5)
Revaluation intangible and operating assets	548.5	441.7
IFRS restatements, including	(398.4)	(432.1)
Financial leases	*(355.2)*	*(361.6)*
Other	*(43.2)*	*(70.5)*
Total assets, including Transfer Taxes (= A)	**43,057.0**	**40,495.1**
Total assets, excluding Transfer Taxes (= B)	**41,109.4**	**38,690.2**
Amounts accounted for in B/S		
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,020.8	1,049.4
Long-term bonds and borrowings	12,889.6	12,223.7
Current borrowings and amounts due to credit institutions	2,301.6	2,005.6
Total financial liabilities	**16,212.0**	**15,278.7**
Adjustments		
Mark-to-market of debt	(20.5)	(41.8)
Current accounts with non-controlling interests	(1,248.4)	(1,274.3)
Impacts of derivatives instruments on debt raised in foreign currency	(30.2)	(99.5)
Accrued interest/issue fees	(48.9)	(44.0)
Total financial liabilities (nominal value)	**14,864.0**	**13,819.1**
Cash & cash equivalents	(574.7)	(400.1)
NET FINANCIAL DEBT (= C)	**14,289.3**	**13,418.9**
LTV ratio including Transfer Taxes (= C/A)	**33%**	**33%**
LTV ratio excluding Transfer Taxes (= C/B)	**35%**	**35%**

4.7. MAJOR CONTRACTS

On December 12, 2017, Unibail-Rodamco SE and Westfield had entered into an Implementation Agreement in which Unibail-Rodamco SE announces his intention to acquire Westfield. The Implementation Agreement provided that, subject to completion of certain employee consultation procedures required under applicable law and certain other customary conditions, Unibail-Rodamco SE will acquire Westfield for shares and cash *via* Australian company and trust schemes of arrangement. The Implementation Agreement is available on the website of the Company.

In the context of the Westfield acquisition, a credit facility was signed on January 12, 2018 (for more information, see Section 4.5.1 Debt structure as at December 31, 2017 - Bridge loan facility).

5.

FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

On January 29, 2018, the Management Board approved the consolidated financial statements of Unibail-Rodamco SE for the year ended December 31, 2017 and authorised their publication.

These consolidated financial statements will be submitted to the approval of the Annual General Meeting expected to be in May 2018.

5.1. CONSOLIDATED FINANCIAL STATEMENTS

The financial statements are presented in millions of euros, rounded to the nearest hundred thousand and, as a result, slight differences between rounded figures may exist.

5.1.1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€Mn)	Notes	2017	2016
Gross rental income	4.3.1	1,822.3	1,770.3
Ground rents paid	4.3.2	(18.1)	(17.4)
Net service charge expenses	4.3.2	(22.8)	(29.2)
Property operating expenses	4.3.2	(198.7)	(195.2)
Net rental income		**1,582.6**	**1,528.5**
Corporate expenses		(117.3)	(116.8)
Development expenses		(3.6)	(5.9)
Depreciation of other tangible assets		(2.2)	(2.2)
Administrative expenses	**4.3.4**	**(123.1)**	**(124.9)**
Acquisition and related costs	**4.3.5**	**(62.4)**	**(1.3)**
Revenues from other activities		256.1	261.3
Other expenses		(176.3)	(175.1)
Net other income	**4.3.3**	**79.8**	**86.2**
Proceeds from disposal of investment properties		592.5	973.9
Carrying value of investment properties sold		(518.7)	(882.7)
Result on disposal of investment properties	**5.6**	**73.8**	**91.2**
Proceeds from disposal of shares		27.3	25.9
Carrying value of disposed shares		(27.3)	(20.9)
Result on disposal of shares	**3.3.2**	**0.0**	**5.0**
Valuation gains on assets		1,770.0	2,244.0
Valuation losses on assets		(405.6)	(238.2)
Valuation movements on assets	**5.5**	**1,364.4**	**2,005.8**
Impairment of goodwill/Negative goodwill	**5.4**	**(9.2)**	**-**
NET OPERATING RESULT BEFORE FINANCING COST		**2,906.0**	**3,590.5**
Result from non-consolidated companies		0.9	0.4
Financial income		*119.5*	*88.8*
Financial expenses		*(347.5)*	*(343.7)*
Net financing costs	7.2.1	(228.0)	(254.9)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	7.2.2/7.3.4	21.1	37.0
Fair value adjustments of derivatives and debt	7.2.2/7.4.2	(21.3)	(276.8)
Debt discounting	7.2.2	(0.7)	(0.6)
Share of the result of companies under the equity method	6.3	91.6	(13.3)
Income on financial assets	6.3	27.0	18.3
RESULT BEFORE TAX		**2,796.7**	**3,100.6**
Income tax expenses	8.2	(74.2)	(283.2)
NET RESULT FOR THE PERIOD		**2,722.5**	**2,817.4**
Non-controlling interests	3.4.2	283.0	408.4
NET RESULT (OWNERS OF THE PARENT)		**2,439.5**	**2,409.0**
Average number of shares (undiluted)	11.2	99,744,934	99,153,052
Net result for the period (Owners of the parent)		2,439.5	2,409.0
Net result for the period per share (Owners of the parent) (€)		**24.5**	**24.3**
Net result for the period restated (Owners of the parent)*	11.2	2,418.4	2,372.0
Average number of shares (diluted)	11.2	103,155,132	102,762,477
Diluted net result per share (Owners of the parent) (€)		**23.4**	**23.1**

* *The impact of the fair value of the ORNANE and the related financial expenses are restated from the net result of the period if it has a dilutive impact.*

Net comprehensive income *(€Mn)*	Notes	**2017**	2016
NET RESULT FOR THE PERIOD		**2,722.5**	**2,817.4**
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries		(16.9)	(130.0)
Cash flow hedge		-	0.7
Revaluation of shares available for sale		-	(0.4)
Other comprehensive income which can be reclassified to profit or loss		**(16.9)**	**(129.7)**
Employee benefits – will not be reclassified into profit or loss		**0.2**	**-**
Other comprehensive income		**(16.7)**	**(129.7)**
NET COMPREHENSIVE INCOME		**2,705.8**	**2,687.7**
Non-controlling interests		283.1	408.4
NET COMPREHENSIVE INCOME (OWNERS OF THE PARENT)		**2,422.7**	**2,279.3**

5.1.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€Mn)	Notes	12/31/2017	12/31/2016
Non current assets		**41,650.8**	**39,509.3**
Investment properties	**5.1**	**38,524.3**	**36,380.9**
Investment properties at fair value		*37,181.5*	*35,426.9*
Investment properties at cost		*1,342.8*	*954.0*
Other tangible assets	5.2	216.3	219.8
Goodwill	5.4	522.4	539.9
Intangible assets	5.3	172.2	229.4
Loans and receivables	7.3.1	76.8	113.3
Financial assets		30.8	25.1
Deferred tax assets	8.3	21.9	24.0
Derivatives at fair value	7.4.2	172.8	268.8
Shares and investments in companies under the equity method	6.2	1,913.3	1,708.2
Current assets		**1,590.2**	**1,235.8**
Derivatives at fair value	**7.4.2**	**57.9**	**-**
Trade receivables from activity		**416.5**	**369.0**
Other trade receivables		**541.1**	**466.6**
Tax receivables	4.2	216.2	217.7
Other receivables	7.3.1	251.6	136.4
Prepaid expenses		73.3	112.5
Cash and cash equivalents	**7.3.9**	**574.7**	**400.1**
Available for sale investments		297.9	38.2
Cash		276.8	362.0
TOTAL ASSETS		**43,241.0**	**40,745.0**
Shareholders' equity (Owners of the parent)		**18,916.2**	**17,465.3**
Share capital		499.3	497.0
Additional paid-in capital		6,470.7	6,402.3
Bonds redeemable for shares		1.1	1.2
Consolidated reserves		9,715.9	8,349.3
Hedging and foreign currency translation reserves		(210.3)	(193.4)
Consolidated result		2,439.5	2,409.0
Non-controlling interests		**3,777.0**	**3,554.4**
TOTAL SHAREHOLDERS' EQUITY		**22,693.2**	**21,019.7**
Non current liabilities		**16,851.6**	**16,209.9**
Long-term commitment to purchase non-controlling interests	3.4.1	-	40.9
Net share settled bonds convertible into new and/or existing shares (ORNANE)	7.3.3/7.3.4	1,020.5	1,049.4
Long-term bonds and borrowings	7.3.3	12,889.6	12,223.7
Long-term financial leases	7.3.3	353.2	355.4
Derivatives at fair value	7.4.2	315.8	327.9
Deferred tax liabilities	8.3	1,752.5	1,690.2
Long-term provisions	9	30.5	33.6
Employee benefits	10.3.1	9.3	9.2
Guarantee deposits		223.9	208.1
Tax liabilities		0.1	0.1
Amounts due on investments		256.2	271.4
Current liabilities		**3,696.2**	**3,515.4**
Current commitment to purchase non-controlling interests	**3.4.1**	**7.0**	**-**
Amounts due to suppliers and other current debt		**1,161.6**	**1,314.3**
Amounts due to suppliers		187.5	150.4
Amounts due on investments	**1**	425.9	326.5
Sundry creditors	**6.6**	340.5	625.0
Other liabilities		207.7	212.3
Current borrowings and amounts due to credit institutions	**7.3.3**	**2,301.9**	**2,005.6**
Current financial leases	**7.3.3**	**2.0**	**6.1**
Tax and social security liabilities		**210.5**	**179.1**
Short-term provisions	**9**	**13.2**	**10.3**
TOTAL LIABILITIES AND EQUITY		**43,241.0**	**40,745.0**

5.1.3. CONSOLIDATED STATEMENT OF CASH FLOWS

(€Mn)	Notes	2017	2016
OPERATING ACTIVITIES			
Net result		**2,722.5**	**2,817.4**
Depreciation & provisions(1)		(7.9)	(0.1)
Impairment of goodwill/Negative goodwill		9.2	-
Changes in value of property assets		(1,364.4)	(2,005.8)
Changes in value of financial instruments		0.2	239.8
Discounting income/charges		0.7	0.6
Charges and income relating to stock options and similar items		9.2	9.8
Net capital gains/losses on disposal of shares		0.0	(5.0)
Net capital gains/losses on sales of properties(2)		(73.8)	(91.2)
Share of the result of companies under the equity method		(91.6)	13.3
Income on financial assets		(27.0)	(18.3)
Dividend income from non-consolidated companies		(0.1)	(0.4)
Net financing costs	7.2.1	228.0	254.9
Income tax charge		74.2	283.2
Cash flow before net financing costs and tax		**1,479.2**	**1,498.2**
Income on financial assets		27.0	18.3
Dividend income and result from companies under equity method or non consolidated		5.3	7.4
Income tax paid		(25.5)	(12.6)
Change in working capital requirement		0.5	46.7
TOTAL CASH FLOW FROM OPERATING ACTIVITIES		**1,486.5**	**1,558.0**
INVESTMENT ACTIVITIES			
Property activities		**(1,017.2)**	**(377.5)**
Acquisition of consolidated shares	3.3.1	(85.1)	(13.6)
Amounts paid for works and acquisition of property assets	5.6	(1,368.2)	(1,343.7)
Exit tax payment		-	(0.1)
Repayment of property financing		23.2	54.4
Increase of property financing	6.6	(300.6)	(29.4)
Disposal of shares/consolidated subsidiaries	3.3.2	121.0	31.6
Disposal of investment properties	5.6	592.5	923.3
Financial activities		**(7.7)**	**(9.5)**
Acquisition of financial assets		(10.0)	(11.3)
Disposal of financial assets		2.5	1.7
Change in financial assets		(0.2)	0.1
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES		**(1,024.9)**	**(386.9)**
FINANCING ACTIVITIES			
Capital increase of parent company		77.9	95.4
Purchase of own shares		(7.3)	-
Change in capital from companies with non controlling shareholders		2.2	0.1
Distribution paid to parent company shareholders	11.3	(1,018.3)	(963.1)
Dividends paid to non-controlling shareholders of consolidated companies		(66.2)	(54.8)
New borrowings and financial liabilities		1,941.4	2,519.0
Repayment of borrowings and financial liabilities		(990.1)	(2,311.9)
Financial income	7.2.1	95.9	82.3
Financial expenses	7.2.1	(318.8)	(336.3)
Other financing activities	7.3.7	(10.1)	(114.1)
TOTAL CASH FLOW FROM FINANCING ACTIVITIES		**(293.4)**	**(1,083.4)**
Change in cash and cash equivalents during the period		**168.2**	**87.8**
Cash at the beginning of the year		**396.0**	**320.1**
Effect of exchange rate fluctuations on cash held		**1.5**	**(11.9)**
CASH AT PERIOD-END	**7.3.9**	**565.7**	**396.0**

(1) Includes straightlining of key money and lease incentives.
(2) Includes capital gains/losses on property sales, disposals of short term investment properties and disposals of operating assets.

5.1.4. 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*	Total Owners of the parent	Non-controlling interests	Total Shareholders' equity
Equity as at 12/31/2015	**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 12/31/2016	**497.0**	**6,402.3**	**1.2**	**8,349.3**	**2,409.0**	**(193.4)**	**17,465.3**	**3,554.4**	**21,019.7**
Profit or loss of the period	-	-	-	-	2,439.5	-	2,439.5	283.0	2,722.5
Other comprehensive income	-	-	-	0.1	-	(16.9)	(16.8)	0.1	(16.7)
Net comprehensive income	**-**	**-**	**-**	**0.1**	**2,439.5**	**(16.9)**	**2,422.7**	**283.1**	**2,705.8**
Earnings appropriation	-	-	-	2,409.0	(2,409.0)	-	-	-	-
Dividends related to 2016	-	-	-	(1,018.3)	-	-	(1,018.3)	(66.2)	(1,084.5)
Stock options and Company Savings Plan	2.5	75.5	-	-	-	-	78.0	-	78.0
Conversion of Bonds Redeemable for Shares	0.0	0.0	(0.1)	-	-	-	(0.1)	-	(0.1)
Cancellation of treasury shares	(0.2)	(7.1)					(7.3)		(7.3)
Share based payment	-	-	-	9.2	-	-	9.2	-	9.2
Transactions with non-controlling interests	-	-	-	(33.4)	-	-	(33.4)	3.5	(29.9)
Changes in scope of consolidation and other movements	-	-	-	0.1	-	-	0.1	2.2	2.3
EQUITY AS AT 12/31/2017	**499.3**	**6,470.7**	**1.1**	**9,715.9**	**2,439.5**	**(210.3)**	**18,916.2**	**3,777.0**	**22,693.2**

* *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.*

5.2. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ◆ SIGNIFICANT EVENTS OF THE YEAR

The activity of the Group is not significantly affected by seasonality.

Westfield Corporation acquisition

On December 12, 2017, Unibail-Rodamco announced it had entered into an agreement to acquire Westfield Corporation. Since the announcement, Unibail-Rodamco has obtained the unanimous positive opinions of its works councils, in accordance with Clause 2 of the Implementation Agreement dated December 12, 2017. The transaction remains subject to the conditions precedent described in the Implementation Agreement.

Acquisitions

The main acquisitions since December 31, 2016 were:

- on October 23, 2017, the creation of a joint venture with Commerz Real pursuant to which the Group acquired 50% of the shopping centre Metropole Zlicin, located in Prague. CGI Metropole is considered as a joint control company, and is accounted for using the equity method;
- on December 29, 2017, the Group acquired a 45% stake in the companies holding the shopping centre Polygone Riviera from its joint-venture partner. As at December 31, 2017, the Group owned a 95% interest in this asset. On January 4, 2018, the Group acquired the remaining 5% stake in the asset.
  The acquisition price was paid early January 2018 and is classified under "Amounts due on investments" in the consolidated statement of financial position.
  This acquisition is considered as an equity transaction under IFRS 3, and the impact is recorded in net equity.

Disposals

The main disposals since December 31, 2016 were:

Asset deals:

- on October 2, 2017, the disposal of the So Ouest Plaza office building;
- on November 8, 2017, the disposal of Barnasud;
- on December 22, 2017, the disposal of the Channel Outlet Store and L'Usine Roubaix.

Share deals:

- the disposal of a number of non-core assets in Sweden, including Eurostop Arlanda, Arninge Centrum and Eurostop Örebro.

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, 2017 under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at this date.

These can be consulted on the website:

http://ec.europa.eu/finance/company-reporting/ifrs-financial statements/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, 2016, except for the application of the new obligatory standards and interpretations described below.

Standards, amendments and interpretations effective as of January 1, 2017

- IAS 7 A: Disclosure Initiative.
- IAS 12 A: Recognition of Deferred Tax Assets for Unrealised Losses.

These standards and amendments do not have a significant impact on the Group's accounts as at December 31, 2017.

Standards, amendments and interpretations not mandatorily applicable as of January 1, 2017

The following norms and amendments have been adopted by the European Union as at December 31, 2017 but not applied in advance by the Group:

- IFRS 4 A: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;
- IFRS 16: Leases;
- IFRS 9: Financial instruments;
- IFRS 15: Revenue from contracts with customers;
- Clarifications to 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 17: Insurance Contracts;
- IFRIC 22: Foreign Currency Transactions and Advance Consideration;
- IFRIC 23: Uncertainty over Income Tax Treatments;
- IFRS 2 A: Classification and Measurement of share-based Payment Transactions;

- Improvements to IFRS (2014-2016 cycle);
- IAS 40 A: Transfers of Investment Property;
- IFRS 9 A: Prepayment Features with Negative Compensation;
- IAS 28 A: Long-term Interests in Associates and Joint Ventures;
- Improvements to IFRS (2015-2017 cycle).

The measurement of the potential impacts of these texts on the consolidated accounts of Unibail-Rodamco is on-going.

On IFRS 9, IFRS 15 and IFRS 16, the Group does not expect significant impacts on its 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, the acquisition of additional shares from non-controlling shareholders is regarded as an equity transaction and therefore no additional goodwill is recognised.

Consequently, when non-controlling shareholders have an agreement to sell, non-controlling interests are reclassified as debt at the present value of the exercise price. The difference between the latest value and the net carrying value of the non-controlling interests is recognised as equity – 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

Unibail-Rodamco Germany GmbH is jointly held by the Group (51%) and by Canada Pension Plan Investment Board (CPPIB) (49%).

The relevant activities are the leasing, equipment, building, renovation as well as the management, servicing and maintenance of these assets.

The Group is entitled to nominate three members of Unibail-Rodamco 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 authorizations 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 authorizations 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 authorizations 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 of consolidated shares (Consolidated statement of cash flows)

Acquisition of consolidated shares

(€Mn)	2017	2016
Acquisition price of shares	(85.1)	(13.1)
Cash and current accounts	-	(0.5)
ACQUISITION OF CONSOLIDATED SHARES	**(85.1)**[(1)]	**(13.6)**[(2)]

(1) Relates mainly to the acquisition of CGI Metropole in Prague region (see note 1 "Significant events of the year").
(2) Relates mainly to the acquisition of Le Blériot, an office building located in Paris region.

3.3.2. Disposals of consolidated shares (Consolidated statement of cash flows)

Disposal of shares/consolidated subsidiaries

(€Mn)	2017	2016
Net price of shares sold	27.7	25.9
Cash and current accounts	88.5	5.7
DISPOSAL OF SHARES/CONSOLIDATED SUBSIDIARIES*	**116.2**	**31.6**

* *In 2017, corresponds mainly to the disposals of some non-core assets in Sweden (see note 1 "Significant events of the year").*
In 2016, corresponds mainly to the disposal of Europark shopping centre in Budapest.

Disposal of interests in subsidiaries not resulting in a loss of control

(€Mn)	2017	2016
Net price of shares sold	0.5	-
Current accounts	4.3	-
DISPOSAL OF INTERESTS IN SUBSIDIARIES NOT RESULTING IN A LOSS OF CONTROL	**4.8**	**-**

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.

Further to the purchase of 45% of the non-controlling interests in the shopping centre Polygone Riviera (see note 1"Significant events of the year"), the long-term commitment has been reversed.

3.4.2. Non-controlling interests

In 2017, this item comprised mainly non-controlling interests in the following entities:

- several shopping centres in France (€218.4 Mn, mainly Les Quatre Temps for €101.6 Mn, Parly 2 for €43.7 Mn and Le Forum des Halles for €45.3 Mn);
- Convention & Exhibition entities (-€16.1 Mn);
- several shopping centres in Germany (€43.1 Mn) and in Spain (€38.2 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 the leasing of the hotels (Pullman-Montparnasse, Cnit-Hilton and Novotel Confluence in Lyon).

◆ *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 and Slovakia;
- Spain;
- Nordics, 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 Group did not pay the French 3% dividend tax on non SIIC dividend payments made in 2017 considering the favorable decision of the Court of Justice of the European Union dated May 17, 2017 and confirmed by the French Constitutional Court on October 6, 2017. The tax profit arising from the expected repayment of the tax paid in previous years (€31 Mn) is accounted for in the non-recurring result and the corresponding receivable is included in the "Tax receivables" item of the Consolidated statement of financial position as per December 31, 2017.

4.3. Consolidated income statement by segment

(€Mn)		2017 Recurring activities	2017 Non-recurring activities*	2017 Result	2016 Recurring activities	2016 Non-recurring activities*	2016 Result
SHOPPING CENTRES							
France	Gross rental income	682.1	-	682.1	651.2	-	651.2
	Operating expenses & net service charges	(72.4)	-	(72.4)	(70.7)	-	(70.7)
	Net rental income	**609.8**	**-**	**609.8**	**580.5**	**-**	**580.5**
	Contribution of affiliates	8.1	5.7	13.9	7.0	8.8	15.8
	Gains/losses on sales of properties	-	15.1	15.1	-	6.1	6.1
	Valuation movements	-	513.3	513.3	-	520.2	520.2
	Result Shopping Centres France	**617.9**	**534.2**	**1,152.0**	**587.5**	**535.2**	**1,122.6**
Central Europe	Gross rental income	179.0	-	179.0	159.6	-	159.6
	Operating expenses & net service charges	(6.5)	-	(6.5)	(3.4)	-	(3.4)
	Net rental income	**172.4**	**-**	**172.4**	**156.2**	**-**	**156.2**
	Contribution of affiliates	46.6	28.3	74.9	30.7	(74.2)	(43.5)
	Gains/losses on sales of properties	-	0.0	0.0	-	3.1	3.1
	Valuation movements	-	296.2	296.2	-	410.9	410.9
	Result Shopping Centres Central Europe	**219.0**	**324.5**	**543.5**	**186.9**	**339.8**	**526.7**
Spain	Gross rental income	178.0	-	178.0	163.3	-	163.3
	Operating expenses & net service charges	(16.9)	-	(16.9)	(17.3)	-	(17.3)
	Net rental income	**161.0**	**-**	**161.0**	**146.0**	**-**	**146.0**
	Contribution of affiliates	0.2	(0.1)	0.1	0.5	(0.1)	0.5
	Gains/losses on sales of properties	-	(0.6)	(0.6)	-	20.8	20.8
	Valuation movements	-	141.2	141.2	-	370.1	370.1
	Result Shopping Centres Spain	**161.2**	**140.5**	**301.7**	**146.5**	**390.8**	**537.3**
Nordics	Gross rental income	159.1	-	159.1	158.4	-	158.4
	Operating expenses & net service charges	(13.3)	-	(13.3)	(18.5)	-	(18.5)
	Net rental income	**145.8**	**-**	**145.8**	**139.9**	**-**	**139.9**
	Gains/losses on sales of properties	-	0.1	0.1	-	(0.5)	(0.5)
	Valuation movements	-	132.0	132.0	-	161.6	161.6
	Result Shopping Centres Nordics	**145.8**	**132.1**	**277.9**	**139.9**	**161.1**	**301.0**
Austria	Gross rental income	109.1	-	109.1	102.1	-	102.1
	Operating expenses & net service charges	(5.9)	-	(5.9)	(3.5)	-	(3.5)
	Net rental income	**103.2**	**-**	**103.2**	**98.6**	**-**	**98.6**
	Valuation movements	-	79.4	79.4	-	141.0	141.0
	Result Shopping Centres Austria	**103.2**	**79.4**	**182.5**	**98.6**	**141.0**	**239.6**
Germany	Gross rental income	99.7	-	99.7	96.6	-	96.6
	Operating expenses & net service charges	(7.1)	-	(7.1)	(6.7)	-	(6.7)
	Net rental income	**92.6**	**-**	**92.6**	**89.9**	**-**	**89.9**
	Contribution of affiliates	29.1	1.5	30.6	28.5	3.9	32.4
	Valuation movements	-	58.1	58.1	-	124.4	124.4
	Result Shopping Centres Germany	**121.6**	**59.6**	**181.3**	**118.4**	**128.3**	**246.7**
The Netherlands	Gross rental income	70.2	-	70.2	73.3	-	73.3
	Operating expenses & net service charges	(8.5)	-	(8.5)	(11.8)	-	(11.8)
	Net rental income	**61.7**	**-**	**61.7**	**61.5**	**-**	**61.5**
	Gains/losses on sales of properties	-	1.9	1.9	-	0.1	0.1
	Valuation movements	-	(53.1)	(53.1)	-	1.3	1.3
	Result Shopping Centres The Netherlands	**61.7**	**(51.2)**	**10.5**	**61.5**	**1.4**	**62.9**
TOTAL RESULT SHOPPING CENTRES		**1,430.4**	**1,219.1**	**2,649.5**	**1,339.4**	**1,697.6**	**3,037.0**

5.

(€Mn)		2017 Recurring activities	2017 Non-recurring activities*	2017 Result	2016 Recurring activities	2016 Non-recurring activities*	2016 Result
OFFICES							
France	Gross rental income	126.8	-	126.8	140.9	-	140.9
	Operating expenses & net service charges	(3.2)	-	(3.2)	(5.2)	-	(5.2)
	Net rental income	**123.6**	**-**	**123.6**	**135.7**	**-**	**135.7**
	Gains/losses on sales of properties	-	57.2	57.2	-	61.4	61.4
	Valuation movements	-	336.0	336.0	-	219.8	219.8
	Result Offices France	**123.6**	**393.2**	**516.8**	**135.7**	**281.2**	**416.9**
Other countries	Gross rental income	20.9	-	20.9	21.7	-	21.7
	Operating expenses & net service charges	(3.7)	-	(3.7)	(4.1)	-	(4.1)
	Net rental income	**17.2**	**-**	**17.2**	**17.6**	**-**	**17.6**
	Gains/losses on sales of properties	-	0.0	0.0	-	5.2	5.2
	Valuation movements	-	6.5	6.5	-	15.0	15.0
	Result Offices other countries	**17.2**	**6.5**	**23.8**	**17.6**	**20.2**	**37.8**
TOTAL RESULT OFFICES		**140.8**	**399.7**	**540.5**	**153.3**	**301.4**	**454.7**
CONVENTION & EXHIBITION							
France	Gross rental income	181.7	-	181.7	186.0	-	186.0
	Operating expenses & net service charges	(97.8)	-	(97.8)	(96.4)	-	(96.4)
	Net rental income	**83.9**	**-**	**83.9**	**89.6**	**-**	**89.6**
	Contribution of affiliates	0.5	(1.4)	(0.8)	0.7	(0.7)	(0.1)
	On site property services	**50.0**	**-**	**50.0**	**61.8**	**-**	**61.8**
	Hotels net rental income	**11.6**	**-**	**11.6**	**13.0**	**-**	**13.0**
	Valuation movements, depreciation and capital gains	(12.2)	(142.8)	(155.0)	(11.4)	43.8	32.4
	Impairment of Goodwill	-	(9.2)	(9.2)	-	-	-
TOTAL RESULT CONVENTION & EXHIBITION		**133.8**	**(153.3)**	**(19.5)**	**153.6**	**43.0**	**196.7**
Other property services net operating result		42.0	(2.4)	39.6	35.8	(2.4)	33.4
Other net income		0.9	-	0.9	0.4	-	0.4
TOTAL OPERATING RESULT AND OTHER INCOME		**1,747.9**	**1,463.1**	**3,211.0**	**1,682.5**	**2,039.6**	**3,722.2**
General expenses		(119.5)	(62.4)	(181.8)	(119.0)	(1.3)	(120.4)
Development expenses		(3.6)	-	(3.6)	(5.9)	-	(5.9)
Financing result		(228.0)	(0.9)	(228.8)	(254.9)	(240.4)	(495.3)
RESULT BEFORE TAX		**1,396.8**	**1,399.9**	**2,796.7**	**1,302.7**	**1,797.9**	**3,100.6**
Income tax expenses		(17.7)	(56.5)	(74.2)	(11.1)	(272.1)	(283.2)
NET RESULT FOR THE PERIOD		**1,379.1**	**1,343.5**	**2,722.5**	**1,291.6**	**1,525.8**	**2,817.4**
Non-controlling interests		176.9	106.0	283.0	177.4	231.0	408.4
NET RESULT – OWNERS OF THE PARENT		**1,202.1**	**1,237.4**	**2,439.5**	**1,114.2**	**1,294.8**	**2,409.0**
Average number of shares and ORA		99,752,597			99,160,738		
RECURRING EARNINGS PER SHARE *(€)*		**12.05**			**11.24**		
RECURRING EARNINGS PER SHARE GROWTH		**7.2%**			**7.5%**		

* *Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill 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 PROPERTY LEASES

Assets leased as operating leases are recorded in the statement of financial position as investment property assets. Gross rental revenue is recorded on a straight-line basis over the firm duration of the lease.

In case of an Investment property Under Construction (IPUC), revenues are recognised once spaces are delivered to tenants.

RENTS AND KEY MONEY

Gross rental income consists of rents and similar income (*e.g.* occupancy compensation, key money, parking revenues) invoiced for Shopping Centres and Offices properties over the period.

Under IAS 17 and SIC 15, the effects of rent-free periods, step rents, other rents incentives 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)	2017	2016
Shopping Centres	**1,477.1**	**1,404.6**
France	682.1	651.2
Central Europe	179.0	159.6
Spain	178.0	163.3
Nordics	159.1	158.4
Austria	109.1	102.1
Germany	99.7	96.6
The Netherlands	70.2	73.3
Offices	**147.8**	**162.6**
France	126.8	140.9
Other countries	20.9	21.7
Convention & Exhibition	**197.4**	**203.2**
TOTAL	**1,822.3**	**1,770.3**

Minimum guaranteed rents under leases

As at December 31, 2017, 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
2018	1,231.2	160.8	1,392.0
2019	981.8	145.0	1,126.8
2020	692.9	112.6	805.5
2021	443.0	103.4	546.4
2022	293.7	101.1	394.7
2023	189.9	80.4	270.3
2024	146.2	75.3	221.5
2025	101.6	69.1	170.7
2026	75.0	32.9	107.9
2027	57.8	28.2	86.0
2028	46.9	19.0	65.9
Beyond	26.8	3.5	30.3
TOTAL	**4,286.7**	**931.3**	**5,218.1**

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 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)	2017	2016
Net other income	**79.8**	**86.2**
Convention & Exhibition	37.8	50.4
Other property services	42.0	35.8

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.

4.3.5. Acquisition and related costs

In 2017, this item comprises mainly the acquisition costs related to the Westfield acquisition.

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 2017

(€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	Impairment of goodwill/ Negative goodwill	Net operating result before financing cost	Share of the result of companies under equity method & income on financial assets	Total
SHOPPING CENTRES									
France	609.8	-	-	15.1	513.3	-	1,138.2	13.9	1,152.0
Central Europe	172.4	-	-	0.0	296.2	-	468.6	74.9	543.5
Spain	161.0	-	-	(0.6)	141.2	-	301.7	0.1	301.7
Nordics	145.8	-	-	0.1	132.0	-	277.9	-	277.9
Austria	103.2	-	-	-	79.4	-	182.5	-	182.5
Germany	92.6	-	-	-	58.1	-	150.7	30.6	181.3
The Netherlands	61.7	-	-	1.9	(53.1)	-	10.5	-	10.5
Total Shopping Centres	**1,346.4**	**-**	**-**	**16.6**	**1,167.1**	**-**	**2,530.1**	**119.4**	**2,649.5**
OFFICES									
France	123.6	-	-	57.2	336.0	-	516.8	-	516.8
Others	17.2	-	-	0.0	6.5	-	23.8	-	23.8
Total Offices	**140.8**	**-**	**-**	**57.2**	**342.5**	**-**	**540.5**	**-**	**540.5**
C. & E.*									
France	95.5	-	37.8	0.0	(142.8)	(9.2)	(18.7)	(0.8)	(19.5)
Total C. & E.	**95.5**	**-**	**37.8**	**0.0**	**(142.8)**	**(9.2)**	**(18.7)**	**(0.8)**	**(19.5)**
NOT ALLOCATED									
Total Not Allocated	**-**	**(185.5)**	**42.0**	**-**	**(2.4)**	**-**	**(145.9)**	**-**	**(145.9)**
TOTAL 2017	**1,582.6**	**(185.5)**	**79.8**	**73.8**	**1,364.4**	**(9.2)**	**2,906.0**	**118.6**	**3,024.6**

* *Convention & Exhibition segment.*

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	Impairment of goodwill/ Negative goodwill	Net operating result before financing cost	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
Nordics	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.*									
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**

* *Convention & Exhibition segment.*

4.4.2. Statement of financial position by segment

For 2017

(€Mn)	Investment properties	Goodwill	Shares and investments in companies under the equity method	Other non current assets	Other current assets	Total Assets	Total Liabilities excluding shareholders' equity
SHOPPING CENTRES							
France	14,814.2	2.9	196.3	13.6	287.6	15,314.6	762.8
Central Europe	4,102.1	110.5	1,005.0	16.0	32.8	5,266.5	667.0
Spain	3,685.4	-	1.9	26.4	82.2	3,795.8	304.2
Nordics	3,360.2	48.9	-	0.0	34.5	3,443.7	587.9
Austria	2,410.6	72.9	-	0.0	31.9	2,515.3	501.6
Germany	2,373.8	256.7	707.3	31.3	90.2	3,459.3	255.5
The Netherlands	1,525.9	-	-	-	5.9	1,531.8	19.4
Total Shopping Centres	**32,272.2**	**491.9**	**1,910.5**	**87.4**	**565.1**	**35,327.1**	**3,098.5**
OFFICES							
France	3,260.7	-	-	157.2(2)	140.2	3,558.0	140.5
Others	274.7	-	-	-	2.9	277.6	3.1
Total Offices	**3,535.4**	**-**	**-**	**157.2**	**143.1**	**3,835.6**	**143.6**
C. & E.(1)							
France	2,716.7	20.1	2.8	204.7(3)	123.2	3,067.5	223.2
Total C. & E.	**2,716.7**	**20.1**	**2.8**	**204.7**	**123.2**	**3,067.5**	**223.2**
NOT ALLOCATED							
Total Not allocated	**-**	**10.3**	**-**	**241.6(4)**	**758.9(5)**	**1,010.7**	**17,082.4**
TOTAL 12/31/2017	**38,524.3**	**522.4**	**1,913.3**	**690.8**	**1,590.2**	**43,241.0**	**20,547.8**

(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 2016

(€Mn)	Investment properties	Goodwill	Shares and investments in companies under the equity method	Other non current assets	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
Nordics	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**	**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 12/31/2016	**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.

4.4.3. Investments by segment

	2017			2016		
(€Mn)	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	343.0	99.2	442.1	408.8	130.4	539.2
Central Europe	125.4	63.5	188.9	39.5	120.2	159.7
Spain	78.9	16.2	95.1	82.0	19.0	101.0
Nordics	24.9	-	24.9	98.9	-	98.9
Austria	53.2	-	53.2	72.0	-	72.0
Germany	12.0	204.5	216.5	22.7	25.1	47.9
The Netherlands	30.2	50.2	80.3	31.4	22.3	53.7
Total Shopping Centres	**667.5**	**433.6**	**1,101.1**	**755.4**	**317.0**	**1,072.4**
OFFICES						
France	41.7	61.6	103.4	47.9	59.0	106.9
Others	11.3	-	11.3	5.3	9.4	14.7
Total Offices	**53.0**	**61.6**	**114.7**	**53.2**	**68.4**	**121.6**
C. & E.[(1)]						
France	134.7	4.8	139.5	153.7	5.1	158.8
Total C. & E.	**134.7**	**4.8**	**139.5**	**153.7**	**5.1**	**158.8**
TOTAL	**855.2**	**500.0**	**1,355.3**	**962.3**	**390.5**	**1,352.7**

(1) Convention & Exhibition segment.
(2) Before transfer between category of investment property.

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 measured at fair value by an external appraiser twice a year. Projects for which the fair value is not reliably determinable are measured at cost until such time that a fair value measurement becomes reliable, or until one year before the construction completion.

According to the Group, a development project is eligible for a fair value measurement once all three of the following criteria are fulfilled:

- all administrative authorisations needed to complete the project are obtained;
- the construction has started and costs are committed toward the contractor; and
- substantial uncertainty in future rental income has been eliminated.

If the time to delivery is less than one year, the project is accounted for at fair value.

For properties measured at fair value, the market value adopted by 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[(2)], depending on the country and on the tax situation of the property, in order to arrive at a net market value.

For the Shopping Centres and Offices 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,

(1) EPRA position paper on IFRS 13 – Fair value measurement and illustrative disclosures, February 2013.
(2) Transfer taxes are valued on the assumption that the property is sold directly, even though the cost of these taxes can, in certain cases, be reduced by selling the property's holding company.

5.

the resulting valuations are cross-checked against the initial yield, value per m² 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)	**12/31/2017**	12/31/2016
Shopping Centres	**31,250.9**	**29,580.8**
France	14,490.4	13,724.1
Central Europe	4,069.5	3,576.5
Spain	3,567.8	3,359.3
Nordics	3,360.2	3,337.3
Austria	2,410.6	2,278.5
Germany	2,102.2	2,032.0
The Netherlands	1,250.2	1,273.1
Offices	**3,221.1**	**3,182.8**
France	2,946.4	2,902.4
Other countries	274.7	280.4
Convention & Exhibition	**2,709.5**	**2,663.4**
TOTAL	**37,181.5**	**35,426.9**

(€Mn)	Shopping Centres	Offices	Convention & Exhibition	Total investment properties	Properties held for sale	Total
12/31/2015	**27,062.8**	**3,487.4**	**2,451.7**	**33,001.8**	**268.8**	**33,270.6**
Acquisitions	135.2	2.3	-	137.5	-	137.5
Entry into scope of consolidation	9.2	-	-	9.2	-	9.2
Capitalised expenses	611.1	50.7	153.7	815.4	0.1	815.6
Disposals/exits from the scope of consolidation	(64.3)	(526.7)	0.0	(591.0)	(268.9)	(860.0)
Reclassification and transfer of category	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)
12/31/2016	**29,580.8**	**3,182.8**	**2,663.4**	**35,426.9**	**-**	**35,426.9**
Acquisitions	61.4	5.9	-	67.2	-	67.2
Capitalised expenses(1)	668.4	47.2	134.7	850.2	-	850.2
Disposals/exits from the scope of consolidation(2)	(232.6)	(364.7)	-	(597.2)	-	(597.2)
Reclassification and transfer of category	10.7	8.8	4.7	24.3	-	24.3
Discounting impact	2.1	-	-	2.1	-	2.1
Valuation movements	1,190.8	342.5	(93.2)	1,440.1	-	1,440.1
Currency translation	(30.7)	(1.4)	-	(32.1)	-	(32.1)
12/31/2017	**31,250.9**	**3,221.1**	**2,709.5**	**37,181.5**	**-**	**37,181.5**

(1) Capitalised expenses mainly include:
- shopping centres in France, Sweden, Spain and Austria;
- offices in France;
- Convention & Exhibition sites such as Parc des Expositions de la Porte de Versailles.
(2) Disposals mainly include one office building in France and several non-core assets in Sweden, France and Spain (see note 1 “Significant events of the year”).

◆ *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, 2017, 97% of Unibail-Rodamco’s portfolio was appraised by independent appraisers.

The outstanding balances of deferred lease incentives and key monies amortised over the firm term of the lease, which corrected the appraisal value, represented -€73.0 Mn.

The following tables provide a number of quantitative elements used by the appraisers to assess the fair valuation of the Group’s assets.

SHOPPING CENTRES

All shopping centres are valued using the discounted cash flow and/or yield methodologies.

Shopping Centres – 12/31/2017		Net initial yield	Rent in € per sqm(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
France	Max	7.7%	901	13.0%	9.0%	11.8%
	Min	2.0%	122	5.3%	3.5%	1.6%
	Weighted average	4.0%	537	5.7%	4.0%	4.2%
Central Europe	Max	6.8%	583	7.9%	7.6%	3.2%
	Min	4.7%	205	6.4%	4.7%	2.3%
	Weighted average	4.9%	416	6.7%	5.0%	2.5%
Spain	Max	8.2%	813	11.3%	7.0%	3.7%
	Min	4.0%	117	7.0%	4.2%	2.3%
	Weighted average	4.7%	320	7.5%	4.7%	3.3%
Nordics	Max	5.2%	488	8.7%	5.0%	5.3%
	Min	4.0%	201	6.5%	3.9%	2.9%
	Weighted average	4.3%	387	6.8%	4.2%	3.3%
Germany	Max	7.2%	471	8.0%	6.6%	4.1%
	Min	3.9%	252	5.9%	3.9%	2.4%
	Weighted average	4.5%	310	6.4%	4.5%	3.3%
Austria	Max	4.4%	395	6.2%	4.1%	3.0%
	Min	4.1%	377	6.1%	4.1%	2.7%
	Weighted average	4.2%	386	6.2%	4.1%	2.9%
The Netherlands	Max	8.6%	406	9.0%	8.8%	4.7%
	Min	4.4%	124	5.8%	4.2%	2.8%
	Weighted average	5.0%	256	6.3%	5.0%	3.3%

Net initial yield, discount rate and exit yield weighted by Gross Market Value (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 capitalize 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 decreased to 4.3% as at December 31, 2017, from 4.4% as at December 31, 2016.

A change of +25 basis points in net initial yield, the main output of the appraisal models, would result in a downward adjustment of -€1,793 Mn (or -5.5%) of the shopping centre 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 – 12/31/2017		Net initial yield on occupied space	Rent in € per sqm(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
France	Max	11.4%	734	9.5%	8.2%	2.4%
	Min	3.9%	106	4.2%	3.4%	-5.1%
	Weighted average	5.5%	502	5.3%	4.5%	0.2%
Nordics	Max	9.4%	219	9.4%	7.8%	2.6%
	Min	6.2%	108	7.1%	5.2%	1.4%
	Weighted average	7.6%	196	7.9%	6.3%	2.2%
Other countries	Max	11.7%	159	13.8%	9.8%	26.8%
	Min	2.7%	23	5.9%	4.1%	0.6%
	Weighted average	5.3%	114	7.4%	5.9%	11.1%

Net initial yield, discount rate and exit yield weighted by GMV. 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 capitalize 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 fell by -23 basis points to 5.6% as at December 31, 2017.

A change of +25 basis points in net initial yield, the main output of the appraisal models, would result in a downward adjustment of -€146 Mn (-4.4%) 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.

CONVENTION & EXHIBITION

Based on these valuations, the average EBITDA yield (recurring earnings before interest, tax, depreciation and amortization divided by the value of assets, excluding estimated transfer taxes and transaction costs) of Viparis consolidated venues decreased by -8 basis points from December 31, 2016, to 5.3% as at December 31, 2017.

A change of +25 basis points of the WACC as determined at December 31, 2017 would result in a downward adjustment of -€121.0 Mn (-5.1%) of the Convention & Exhibition portfolio value.

◆ 5.1.3. Investment properties under construction at cost

(€Mn)	12/31/2017	12/31/2016
Shopping Centres	**1,021.3**	**685.2**
France	323.7	236.3
Central Europe	32.6	31.3
Spain	117.6	124.9
Nordics	-	-
Austria	-	-
Germany	271.6	67.1
The Netherlands	275.8	225.6
Offices	**314.3**	**260.5**
France	314.3	260.5
Other countries	-	-
Convention & Exhibition	**7.2**	**8.3**
TOTAL	**1,342.8**	**954.0**

As at December 31, 2017, 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;
- mixed-used projects such as Überseequartier and Gaîté Montparnasse.

Assets still stated at cost were subject to impairment tests as at December 31, 2017. Allowances were booked for a total amount of €23.7 Mn.

(€Mn)	Gross value	Impairment	Total investment properties at cost
12/31/2015	**775.0**	**(66.8)**	**708.2**
Acquisitions	41.3	-	41.3
Entry into scope of consolidation	32.0	-	32.0
Capitalised expenses	349.2	-	349.2
Disposals/exits from the scope of consolidation	(0.1)	-	(0.1)
Reclassification and transfer of category	(170.9)	-	(170.9)
Discounting impact	0.6	-	0.6
Impairment/reversal	-	(4.7)	(4.7)
Currency translation	(1.6)	-	(1.6)
12/31/2016	**1,025.4**	**(71.5)**	**954.0**
Acquisitions(1)	155.1	-	155.1
Capitalised expenses(2)	282.7	-	282.7
Disposals/exits from the scope of consolidation	(1.6)	-	(1.6)
Reclassification and transfer of category	(28.6)	4.3	(24.3)
Discounting impact	0.5	-	0.5
Impairment/reversal	-	(23.7)	(23.7)
Currency translation	0.1	-	0.1
12/31/2017	**1,433.6**	**(90.9)**	**1,342.8**

(1) Mostly relates to acquisitions for Überseequartier project.
(2) Includes mainly the capital expenditures related to investments in the Mall of The Netherlands extension and renovation project and to the Trinity and Überseequartier new development projects.

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
12/31/2015	**151.3**	**65.0**	**216.3**
Acquisitions and capitalised expenses	0.9	23.6	24.5
Depreciation	(2.2)	(14.8)	(17.0)
Impairment/reversal	-	(3.8)	(3.8)
Other movements	-	(0.2)	(0.2)
12/31/2016	**150.1**	**69.7**	**219.8**
Acquisitions and capitalised expenses(2)	0.1	16.4	16.5
Disposals/exits from the scope of consolidation	-	(1.5)	(1.5)
Depreciation	(2.2)	(17.1)	(19.2)
Impairment/reversal(3)	-	0.6	0.6
12/31/2017	**148.0**	**68.2**	**216.3**

(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/reversal 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
12/31/2015	**233.8**	**8.3**	**242.1**
Acquisitions	-	4.4	4.4
Amortisation	(2.4)	(1.9)	(4.2)
Impairment/reversal	(12.8)	-	(12.8)
12/31/2016	**218.5**	**10.9**	**229.4**
Acquisitions	-	3.9	3.9
Amortisation	(2.1)	(6.5)	(8.6)
Impairment/reversal*	(52.6)	-	(52.6)
12/31/2017	**163.8**	**8.3**	**172.2**

* *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 WACC of Viparis intangible assets as determined at December 31, 2017 would result in a negative adjustment of -€24.2 Mn (-5.7%) on the appraisal value of the intangible assets.

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**
12/31/2015	**2,186.9**	**(1,644.1)**	**542.8**
Change	(1.7)	(1.2)	(2.9)
12/31/2016	**2,185.2**	**(1,645.3)**	**539.9**
Change	(0.8)[(1)]	(16.8)	(17.6)
12/31/2017	**2,184.4**	**(1,662.0)[(2)]**	**522.4**

(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 €522.4 Mn and breaks down as follows:

- €255.7 Mn corresponds to the potential tax optimisation existing at the date of acquisition on the assets;
- €266.7 Mn mainly related to the goodwill recognised on Unibail-Rodamco Germany in 2014 and represents 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 impairment of €7.6 Mn was recognised as at December 31, 2017 on the income tax expenses in the consolidated statement of comprehensive income.

The goodwill which corresponds to the value of the fee business and the ability to generate development projects is based on an external appraisal, performed once a year as at December.

An impairment of €9.2 Mn was recognised as at December 31, 2017.

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)	**2017**	2016
Investment properties at fair value	1,440.1	2,027.2
◆ *Shopping Centres*	*1,190.8*	*1,734.4*
◆ *Offices*	*342.5*	*234.8*
◆ *Convention & Exhibition*	*(93.2)*	*58.0*
Investment properties at cost	(23.7)	(4.7)
Tangible and intangible assets	(52.0)	(16.6)
TOTAL	**1,364.4**	**2,005.8**

5.6. Amounts paid for works and acquisition/disposal of property assets (Consolidated statement of cash flows)

In 2017, amounts paid for works and acquisition of property assets amount to €1,368.2 Mn. They comprise acquisitions, transaction capitalised costs, works and capitalised expenses and are adjusted for the changes on amounts due on investments of the period.

In 2017, asset disposals amounted to €592.5 Mn (total net disposal price) of which €437.1 Mn of offices and €155.4 Mn of shopping centres.

In addition, the net disposal price of the underlying assets disposed under share deals (see note 3.3.2 "Disposals of consolidated shares") is €117.8 Mn.

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 23 companies accounted for using the equity method, of which 10 are under significant influence and 13 are jointly controlled. The list of these companies is given in note 14 “List of consolidated companies”.

(€Mn)	**12/31/2017**	12/31/2016
Shares in Shopping Centres and Convention & Exhibition companies	1,165.5	992.7
Loans granted to Shopping Centres and Convention & Exhibition companies	747.8	715.5
TOTAL SHARES AND INVESTMENTS IN COMPANIES UNDER THE EQUITY METHOD	**1,913.3**	**1,708.2**

The increase of the “Shares in Shopping Centres and Convention & Exhibition companies” corresponds mainly to the consolidation of CGI Metropole (see note 1 “Significant events of the year”).

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:

	2017			2016		
(€Mn)	**Recurring activities**	**Non-recurring activities***	**Result**	Recurring activities	Non-recurring activities*	Result
Result from stake in Shopping Centres and Convention & Exhibition companies	57.5	34.1	91.6	49.1	(62.4)	(13.3)
TOTAL SHARE OF THE RESULT OF COMPANIES UNDER THE EQUITY METHOD	**57.5**	**34.1**	**91.6**	**49.1**	**(62.4)**	**(13.3)**
Interests on the loans granted to Shopping Centres companies	27.0	-	27.0	18.3	-	18.3
TOTAL INTERESTS ON LOANS GRANTED TO COMPANIES UNDER THE EQUITY METHOD	**27.0**	**-**	**27.0**	**18.3**	**-**	**18.3**

* *Correspond mainly to the fair value adjustment and related deferred tax on the underlying investment properties.*

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 Center in Leipzig;
- Rosny 2 in Paris region;
- Palais des Sports in Paris;
- Metropole Zlicin in Prague.

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)	12/31/2017	12/31/2016*
Investment properties	1,392.7	1,239.8
Other non-current assets	1.9	25.8
Current assets	58.6	51.5
TOTAL ASSETS	**1,453.2**	**1,317.1**
Restated shareholders' equity	778.0	644.9
Deferred tax liabilities	103.9	122.7
Internal borrowings	107.6	118.1
External borrowings	394.1	392.9
Other non-current liabilities	4.1	3.0
Current liabilities	65.5	35.5
TOTAL LIABILITIES	**1,453.2**	**1,317.1**

* *Unibail-Rodamco Benidorm SL was accounted for using the equity method from January 1, 2016 to June 24, 2016.*

(€Mn)	2017	2016*
Net rental income	54.2	52.5
Change in fair value of investment properties	24.3	20.9
Net result	54.7	55.5

* *Unibail-Rodamco Benidorm SL was accounted for using the equity method from January 1, 2016 to June 24, 2016.*

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 companies*

(€Mn)	12/31/2017	12/31/2016
Investment properties	1,051.4	1,009.5
Other non-current assets	15.3	15.9
Current assets	68.7	292.5
TOTAL ASSETS	**1,135.4**	**1,317.9**
Restated shareholders' equity	297.4	257.4
Deferred tax liabilities	125.7	120.1
Internal borrowings	640.3	597.5
External borrowings	46.2	320.1
Other non-current liabilities	4.0	3.7
Current liabilities	21.8	19.1
TOTAL LIABILITIES	**1,135.4**	**1,317.9**

(€Mn)	2017	2016
Net rental income	53.0	50.2
Change in fair value of investment properties	25.5	54.6
Net result	36.9	(68.7)

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 relate to transactions with companies accounted for using the equity method.

(€Mn)	12/31/2017	12/31/2016
Shopping Centre and Convention & Exhibition companies		
Loans(1)	757.0	722.1
Recognised interest	27.0	18.3
Current account in debit	2.0	1.3
Current account in credit(2)	(8.9)	(240.9)
Asset management fees invoiced and other fees	17.1	16.0

(1) Corresponds to 100% of the financing in the shopping centres investment.
(2) The change is mainly explained by the decrease of the current account Unibail-Rodamco SE had with Warsaw III BV following the reimbursement early in 2017 of a participating loan in the Zlote Tarasy complex.

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 write off of the issuance costs, are accounted for fully, at inception, at fair value, on a separate line in the statement of financial position, with subsequent changes recorded on a separate line in the income statement. 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 interest 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.

7.2. Financing result

7.2.1. Net financing costs

(€Mn)	2017	2016
Security transactions	4.5	2.1
Other financial interest	4.9	3.4
Interest income on derivatives	110.1	83.3
Subtotal financial income	**119.5**	**88.8**
Security transactions	(0.4)	-
Interest on bonds and EMTNs	(258.0)	(257.4)
Interest and expenses on borrowings	(50.4)	(47.5)
Interest on partners' advances	(29.2)	(29.5)
Other financial interest	(2.4)	(1.8)
Interest expenses on derivatives	(25.8)	(22.3)
Financial expenses before capitalisation of financial expenses	**(366.2)**	**(358.6)**
Capitalised financial expenses	18.7	14.9
Subtotal net financial expenses	**(347.5)**	**(343.7)**
TOTAL NET FINANCIAL COSTS	**(228.0)**	**(254.9)**

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 derivatives and debts

(€Mn)	2017	2016
Premium and costs paid on the repurchased bonds and ORNANEs and on repayments of borrowings	-	(74.3)
Mark-to-market of the ORNANEs	21.1	37.0
Currency impact	70.3	4.2
Restructuring of hedges and mark-to-market of derivatives	(90.1)	(205.1)
Debt discounting and other items	(2.2)	(2.2)
TOTAL NON-RECURRING FINANCIAL RESULT	**(0.9)**	**(240.4)**

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 included a receivable on disposal of asset with a deferred payment.

As at December 31, 2017, the deferred payment has been reclassified to current assets.

7.3.2. Main financing transactions in 2017

In total, medium- to long-term financing transactions completed in 2017 amounted to €3,506 Mn and include:

- the signing of €1,651 Mn medium- to long-term bank loan and credit facilities with an average maturity of 5.0 years;
- five public EMTN bonds issued in February, May and June 2017 for a total amount of €1,700 Mn with the following features:
  - €600 Mn with an 11-year maturity,
  - €500 Mn with a 12-year maturity,
  - €500 Mn with a 20-year maturity,
  - SEK 600 Mn, equivalent to €60 Mn, with a 5-year maturity,
  - SEK 400 Mn Floating Rate Note (FRN), equivalent to €40 Mn, with a 5-year maturity;
- the issue of two private placements under Unibail-Rodamco's EMTN program for a total equivalent amount of €155 Mn through two taps (€105 Mn and €50 Mn) of its outstanding 2030 bond, increasing the size of the bond to €655 Mn.

In total, these bonds were issued for an average duration of *ca.* 14 years, *vs.* an average duration of 12 years in 2016.

In addition, Unibail-Rodamco accessed the money market by issuing short term paper (BMTN, *billets de trésorerie* and "US Commercial Paper" (USCP));

- the average amount of short term paper outstanding in 2017 was equivalent to €1,378 Mn (€1,252 Mn in 2016). This higher amount is due to an increase of the issuances in the first half of 2017 ahead of the French elections to secure additional liquidity.

As at December 2017, the total amount of undrawn credit lines came to €6,203 Mn and cash on-hand came to €575 Mn (€400 Mn as at December 31, 2016).

7.3.3. Financial debt breakdown and outstanding duration to maturity

Outstanding duration to maturity *(€Mn)*	Current: Less than 1 year	Non-current: 1 year to 5 years	Non-current: More than 5 years	**Total 12/31/2017**	Total 12/31/2016
Net share settled bonds convertible into new and/or existing shares (ORNANE)	**0.3**	**1,020.5**	**-**	**1,020.8**	**1,049.4**
Principal debt	0.3	1,000.0	-	1,000.3	1,007.8
Mark-to-market of debt	-	20.5	-	20.5	41.6
Accrued interest	-	-	-	-	0.0
Bonds and EMTNs	**1,016.2**	**3,077.8**	**7,343.4**	**11,437.4**	**10,342.9**
Principal debt(1)	956.9	3,077.8	7,343.4	11,378.1(1)	10,287.9
Accrued interest	132.3	-	-	132.3	113.2
Issuance costs	(19.9)	-	-	(19.9)	(15.5)
Bonds redemption premium	(53.1)	-	-	(53.1)	(42.7)
Bank borrowings	**65.9**	**540.0**	**680.0**	**1,285.9**	**1,391.3**
Principal debt	67.2	540.0	680.0	1,287.2	1,398.0
Accrued interest	5.2	-	-	5.2	5.2
Borrowings issue fees	(15.5)	-	-	(15.5)	(16.1)
Bank overdrafts & current accounts to balance out cash flow	9.0	-	-	9.0	4.1
Mark-to-market of debt	-	-	-	-	0.2
Other financial liabilities	**1,219.5**	**151.1**	**1,097.3**	**2,467.9**	**2,495.1**
Interbank market instruments and negotiable instruments	1,172.3	-	-	1,172.3	1,220.8
Accrued interest on interbank market instruments and negotiable instruments	(0.1)	-	-	(0.1)	(0.1)
Current accounts with non-controlling interests(2)	-	151.1	1,097.3	1,248.4	1,274.3
Other(3)	47.3	-	-	47.3	-
Financial leases	**2.0**	**8.7**	**344.5**	**355.2**	**361.6**
TOTAL	**2,303.9**	**4,798.1**	**9,465.2**	**16,567.2**	**15,640.3**

(1) Include currency impacts on debt raised in foreign currency for an amount of +€30.2 Mn as at 12/31/2017 (+€99.5 Mn as at 12/31/2016). The amount shown in the Financial Resources note (€11,348 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.
(3) Deferred payment for implemented hedging covering the EUR/USD foreign exchange risk for the full USD requirements of Westfield acquisition.

The variation of financial debt by flows breaks down as follows:

	12/31/2016	Cash flows(1): Increase(2)	Cash flows(1): Decrease	Variation of accrued interests(3)	Non-cash flows: Scope movements	Non-cash flows: Currency translation	Non-cash flows: Fair value impact	Non-cash flows: Others	**12/31/2017**
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,049.4	-	(7.5)	-	-	-	(21.1)	-	1,020.8
Bonds and EMTNs	10,342.9	1,833.6	(688.0)	19.1	-	(80.1)	-	9.9	11,437.4
Bank borrowings	1,391.3	(5.7)	(112.1)	-	0.5	5.7	(0.2)	6.4	1,285.9
Other financial liabilities	2,495.1	95.1	(169.2)	-	-	-	-	46.9	2,467.9
Financial leases	361.6	0.1	(6.5)	-	-	-	-	-	355.2
TOTAL	**15,640.3**	**1,923.1**	**(983.3)**	**19.1**	**0.5**	**(74.4)**	**(21.3)**	**63.2**	**16,567.2**

(1) The cash flows differ from those in the Consolidated statement of cash flows mainly due to the variation of guarantee deposits received.
(2) Net of issuance costs and issue fees.
(3) The variation of accrued interest is included in lines Financial income/Financial expenses of the Consolidated statement of cash flows.

◆ *Maturity of current principal debt*

(€Mn)	Current			Total 12/31/2017
	Less than 1 month	1 month to 3 months	More than 3 months	
Bonds and EMTNs	-	-	956.9	956.9
Bank borrowings	0.4	-	66.8	67.2
Other financial liabilities	310.0	290.0	619.6	1,219.6
Financial leases	-	-	2.0	2.0
TOTAL	**310.4**	**290.0**	**1,645.3**	**2,245.7**

◆ 7.3.4. Net share settled bonds convertible into new and/or existing shares (ORNANE)

As at December 31, 2017, 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	0.3	1.6
ORNANE issued in 2014	525.3	23.2
ORNANE issued in 2015	495.2	(3.7)
TOTAL	**1,020.8**	**21.1**

◆ 7.3.5. Characteristics of bonds and EMTNs (excluding ORNANE)

Issue date	Rate	Amount at 12/31/2017 (€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
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
October 2011	Fixed rate 4.10%	27.0	October 2031
November 2011	Fixed rate 4.05%	20.0	November 2031
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
February 2013	Fixed rate 2.375%	418.4	February 2021
February 2013	Fixed rate HKD swapped back into EUR	75.4	February 2025
March 2013	Fixed rate HKD swapped back into EUR	63.0	March 2025
June 2013	Fixed rate 2.500%	498.8	June 2023
October 2013	Fixed rate HKD swapped back into EUR	43.1	October 2025
October 2013	Fixed rate 1.875%	194.4	October 2018
November 2013	Fixed rate CHF swapped back into EUR	115.5	November 2023
December 2013	Fixed rate 3.000% SEK	80.4	December 2018
December 2013	Float rate SEK (Stib3M + 100bps)	140.7	December 2018
February 2014	Float rate (Erb3M + 70bps)	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	168.3	April 2019
June 2014	Fixed rate 2.250% SEK	85.4	June 2019
June 2014	Float rate SEK (Stib3M + 78bps)	65.3	June 2019
June 2014	Fixed rate 2.50%	600.0	June 2026

Issue date	Rate	Amount at 12/31/2017 *(€Mn)*	Maturity
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%	655.0	April 2030
October 2015	Float rate (Erb3M + 81bps)	50.0	October 2024
November 2015	Fixed rate 2.066%	30.0	November 2030
November 2015	Fixed rate HKD swapped back into EUR	80.8	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	150.8	October 2021
November 2016	Fixed rate 0.875%	500.0	February 2025
December 2016	Fixed rate HKD swapped into EUR	53.8	November 2026
February 2017	Fixed rate 1.5%	600.0	February 2028
May 2017	Fixed rate 1.5%	500.0	May 2029
May 2017	Fixed rate 2,0%	500.0	May 2037
June 2017	Float rate SEK (Stib3M + 80bps)	40.2	June 2022
June 2017	Fixed rate 0.875% SEK	60.3	June 2022
TOTAL		**11,378.1**	

◆ 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, 2017, the LTV ratio calculated for Unibail-Rodamco amounted to 33% stable compared to year-end 2016.

The ICR improved to 6.7x for 2017 as a result of strong rental growth and the lower cost of debt.

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

As at December 31, 2017, 95% 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 hedging instruments purchase and disposal.

(1) *The debt ratio "Loan-to-Value" (LTV) is calculated as the net financial nominal debt expressed as a percentage of the portfolio valuation (including transfer taxes).*

(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.*

◆ 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.

	12/31/2017		12/31/2016	
(€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	13,333.2*	13,911.8	12,036.5	12,691.8

* *ORNANE included, at market value (see note 7.3.4 "Net share settled bonds convertible into new and/or existing shares (ORNANE)").*

Financial debt is valued at market value based on market rates and on spread issuers at each closing date.

◆ 7.3.9. Net financial debt

Net financial debt is determined as below:

◆ *Net financial debt*

(€Mn)	12/31/2017	12/31/2016
Amounts accounted for in B/S		
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,020.8	1,049.4
Long-term bonds and borrowings	12,889.6	12,223.7
Current borrowings and amounts due to credit institutions	2,301.6	2,005.6
Total financial liabilities	**16,212.0**	**15,278.7**
Adjustments		
Mark-to-market of debt	(20.5)	(41.8)
Current accounts with non-controlling interests	(1,248.4)	(1,274.3)
Impact of derivatives instruments on debt raised in foreign currency	(30.2)	(99.5)
Accrued interests/issuance fees	(48.9)	(44.0)
Total financial liabilities (nominal value)	**14,864.0***	**13,819.1**
Cash & cash equivalents	**(574.7)***	**(400.1)**
NET FINANCIAL DEBT	**14,289.3**	**13,418.9**

* *Bank overdrafts & current accounts to balance out cash flow are included in the total financial liabilities, in 2017 for €9.0 Mn and in 2016 for €4.1 Mn.*

◆ *Net cash at period-end*

(€Mn)	12/31/2017	12/31/2016
Available for sale investments*	297.9	38.2
Cash	276.8	362.0
Total asset	**574.7**	**400.1**
Bank overdrafts & current accounts to balance out cash flow	(9.0)	(4.1)
Total Liabilities	**(9.0)**	**(4.1)**
NET CASH AT PERIOD-END	**565.7**	**396.0**

* *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 the Bloomberg model;
- and the loss given default set at 60% following market standard.

7.4.2. Change in derivatives

(€Mn)	12/31/2016	Amounts recognised in the Statement of Comprehensive Income: Fair value adjustments of derivatives	Amounts recognised in the Statement of Comprehensive Income: Other comprehensive income	Acquisitions/ Disposals	12/31/2017
Assets					
Derivatives at fair value Non-Current	**268.8**	**(105.6)**	**0.0**	**9.6**	**172.8**
Without a hedging relationship	*245.4*	*(103.1)*	*0.0*	*2.9*	*145.2*
Other derivatives	*23.3*	*(2.5)*	*-*	*6.7*	*27.6*
Derivatives at fair value Current	**-**	**10.6**	**-**	**47.3**	**57.9***
Without a hedging relationship	*-*	*10.6*	*-*	*47.3*	*57.9*
Liabilities					
Derivatives at fair value	**327.9**	**(4.9)**	**0.0**	**(7.2)**	**315.8**
Without a hedging relationship	*327.9*	*(4.9)*	*0.0*	*(7.2)*	*315.8*
NET	**(59.1)**	**(90.1)**	**0.0**	**64.1**	**(85.1)**

* *Current Derivatives at fair value mainly include:*
- Total Return Swaps awarding to the Group a 4.9% economical interest into Westfield Corporation;
- implemented hedging to cover the EUR/USD FX risk for the full USD requirements of the Westfield acquisition.

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 interest rates published on December 31, 2017. Credit lines drawn as at December 31, 2017 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)	12/31/2017	Interest	Redemption	Interest	Redemption	Interest	Redemption
BONDS, BORROWINGS AND AMOUNTS DUE TO CREDIT INSTITUTIONS							
Bonds and EMTNs	(12,378.4)	(233.3)	(957.2)	(686.7)	(4,077.8)	(678.6)	(7,343.4)
Bank borrowings and other financial liabilities[2]	(2,506.8)	(11.2)	(1,286.8)	(35.7)	(540.0)	(10.7)	(680.0)
FINANCIAL DERIVATIVES							
Derivative financial liabilities							
Derivatives without a hedging relationship	(315.8)	27.5	-	(198.1)	23.4	(162.2)	22.8
Derivative financial assets							
Derivatives without a hedging relationship	203.1	47.0	(2.1)	63.7	-	36.9	(15.9)

(1) Corresponds to the amount of principal debt (see note 7.3.3 "Financial debt breakdown and outstanding duration to maturity").
(2) Excludes current accounts with non-controlling interests.

The average maturity of the Group's debt as at December 31, 2017, taking into account the unused credit lines increased to 7.2 years (7.0 years as at December 2016).

Unibail-Rodamco's debt repayment needs[1] for the next 12 months are covered by the available undrawn credit lines and cash on-hand. As at December 31, 2017, the amount of bonds and bank loans outstanding and maturing or amortising within a year was €1,024 Mn (including a total of €957 Mn of bonds maturing in August, September, October and December 2018) compared with €6,203 Mn of undrawn committed credit lines and €575 Mn of cash on-hand. In addition, to finance the Group's cash requirements for the Westfield transaction, it has entered into a €6.1 Bn credit facility in January 2018.

Unibail-Rodamco's long-term refinancing policy consists of diversifying the Group's expiry schedules and financial resources. Accordingly, bonds & EMTN issues represented 76% of financial nominal debt at December 31, 2017, bank loans and overdrafts 9%, convertible bonds 7% and commercial paper & *billets de trésorerie* 8%.

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 derivative termination, netting can apply as a result of existing agreements between the Group and the banks. The related amounts of derivative instruments, including accrued interests, would be €48.2 Mn for assets and €162.2 Mn for 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.

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".

5.

(1) Excluding Commercial Paper and BMTN maturing in 2018 (€1,172 Mn), overdrafts and other.

Unibail-Rodamco's average cost of debt decreased to 1.4% for 2017 from 1.6% for 2016. This new record low average cost of debt results from:

- low coupon levels the Group achieved during the last years on its fixed rate debt;
- the level of margins on existing borrowings;
- the Group's active balance sheet management through tender offer transactions;
- the hedging instruments in place;
- the cost of carry of the undrawn credit lines;
- the cost of placement of extra liquidity raised ahead of the French elections.

INTEREST RATE HEDGING TRANSACTIONS

In view of the Group's hedging program, the bonds issued at a fixed rate in 2017 were swapped back to variable rates, except the 20-year bond which was kept at fixed rate.

The Group also extended further its hedging programme and added caps for a total cost of €10 Mn.

In this context:

- the debt the Group expects to raise until 2020 (excluding the debt to be raised to finance the Westfield acquisition) is almost fully hedged;
- the debt the Group expects to raise in 2021 and 2022 is hedged at circa 80% and 60%, respectively.

MEASURING INTEREST RATE RISK

As at December 31, 2017, the measuring interest risk is as follow:

	Financial assets		Financial liabilities		Net exposure before hedging	
(€Mn)	Fixed rate	Variable rate	Fixed rate	Variable rate*	Fixed rate	Variable rate
Less than 1 year	276.8	297.9	1,953.7	299.3	1,676.9	1.4
1 year to 2 years	-	-	684.3	523.6	684.3	523.6
2 years to 3 years	-	-	641.7	110.0	641.7	110.0
3 years to 4 years	-	-	1,094.2	210.0	1,094.2	210.0
4 years to 5 years	-	-	1,303.8	50.2	1,303.8	50.2
More than 5 years	-	-	7,553.4	470.0	7,553.4	470.0
TOTAL	**276.8**	**297.9**	**13,231.1**	**1,663.1**	**12,954.3**	**1,365.2**

* *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, 2017 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, 2017 breaks down as follows:

	Outstanding total at 12/31/2017	
(€Mn)	Fixed rate	Variable rate(1)
Financial liabilities	(13,231.1)	(1,663.1)
Financial assets	276.8	297.9
Net financial liabilities before hedging program	**(12,954.3)**	**(1,365.2)**
Micro-hedging	4,370.6	(4,340.4)
Net financial liabilities after micro-hedging(2)	**(8,583.7)**	**(5,705.6)**
Swap rate hedging(3)		-
Net debt not covered by swaps		**(5,705.6)**
Cap and floor hedging		7,000.0
HEDGING BALANCE	**-**	**1,294.4**

(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 2018, if interest rates (Euribor, Stibor or Pribor) were to rise by an average of +0.5% [(1)] (50 bps) during 2018, the estimated impact on financial expenses would be -€2.1 Mn, reducing the 2018 recurring net profit by a broadly similar amount. A further rise of +0.5% (50 bps) would reduce financial expenses by +€2.8 Mn. In total, a +1.0% (100 bps) increase in interest rates during 2018 would have a net positive impact on financial expenses of +€0.7 Mn. A -0.5% (50 bps) drop in interest rates (leading to further negative interest rates) would reduce the financial expenses by +€35.7 Mn and would increase the recurring net profit in 2018 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.

MEASURE OF THE EXPOSURE TO OTHER RISKS AS AT DECEMBER 31, 2017 *(€MN)*

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges
DKK	461.4	(68.8)	392.5	-	392.5
PLN	116.7	(0.3)	116.5	-	116.5
SEK	2,812.0	(1,029.3)	1,782.7	-	1,782.7
Other	47.4	(599.8)	(552.4)	599.8	47.4
TOTAL	**3,437.6**	**(1,698.3)**	**1,739.3**	**599.8**	**2,339.1**

EXPOSURE SENSITIVITY TO CURRENCY EXCHANGE RATE

The main exposure kept is in Swedish Krona (SEK).

	12/31/2017		12/31/2016	
(€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	(10.3)*	(163.8)	(10.0)	(167.5)

* *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 9.8438.*

(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, 2017 of -0.329%.*

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 minimizes 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

12/31/2017 *(€Mn)*	Categories in accordance with IAS 39	Carrying Amount 12/31/2017	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	76.8	76.8	-	-	76.8
Financial assets	L&R/AfS	30.8	9.7	21.1	-	30.8
Derivatives at fair value	FAFVPL	230.7	-	-	230.7	230.7
Trade receivables from activity(1)	L&R	258.3	258.3	-	-	258.3
Other receivables(2)	L&R	183.2	183.2	-	-	183.2
Cash and cash equivalents	FAFVPL	574.7	-	-	574.7	574.7
		1,354.5	**528.0**	**21.1**	**805.4**	**1,354.5**
LIABILITIES						
Financial debts (excluding *ORNANE*)	FLAC	15,191.5	15,191.5	-	-	15,770.2
Financial leases	FLAC	355.2	355.2	-	-	368.0
Net share settled bonds convertible into new and/or existing shares *(ORNANE)*	FLFVPL	1,020.8	-	-	1,020.8	1,020.8
Derivatives at fair value	FLFVPL	315.8	-	-	315.8	315.8
Guarantee deposits	FLAC	223.9	223.9	-	-	223.9
Non-current amounts due on investments	FLAC	256.2	256.2	-	-	256.2
Amounts due to suppliers and other current debt(3)	FLAC	891.8	891.8	-	-	891.8
		18,255.2	**16,918.6**	**-**	**1,336.6**	**18,846.7**

12/31/2016 *(€Mn)*	Categories in accordance with IAS 39	Carrying Amount 12/31/2016	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/AfS	25.1	8.6	16.5	-	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	**442.1**	**16.5**	**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**

(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.

	Fair value measurement at 12/31/2017			
(€Mn)	**Total**	Level 1	Level 2	Level 3
ASSETS				
Fair value through profit or loss				
Derivatives	230.7	-	230.7	-
Available for sale investments	297.9	297.9	-	-
Fair value through equity				
Derivatives	-	-	-	-
TOTAL	**528.6**	**297.9**	**230.7**	**-**
LIABILITIES				
Fair value through profit or loss				
ORNANE	1,020.8	1,020.8	-	-
Derivatives	315.8	-	315.8	-
TOTAL	**1,336.6**	**1,020.8**	**315.8**	**-**

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.

2017 *(€Mn)*	From interest	Net gain/(loss)
Loans & receivables	4.4	4.4
Derivatives at fair value through profit and loss	84.3	84.3
Financial liabilities at amortised cost	(335.4)	(335.4)
	(246.7)	**(246.7)**
Capitalised expenses		18.7
NET FINANCIAL EXPENSES		**(228.0)**

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)**

NOTE 8 ◆ TAXES

8.1. Accounting principles

◆ 8.1.1. Income tax expenses

The Group companies are taxable according to the tax rules of their country. In some countries, special tax regimes for public property companies exist.

Calculation of income tax expenses is based on local rules and rates.

◆ 8.1.2. Deferred tax

Deferred taxes are recognised in respect of all temporary differences between the carrying amount and tax base of assets and liabilities at each financial year-end.

Deferred tax assets or liabilities are calculated based on total temporary differences and on tax losses carried forward, using the local tax rate that will apply on the expected reversal date of the concerned differences, if this rate has been set. Otherwise, they are calculated using the applicable tax rate in effect at the financial year-end date. Within a given fiscal entity or group and for a given tax rate, debit balances are booked to assets for the amount expected to be recoverable over a foreseeable period. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be used.

The main deferred tax liabilities relate to:

- the mark-to-market of investment properties, resulting in the recognition of a deferred tax liability for non-tax-exempt assets;
- the recognition of intangible assets at the acquisition date identified on Viparis entities, particularly Viparis-Porte de Versailles and Paris Nord Villepinte.

◆ 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 realized 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 realization. Based on the SOCIMI regime, the Company has to fulfill distribution obligations of at least 80% of its profits annually, as well as 50% of its capital gains, provided that the remaining 50% is reinvested in the real estate sector within a three-year period.

◆ *The Netherlands – FBI 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 2017 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 2017, even though questioned by the Dutch tax authorities.

8.2. Income tax expenses

(€Mn)	2017	2016
Recurring deferred and current tax on:		
◆ Allocation/reversal of provision concerning tax issues	(1.4)	(0.6)
◆ Other recurring results	(16.3)	(10.5)
Total recurring tax	**(17.7)**	**(11.1)**
Non-recurring deferred and current tax on:		
◆ Change in fair value of investment properties and impairment of intangible assets	(51.7)	(243.6)
◆ Other non-recurring results	(27.8)	(24.8)
◆ 3% tax levied on cash dividends (French companies)	30.6	(2.6)
◆ Impairment of goodwill justified by taxes	(7.6)	(1.1)
Total non-recurring tax	**(56.5)**	**(272.1)**
TOTAL TAX	**(74.2)**	**(283.2)**
Total tax paid	(25.5)	(12.6)

Reconciliation of effective tax rate	%	2017	2016
Profit before tax, impairment of goodwill and result of associates		**2,715.1**	**3,115.6**
Income tax using the average tax rate	29.2%	(793.3)	(861.8)
Tax exempt profits (including SIIC and SOCIMI regimes)	(25.7%)	698.4	571.5
Non-deductible costs	0.2%	(4.2)	(15.8)
Effect of tax provisions	0.1%	(1.4)	(0.6)
Effect of non-recognised tax losses	(0.3%)	7.7	6.9
Effect of change in tax rates	(0.2%)	4.5	11.3
Effect of currency translation in tax	0.4%	(11.3)	8.0
Impairment of goodwill justified by taxes	0.3%	(7.6)	-
Other	(1.2%)	33.0 (2)	(2.7)
	2.7% (1)	**(74.2)**	**(283.2)**

(1) The tax rate of 2.7% is mainly due to tax exempt profits in France according to the SIIC regime.
(2) Including the impact of the tax income relating to the 3% tax levied on cash dividends (French companies) (See note 4.2 "Net recurring result definition").

8.3. Deferred taxes

◆ *2017 change*

(€Mn)	12/31/2016	Increase	Decrease	Reclassification	Currency translation	Change in scope of consolidation	12/31/2017
Deferred tax liabilities	**(1,796.7)**	**(146.3)**	**97.7**	**(14.6)**	**10.9**	**-**	**(1,849.0)**
Deferred tax on investment properties	(1,741.7)	(146.3)	78.5	(14.4)	10.9	-	(1,813.0)
Deferred tax on intangible assets	(55.0)	-	19.2	(0.2)	-	-	(36.0)
Other deferred tax	**106.5**	**4.0**	**(24.0)**	**15.9**	**(5.9)**	**-**	**96.5**
Tax loss carry-forward*	86.2	2.1	(9.2)	12.6	-	-	91.7
Other*	20.3	1.9	(14.8)	3.3	(5.9)	-	4.8
TOTAL DEFERRED TAX LIABILITIES	**(1,690.2)**	**(142.3)**	**73.7**	**1.3**	**5.0**	**-**	**(1,752.5)**
Deferred tax assets							
Tax loss carry-forward	32.1	0.5	(3.4)	(1.3)	-	-	27.9
Other deferred tax assets*	(8.1)	(0.2)	2.3	-	-	-	(6.0)
TOTAL DEFERRED TAX ASSETS	**24.0**	**0.3**	**(1.1)**	**(1.3)**	**-**	**-**	**21.9**

* *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.

2016 change

(€Mn)	12/31/2015	Increase	Decrease	Reclassification	Currency translation	Change in scope of consolidation	12/31/2016
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*	106.7	1.0	(20.9)	-	(0.6)	-	86.2
Other*	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*	(11.8)	-	3.6	0.1	-	-	(8.1)
TOTAL DEFERRED TAX ASSETS	**31.6**	**0.3**	**(8.0)**	**0.1**	**-**	**-**	**24.0**

* *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)	12/31/2017	12/31/2016
Temporary differences investment properties	-	2.9
Tax loss carry-forwards not recognised*	540.1	642.6
TOTAL UNRECOGNISED TAX-BASIS	**540.1**	**645.5**

* *This amount does not include Dutch tax losses.*

Detail of unrecognized tax losses at the end of 2017 into final year of use

(€Mn)	
2018	25.5
2019	11.0
2020	6.2
2021	5.1
2022	1.4
Unlimited	490.9
TOTAL	**540.1**

The temporary differences and tax losses are mainly related to negative financial result on French SIIC entities (€466.3 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, 2017, a deferred tax liability of €92.8 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.

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.

◆ *2017 change*

(€Mn)	12/31/2016	Allocations	Reversals used	Reversals not used	12/31/2017
Long-term provisions	**33.6**	**2.3**	**(1.7)**	**(3.8)**	**30.5**
Provisions for litigation	26.5	0.9	(1.5)	(3.3)	22.7
Other provisions	7.1	1.4	(0.2)	(0.5)	7.8
Short-term provisions	**10.3**	**8.7**	**(2.8)**	**(3.0)**	**13.2**
Provisions for litigation	7.4	6.4	(0.3)	(2.4)	11.0
Other provisions	2.9	2.3	(2.5)	(0.6)	2.2
TOTAL	**43.9**	**11.0**	**(4.4)**	**(6.8)**	**43.7**

◆ *2016 change*

(€Mn)	12/31/2015	Allocations	Reversals used	Reversals not used	Other movements	12/31/2016
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**

NOTE 10 ◆ EMPLOYEE REMUNERATION AND BENEFITS

10.1. Headcount

The average number of employees of the Group's companies breaks down as follows:

Regions	2017	2016
France*	1,059	1,022
Central Europe	127	119
Spain	149	153
Nordics	109	105
Austria	60	56
Germany	434	467
The Netherlands	74	68
TOTAL	**2,012**	**1,990**

* *Of which Viparis: 376/379.*

10.2. Personnel costs

(€Mn)	2017	2016
Head and regional office personnel costs	112.0	104.1
Personnel costs for property services activities	33.4	34.7
Personnel costs for Convention & Exhibition centre management activities	32.6	31.9
Employee benefits*	9.2	9.8
TOTAL	**187.2**	**180.4**

* *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 2017. The profit-sharing agreement is based on the annual growth of the net recurring result and of the EPRA NNNAV, weighted for the activity in France and adjusted for indexation.

Employees belonging to the UES Viparis benefit from an employee profit-sharing plan introduced on June 27, 2008 with its subsequent amendments and the calculation of the special statutory profit-sharing reserve complies with the legal requirements. The profit-sharing agreement was renewed in 2017.

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 organizations. Defined contributions paid into these various compulsory retirement schemes are recognised in the income statement for the period.

Provisions are booked for retirement allowances relating to defined benefit schemes based on the net present value of these future allowances. According to IAS 19 Revised, the actuarial gains and losses are accounted for in 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 provision for retirement allowances, no commitments relating to long-term or post-employment benefits need to be accrued.

Provisions for pension liabilities *(€Mn)*	12/31/2017	12/31/2016
Retirement allowances	6.5	6.1
Pension plans with defined benefit*	2.8	3.1
TOTAL	**9.3**	**9.2**

* *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 and 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 authorized 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 €1.5 Mn in 2017 compared to €1.7 Mn in 2016.

◆ *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 an EPRA benchmark index over the reference period.

For the plan granted in March 2017, an internal performance metric the Recurring Earnings per Share (REPS) has been introduced in addition to the external performance condition based on Total Shareholder Return (TSR).

The performance-related stock-options allocated in March 2017 were valued at €8.66 with a TSR condition, and at €10.17 for those with Recurring Earnings per Share condition (REPS), using a Monte Carlo model. This valuation is based on an initial exercise price of €218.47, a share price at the grant-date of allocation of €214.60, a vesting period of four years, an estimated duration of 4.7 years, a market volatility of 16.81%, a dividend representing 5.0% of the share value, a risk-free interest rate of 0.07% and a volatility of EPRA Eurozone “Retail and Office” Index of 13.62% with a correlation EPRA/Unibail-Rodamco of 85.0%.

Stock options are accounted for in accordance with IFRS 2. The expense recorded in the income statement in relation to stock options came to €4.8 Mn in 2017 and €5.6 Mn in 2016.

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)
2010 plan (n° 6)	2010	from 03/11/2014 to 03/10/2017	120.33	778,800	170,561	231,172	718,189	-
	2011	from 03/11/2015 to 03/10/2018	141.54	753,950	15,059	182,234	566,845	19,930
2011 plan (n° 7)	2011	from 06/10/2015 to 06/09/2018	152.03	26,000	-	-	26,000	-
	2012	from 03/15/2016 to 03/14/2019	146.11	672,202	-	156,067	484,336	31,799
	2013	from 03/05/2017 to 03/04/2020	173.16	617,066	-	148,660	352,032	116,374
	2014	from 03/04/2018 to 03/03/2021	186.10	606,087	-	190,629	5,738	409,720
2015 plan (n°8)	2015	from 03/04/2019 to 03/03/2022	256.81	615,860	-	156,625	-	459,235
	2015	from 09/05/2019 to 09/04/2022	238.33	7,225	-	2,125	-	5,100
	2016	from 03/09/2020 to 03/08/2023	227.24	611,608	-	90,740	1,913	518,955
2017 plan (n°9)	2017	from 03/08/2021 to 03/07/2024	218.47	611,611	-	41,865	-	569,746
TOTAL				**5,300,409**	**185,620**	**1,200,117**	**2,155,053**	**2,130,859**

(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:

	2017		2016	
	Number	Weighted average price (€)	Number	Weighted average price (€)
Outstanding at the beginning of the period	2,214,845	208.44	2,386,861	185.65
Allocated over the period	611,611	218.47	611,608	227.24
Cancelled over the period	(261,606)	185.69	(144,889)	212.29
Exercised over the period	(433,991)	166.24	(638,735)	140.40
Average share price on date of exercise	-	220.88	-	238.26
Outstanding at the end of the period	2,130,859	218.42	2,214,845	208.44
Of which exercisable at the end of the period*	19,930	141.54	139,638	140.89

* *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.

The shares allocated in 2017 are also subject to internal performance condition.

The awards allocated in March 2017 were valued, using a Monte Carlo model, as follows:

	External performance condition (TSR)	Internal performance condition (REPS)
French tax residents beneficiaries	€86.93	€168.84
Others beneficiaries	€90.11	€174.79

This valuation is based on a share price at the date of allocation of €214.60, a vesting period of three years for French tax residents beneficiaries and four years for other beneficiaries, a market volatility of 16.81%, a volatility of EPRA Eurozone "Retail and Office" Index of 13.62% with a correlation EPRA/Unibail-Rodamco of 85.0%, a dividend representing 5.0% of the share value and risk-free interest rates of -0.25%.

Performance shares are accounted for in accordance with IFRS 2. The expense recorded in the income statement in relation to performance shares came to €3.5 Mn in 2017 and €3.1 Mn in 2016.

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	7,632	28,424	-
2014	36,516	9,860	19,051	7,605
2015	37,554	9,223	345	27,986
2016	36,745	5,471	-	31,274
2017	39,770	2,723	-	37,047
TOTAL	**231,616**	**45,388**	**82,316**	**103,912**

(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:	2017	2016
Fixed Income	3,530	3,084
Short-Term Incentive	3,472	3,114
Other benefits[(1)]	1,139	1,075
TOTAL[(2)]	**8,142**	**7,273**

(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 2017, members of the Management Board were allocated a total of 148,750 stock options, all subject to performance condition, and 9,680 performance shares.

Regarding the 2017 results, the Management Board members will receive in 2018 a total variable remuneration of €4,030 K.

◆ *Remuneration of the Supervisory Board*

The remuneration of the Supervisory Board amounts to €1,033,944 for the 2017 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, 2017, net financial debt stood at €14,289 Mn[1], excluding partners' current accounts and after taking cash surpluses into account (€574.7 Mn).

As at December 31, 2017, the total Portfolio valuation amounts to €43,057 Mn, including transfer taxes.

As at December 31, 2017, the calculated ratio remained stable at 33%.

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 for 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.

(1) After impact of derivatives instruments on debt raised in foreign currencies.

◆ Change in share capital

	Total number of shares
As at 01/01/2016	**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 redeemable for shares	353
As at 12/31/2016	**99,393,785**
Exercise of stock options	433,991
Capital increase reserved for employees under Company Savings Plan	30,562
Shares granted	25,323
Conversion of ORNANE	7,811
Bonds redeemable for shares	74
Cancellation of treasury shares	(34,870)
As at 12/31/2017	**99,856,676**

◆ Average number of shares diluted and undiluted

	2017	2016
Average number of shares (undiluted)	**99,744,934**	**99,153,052**
Dilutive impact		
Potential shares *via* stock options*	6,714	242,643
Attributed performance shares (unvested)*	26,129	35,830
Potential shares *via* ORNANE	3,369,693	3,323,265
Potential shares *via* ORA	7,662	7,686
AVERAGE NUMBER OF SHARES (DILUTED)	**103,155,132**	**102,762,477**

* *Corresponds 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 25, 2017, a dividend of €1,018.3 Mn (€10.20 per share) was paid in cash to the shareholders, of which €508.5 Mn as an interim dividend on March 29, 2017 and the remaining balance of €509.8 Mn on July 6, 2017.

On April 21, 2016, Unibail-Rodamco's combined Ordinary and Extraordinary General Meeting of shareholders resolved to distribute a dividend of €9.70 per share. The cash dividend amounted to €963.1 Mn. An interim dividend of €480.1 Mn was paid on March 29, 2016. The balance dividend was paid on July 6, 2016.

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	12/31/2017	12/31/2016
1) Commitments related to the scope of the consolidated Group			**98.7**	**104.9**
Commitments for acquisitions	◆ Purchase undertakings and earn-out	2018 to 2020	34.1	37.5
Commitments given as part of specific transactions	◆ Warranties and bank letters of credit given in the course of the ordinary business	2018+	64.6	67.4
2) Commitments related to Group financing			**937.2**	**1,048.0**
Financial guarantees given	◆ Mortgages and first lien lenders(1)	2018 to 2027	937.2	1,048.0
3) Commitments related to Group operational activities			**1,957.9**	**1,525.5**
Commitments related to development activities	◆ Properties under construction: residual commitments for works contracts and forward purchase agreements	2018+	891.7	569.2
	◆ Residual commitments for other works contracts	2018+	26.2	22.9
	◆ Commitments subject to conditions precedent(2)	2018 to 2027	328.3	188.0
Commitments related to operating contracts	◆ Commitments for construction works(3)	2018 to 2064	459.4	539.7
	◆ Rental of premises and equipment	2018 to 2026	47.3	55.0
	◆ Other(4)	2018+	205.1	150.6
TOTAL COMMITMENTS GIVEN			**2,993.8**	**2,678.4**

(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, before taking into account subsequent debt reimbursement and unused credit lines, was €970.8 Mn as at 12/31/2017 (€1,072.9 Mn as at 12/31/2016).*
(2) *The increase corresponds mainly to the Mall of Europe's project for which an agreement subject to conditions precedent has been signed to acquire the land plot from the City of Brussels.*
(3) *On the 50-year lease contract to operate Porte de Versailles (Paris), Viparis has committed to invest €497,0 Mn for renovation works and €227.2 Mn for the maintenance works (i.e. €724.2 Mn, of which €271.6 Mn have already been invested), representing an initial commitment of €362.1 Mn in Group share.*
(4) *Corresponds mainly to perpetual usufruct rights in Poland.*

Other unquantifiable commitments given related to the scope of the consolidated Group

- In the context of the Westfield acquisition, an Implementation Agreement was signed on December 12, 2017, which restricts actions that may be taken by both Unibail-Rodamco and Westfield prior to the completion. These restrictions fall into three main categories: conduct of the Business outside the ordinary course, undertaking actions that would constitute a "Prescribed Event", and undertaking actions that would constitute a breach of representations or warranties.

  In certain circumstances, if the Transaction does not proceed, a "break fee" of $150.0 Mn is payable by UnibailRodamco or by Westfield.

- 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 (for example: 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 partnership between the Group and Canadian Pension Plan Investment Board (CPPIB). In fact, following the disposal of a 46.1% stake in Unibail-Rodamco Germany to the CPPIB, the Group has committed to retain its interest 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 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.

12.2. Commitments received

Commitments received *(€Mn)*	Description	Maturities	12/31/2017	12/31/2016
1) Commitments related to the scope of the consolidated Group			**35.7**	**35.9**
Commitments for acquisitions	◆ Sales undertakings	2020	-	0.2
Commitments received as part of specific transactions	◆ Representations and warranties	2019	35.7	35.7
2) Commitments related to Group financing			**6,203.4**	**5,995.0**
Financial guarantees received	◆ Undrawn credit lines*	2018 to 2022	6,203.4	5,995.0
3) Commitments related to Group operational activities			**624.7**	**552.5**
Other contractual commitments received related to operations	◆ Bank guarantees on works and others	2018+	12.4	9.9
	◆ Other	2018 to 2024	122.9	102.4
Assets received as security, mortgage or pledge, as well as guarantees received	◆ Guarantees received relating to Hoguet regulation (France)	2018	150.4	150.4
	◆ Guarantees received from tenants	2018+	286.8	247.7
	◆ Guarantees received from contractors on works	2018 to 2021	52.1	42.0
TOTAL COMMITMENTS RECEIVED			**6,863.8**	**6,583.4**

* *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 €426 Mn is guaranteed by mortgages as at 12/31/2017.*

Commitments relating to Group financing

In addition of the available undrawn credit lines reported in the table above, the Group obtained in the context of the Westfield acquisition, commitments from Deutsche Bank and Goldman Sachs to finance the cash component of the transaction (including costs) and potential debt refinancing needs. The €6.1 Bn credit facility was signed on January 12, 2018.

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.

12.3. Contingent liabilities

The Group is involved in an arbitration procedure with PEAB involving claims regarding the development of Mall of Scandinavia. The process involves claims by both sides and is expected to take time to resolve.

Based on the risk analysis as of December 31, 2017, no provision was recorded in the consolidated accounts.

NOTE 13 ◆ SUBSEQUENT EVENTS

In the context of the Westfield Corporation acquisition, the Group obtained commitments from Deutsche Bank and Goldman Sachs to finance the cash component of the transaction (including costs) and potential debt refinancing needs. The €6.1 Bn credit facility was signed on January 12, 2018. It was syndicated to over 29 banks.

NOTE 14 ◆ LIST OF CONSOLIDATED COMPANIES

List of consolidated companies	Country	Method*	% interest 12/31/2017	% control 12/31/2017	% interest 12/31/2016
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	65.00	65.00	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
CGI Metropole sro	Czech Republic	EM-JV	50.00	50.00	-
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
3borders	France	FC	100.00	100.00	100.00
Aéroville	France	FC	100.00	100.00	100.00
Almacie	France	FC	100.00	100.00	100.00
BEG Investissements	France	FC	100.00	100.00	100.00
Bures-Palaiseau	France	FC	100.00	100.00	100.00
Centre Commercial de Lyon La Part-Dieu	France	FC	100.00	100.00	100.00
Extension Villeneuve 2	France	FC	100.00	100.00	100.00
Geniekiosk	France	FC	50.00	50.00	50.00
Lyon Garibaldi	France	FC	100.00	100.00	100.00
Maltèse	France	FC	100.00	100.00	100.00
Marceau Bussy-Sud	France	FC	100.00	100.00	100.00
Neovitam	France	EM-JV	80.00	80.00	-
Rodamco France	France	FC	100.00	100.00	100.00
SA Société d'Exploitation des Parkings et du Forum des Halles de Paris	France	FC	65.00	65.00	65.00
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	53.30
SAS Bisarch	France	FC	53.30	53.30	53.30
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*	% interest 12/31/2017	% control 12/31/2017	% interest 12/31/2016
SAS PCE-FTO	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 Villeneuve 2	France	FC	100.00	100.00	100.00
SCI Appolonios	France	FC	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 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 Elysées Parly 2	France	FC	50.00	50.00	50.00
SCI Elysées Vélizy 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 Parly 2	France	FC	50.00	50.00	50.00
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
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 CC Francilia	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	100.00
SNC Francilium	France	FC	100.00	100.00	100.00
SNC Juin Saint Hubert	France	FC	95.00	95.00	50.01
SNC Juin Saint Hubert II	France	FC	95.00	95.00	50.01
SNC Les Terrasses Saint Jean	France	FC	95.00	95.00	50.01
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	95.00	95.00	50.01
SNC Saint Jean II	France	FC	95.00	95.00	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
Société de Lancement de Magasins d'Usines à l'Usine	France	FC	100.00	100.00	100.00
SP Poissy Retail Enterprises	France	EM-JV	50.00	50.00	50.00
Uni-commerces	France	FC	100.00	100.00	100.00
Uniwater	France	FC	100.00	100.00	100.00
Vendôme Villeneuve 2	France	FC	100.00	100.00	100.00
CentrO	Germany	EM-JV	45.41	45.41	47.60
Gera Arcaden GmbH	Germany	FC	51.00	51.00	48.17
Gropius	Germany	EM-A	10.20	20.00	9.60
Höfe am Brühl GmbH	Germany	FC	51.00	51.00	48.17
KG Schliebe & Co Geschäftszentrum Frankfurter Allee	Germany	EM-A	66.67	66.67	66.67
Minto GmbH	Germany	FC	51.00	51.00	48.17

List of consolidated companies	Country	Method*	% interest 12/31/2017	% control 12/31/2017	% interest 12/31/2016
Neumarkt 14 Projekt GmbH & Co. KG	Germany	FC	44.88	44.88	42.41
Palais Vest GmbH	Germany	FC	51.00	51.00	48.17
Pasing Arcaden GmbH	Germany	FC	51.00	51.00	48.17
Paunsdorf	Germany	EM-JV	25.50	50.00	24.01
Rhein Arcaden GmbH	Germany	FC	51.00	51.00	48.02
Unibail-Rodamco Beteiligungs GmbH	Germany	FC	51.00	51.00	48.02
Unibail-Rodamco ÜSQ Bleu 1 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 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 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
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	5.29	5.29	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
P6AUP s.r.o.	Slovakia	FC	100.00	100.00	-
UR 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	-	Liquidated	Liquidated	52.78
Proyectos Inmobiliarios New Visions SLU	Spain	FC	100.00	100.00	100.00
Proyectos Inmobiliarios Time Blue SLU	Spain	FC	51.11	100.00	51.11
Unibail-Rodamco Benidorm SL	Spain	FC	70.81	70.81	60.81
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 Retail Spain	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Spain SLU	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
Fastighetsbolaget Anlos 1 AB	Sweden	-	sold	sold	-
Fastighetsbolaget Anlos 2 AB	Sweden	-	sold	sold	-
Fastighetsbolaget Anlos 3 AB	Sweden	-	sold	sold	-
Fastighetsbolaget Anlos H AB	Sweden	FC	100.00	100.00	100.00
Fastighetsbolaget Anlos K AB	Sweden	FC	100.00	100.00	100.00
Fastighetsbolaget Anlos L AB	Sweden	FC	100.00	100.00	100.00
Rodamco Arninge Centrum KB	Sweden	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method*	% interest 12/31/2017	% control 12/31/2017	% interest 12/31/2016
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 Handel 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					
Aquabon	France	FC	100.00	100.00	100.00
Cnit Développement	France	FC	100.00	100.00	100.00
G.P.I	France	FC	100.00	100.00	100.00
Gaîté Bureaux	France	FC	100.00	100.00	100.00
Gaîté Parkings	France	FC	100.00	100.00	100.00
Iseult	France	FC	100.00	100.00	100.00
Lefoullon	France	FC	100.00	100.00	100.00
SCI Ariane-Défense	France	FC	100.00	100.00	100.00
SCI Capital 8	France	FC	100.00	100.00	100.00
SCI des Bureaux de la Tour du Crédit Lyonnais	France	FC	100.00	100.00	100.00
SCI Eiffel Levallois Bureaux	France	-	Liquidated	Liquidated	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 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
SNC Yeta	France	FC	100.00	100.00	-
UR Versailles Chantiers	France	FC	100.00	100.00	100.00
Village 3 Défense	France	FC	100.00	100.00	100.00
Village 4 Défense	France	FC	100.00	100.00	100.00
Village 5 Défense	France	FC	100.00	100.00	100.00
Village 6 Défense	France	FC	100.00	100.00	100.00
Village 7 Défense	France	FC	100.00	100.00	100.00
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
CONVENTION & EXHIBITION					
SA Viparis – Le Palais des Congrès d'Issy	France	FC	47.50	95.00	47.50
SAS Lyoncoh	France	FC	100.00	100.00	100.00
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
SCI Pandore	France	FC	50.00	100.00	50.00
SCI Propexpo	France	FC	50.00	50.00	50.00
SNC Paris Expo Services	France	FC	50.00	100.00	50.00
SNC Viparis – Le Bourget	France	FC	50.00	100.00	50.00
SNC Viparis – Porte de Versailles	France	FC	50.00	100.00	50.00

List of consolidated companies	Country	Method*	% interest 12/31/2017	% control 12/31/2017	% interest 12/31/2016
Société d'Exploitation de l'Hôtel Salomon de Rothschild	France	FC	50.00	100.00	50.00
SERVICES					
Unibail-Rodamco Invest GmbH	Austria	FC	100.00	100.00	100.00
UR Austria Verwaltungs 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	51.00	51.00	48.02
mfi Immobilien Marketing GmbH	Germany	FC	51.00	51.00	48.02
mfi Shopping Center Management GmbH	Germany	FC	51.00	51.00	48.02
Unibail-Rodamco Germany GmbH	Germany	FC	51.00	51.00	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
U&R Management 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
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
Acarmina	France	FC	100.00	100.00	100.00
Belwarde1	France	FC	100.00	100.00	100.00
Doria	France	FC	100.00	100.00	100.00
Espace Expansion Immobilière	France	FC	100.00	100.00	100.00
Financière 5 Malesherbes	France	FC	100.00	100.00	100.00
Hipokamp	France	FC	100.00	100.00	-
Immobilière Lidice	France	FC	100.00	100.00	-
Notilius	France	FC	100.00	100.00	-
R.E. France Financing	France	FC	100.00	100.00	100.00
SA Uni-Expos	France	FC	100.00	100.00	100.00
SA Union Internationale Immobilière	France	FC	100.00	100.00	100.00
SA Viparis Holding	France	FC	50.00	50.00	50.00
SAS Enyo	France	FC	100.00	100.00	-
SAS Eurybie	France	FC	100.00	100.00	-
SAS HEBE	France	FC	100.00	100.00	-
SAS Menetios	France	FC	100.00	100.00	-
SAS Viparis MMM	France	FC	50.00	100.00	50.00
SASU Astrapan	France	FC	100.00	100.00	-
SCI du CC d'Euralille S3C Lille	France	FC	60.00	60.00	60.00
SCI Sicor	France	-	Liquidated	Liquidated	73.00
SCI Sukkur	France	FC	100.00	100.00	-
SNC Financière Loutan	France	FC	50.00	50.00	50.00
Société de Tayninh	France	FC	97.68	97.68	97.68
Société Foncière Immobilière	France	FC	100.00	100.00	100.00
Unibail-Rodamco Participations	France	FC	100.00	100.00	100.00
Unibail-Rodamco SIF France	France	FC	100.00	100.00	100.00

List of consolidated companies	Country	Method*	% interest 12/31/2017	% control 12/31/2017	% interest 12/31/2016
UR-Phobos	France	FC	100.00	100.00	-
Valorexpo	France	FC	100.00	100.00	100.00
AS Holding GmbH	Germany	FC	51.00	51.00	51.00
mfi Development GmbH	Germany	FC	51.00	51.00	48.02
mfi dreiundzwanzigste Grundbesitzgesellschaft mbH & Co. KG	Germany	FC	51.00	51.00	48.02
mfi einundzwanzigste Grundbesitzgesellschaft mbH & Co. KG	Germany	FC	51.00	51.00	48.02
mfi fünfzehnte Grundbesitzgesellschaft mbH & Co. KG	Germany	FC	51.00	51.00	48.02
mfi Grundstücksentwicklungsgesellschaft mbH	Germany	FC	51.00	51.00	48.02
mfi siebzehnte Grundbesitzgesellschaft mbH & Co. KG	Germany	FC	51.00	51.00	48.02
mfi zweiundzwanzigste Grundbesitzgesellschaft mbH & Co. KG	Germany	FC	51.00	51.00	48.02
Neukölln Kino Betriebsgesellschaft mbH	Germany	FC	51.00	51.00	48.02
Neumarkt 14 Projekt Verwaltungs GmbH	Germany	FC	43.35	43.35	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 Germany Projekt GmbH	Germany	FC	51.00	51.00	48.02
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 Office Holding SCSp	Luxembourg	EM-A	100.00	-	100.00
Polish ZTR Holding SCSp	Luxembourg	-	Liquidated	Liquidated	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
Uniborc SA	Luxembourg	FC	65.00	65.00	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
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
Knölsvanen Bostads AB	Sweden	FC	100.00	100.00	100.00
Piren AB	Sweden	FC	100.00	100.00	100.00
Rodamco AB	Sweden	FC	100.00	100.00	100.00
Rodamco Anlos Holding AB	Sweden	FC	100.00	100.00	-
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

List of consolidated companies	Country	Method*	% interest 12/31/2017	% control 12/31/2017	% interest 12/31/2016
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 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	100.00
Unibail-Rodamco Cascoshop Holding 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 Investments 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

* *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: Jean-Yves Jegourel designated in April 2017;
- **Deloitte & Associés**:
  - Deloitte & Associés succeeded Deloitte Marque & Gendrot which was appointed on April 28, 2005,
  - person responsible: Pascal Colin, designated in April 2017.

The expiry of the term of office of Ernst & Young and Deloitte & Associés will be held at the General Meeting approving the 2022 accounts.

Fees of Statutory Auditors excluding their networks for the 2017 and 2016 fiscal years

	EY Audit		Deloitte & Associés	
(€Mn)	2017	2016	2017	2016
Audit and limited review of the consolidated and non-consolidated financial statements *(Parent company + controlled companies(1))*	0.7	0.8	1.1	1.0
Non-audit services(2) *(Parent company + controlled companies(1))*	0.2	0.1	0.1	0.1
TOTAL	**0.9**	**0.9**	**1.2**	**1.1**

(1) The controlled companies correspond to the fully consolidated companies as well as the jointly controlled companies.
(2) Relate to the non-audit services in accordance with legal and regulatory requirements and to the non-audit services provided at the request of the Company. For audit firms EY Audit and Deloitte & Associés, the amounts correspond to (1) comfort letters issued in connection with bond issuances of the Group, (2) reports on interim dividends and (3) other attestations.
As far as EY Audit is concerned, it comprises the agreed procedures on consolidated sub-groups.

5.3. STATUTORY FINANCIAL STATEMENTS AS AT DECEMBER 31, 2017

5.3.1. BALANCE SHEET AS AT DECEMBER 31, 2017

ASSETS

(€ thousands)	Notes	12/31/2017 Gross	Depr., amort., impair.	12/31/2017 Net	12/31/2016 Net
Intangible assets	**3**	**285**	**285**	**0**	**0**
Tangible assets	**3**	**925,085**	**295,694**	**629,391**	**814,436**
Land		192,895	0	192,895	204,605
Main structure		301,454	140,480	160,974	256,431
Façade		80,342	34,345	45,997	69,397
Technical equipment		123,197	56,733	66,464	125,248
Miscellaneous fixtures and fittings		145,937	63,324	82,613	112,836
General installations		593	567	26	532
Non-current assets under construction		77,459	0	77,459	42,450
Advances and downpayments		2,881	0	2,881	2,803
Furniture and equipment		327	245	82	134
Financial assets		**18,523,103**	**52,249**	**18,470,854**	**18,255,788**
Investments in subsidiaries	4	10,454,956	52,249	10,402,707	10,392,514
Other long-term investments	5	32,838	0	32,838	32,838
Loans	5	8,035,303	0	8,035,303	7,830,425
Other financial assets	5	6	0	6	11
Total non-current assets		**19,448,473**	**348,228**	**19,100,245**	**19,070,224**
Advances and downpayments		**1,424**	**0**	**1,424**	**2,420**
Receivables	**6**	**5,590,639**	**772**	**5,589,867**	**4,947,839**
Trade receivables from activity		13,782	622	13,160	30,597
Other receivables		5,576,857	150	5,576,707	4,917,242
Cash and cash equivalents	**7**	**431,383**	**0**	**431,383**	**209,634**
Marketable securities		290,153	0	290,153	30,003
Cash		141,230	0	141,230	179,631
Prepaid expenses	**8**	**103**	**0**	**103**	**18,614**
Total current assets		**6,023,549**	**772**	**6,022,777**	**5,178,507**
Deferred charges	9	91,572	0	91,572	79,897
Unrealised foreign exchange losses	10	77,733	0	77,733	79,128
TOTAL ASSETS		**25,641,327**	**349,000**	**25,292,327**	**24,407,756**

LIABILITIES AND EQUITY

(€ thousands)	Notes	12/31/2017	12/31/2016
Shareholders' equity	**12**	**9,106,658**	**8,862,561**
Share capital		499,283	496,969
Additional paid-in capital		6,470,720	6,402,265
Legal reserve		49,697	49,347
Other reserves		27,314	27,314
Retained earnings		867,814	1,343,299
Result for the period		1,191,830	543,367
Other equity	**13**	**1,150**	**1,161**
Bonds redeemable for shares		1,150	1,161
Provisions for contingencies and expenses	**14**	**75,783**	**88,640**
Borrowings and financial liabilities		**16,086,932**	**15,452,396**
Convertible bonds	15	1,000,276	1,007,841
Other bonds	15	10,855,110	9,769,379
Bank borrowings and debt	15	104,213	102,527
Other borrowings and financial liabilities	15	3,710,707	4,179,160
Advances and downpayments received		6,089	5,787
Amounts due to suppliers	16	66,837	6,040
Tax and social security liabilities	16	18,115	7,761
Amounts due on investments	16	22,427	18,853
Other liabilities	16	282,121	329,509
Prepaid income	17	21,037	25,539
Unrealised foreign exchange gains	**18**	**21,804**	**2,998**
TOTAL LIABILITIES AND EQUITY		**25,292,327**	**24,407,756**

5.3.2. INCOME STATEMENT AS AT DECEMBER 31, 2017

(€ thousands)	Notes	2017	2016
Revenue		**52,684**	**97,723**
Reversals of depreciation, amortisation, and impairment, expense transfers		22,297	25,636
Other income		1,412	3,497
Total operating income	**21**	**76,393**	**126,856**
Other purchases and external charges		83,493	35,349
Taxes and related		5,356	8,075
Wages and salaries	22.3	11,929	5,661
Payroll taxes		5,673	2,884
Depreciation and amortisation of non-current assets – operating items	3	64,907	42,387
Impairment of non-current assets – operating items	3	98	1,537
Impairment of current assets – operating items	4	315	304
Provisions – operating items	14	411	5,476
Other operating expenses		2,096	2,410
Total operating expenses	**22**	**174,278**	**104,083**
1 – OPERATING RESULT		**(97,885)**	**22,773**
Investment income		1,025,026	445,984
Income from other marketable securities and receivable on non-current assets		273,075	280,758
Other interest income		126,724	111,178
Reversals of impairment and expense transfers		51,231	4,920
Exchange gains		27,925	11,862
Net income from sales of marketable securities		0	113
Total financial income	**23**	**1,503,981**	**854,815**
Depreciation, amortisation and impairment – financial items		46,309	67,865
Interest expenses		458,730	493,322
Exchange losses		37,390	20,698
Net expenses on sales of marketable securities		232	3
Total financial expenses	**24**	**542,661**	**581,888**
2 – FINANCIAL RESULT		**961,320**	**272,927**
3 – RECURRING RESULT BEFORE TAX		**863,435**	**295,700**
Non-recurring income on management transactions		440	651
Non-recurring income on capital transactions		478,741	259,439
Reversals of impairment and expense transfers		20	151
Total non-recurring income		**479,201**	**260,241**
Non-recurring expenses on management transactions		641	117
Non-recurring expenses on capital transactions		180,754	9,516
Depreciation, amortisation and provisions – non-recurring items		0	0
Total non-recurring expenses		**181,395**	**9,633**
4 – NON-RECURRING RESULT	**25**	**297,806**	**250,608**
Employee profit-sharing		4	(10)
Income tax	26	(30,593)	2,951
Total income		**2,059,575**	**1,241,912**
Total expenses		**867,745**	**698,545**
5 – NET RESULT		**1,191,830**	**543,367**
Average number of share (undiluted)		99,744,934	99,153,052
Result for the period per share in euros		**11.95**	**5.48**
Average number of shares (diluted)		103,155,132	102,762,477
Diluted result for the period per share in euros		**11.55**	**5.29**

5.3.3. BREAKDOWN OF BALANCE SHEET AND INCOME STATEMENT BY ENTITY

ASSETS

(€ thousands)	France	Dutch permanent establishment	Total
Intangible assets			
Tangible assets	456,635	172,756	629,391
Financial assets	12,189,540	6,281,314	18,470,854
Total non-current assets	**12,646,175**	**6,454,070**	**19,100,245**
Advances and downpayments	1,424	0	1,424
Receivables	4,384,055	1,205,812	5,589,867
Cash and cash equivalents	430,820	563	431,383
Prepaid expenses	101	2	103
Total current assets	**4,816,400**	**1,206,377**	**6,022,777**
Deferred charges	91,567	5	91,572
Unrealised foreign exchange losses	77,733	0	77,733
TOTAL ASSETS	**17,631,875**	**7,660,452**	**25,292,327**

LIABILITIES AND EQUITY

(€ thousands)	France	Dutch permanent establishment	Total
Shareholders' equity	8,408,451	698,207	9,106,658
Other equity	0	1,150	1,150
Provisions	75,113	670	75,783
Borrowings and financial liabilities	15,737,349	349,583	16,086,932
Unrealised foreign exchange gains	21,804	0	21,804
TOTAL LIABILITIES AND EQUITY	**24,242,717**	**1,049,610**	**25,292,327**

INCOME STATEMENT

(€ thousands)	France	Dutch permanent establishment	Total
Revenue	**34,113**	**18,571**	**52,684**
Other income and expense transfers	21,502	2,207	23,709
Total operating income	55,615	20,778	76,393
Total operating expenses	158,541	15,737	174,278
1 – OPERATING RESULT	**(102,926)**	**5,041**	**(97,885)**
Total financial income	803,945	700,036	1,503,981
Total financial expenses	535,910	6,751	542,661
2 – FINANCIAL RESULT	**268,035**	**693,285**	**961,320**
3 – RECURRING RESULT BEFORE TAX	**165,109**	**698,326**	**863,435**
Total non-recurring income	479,181	20	479,201
Total non-recurring expenses	181,256	139	181,395
4 – NON-RECURRING RESULT	**297,925**	**(119)**	**297,806**
Employee profit-sharing	4	0	4
Income tax	(30,593)	0	(30,593)
Total income	1,338,741	720,834	2,059,575
Total expenses	845,118	22,627	867,745
5 – NET RESULT	**493,623**	**698,207**	**1,191,830**

5.4. NOTES TO THE STATUTORY 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.

NOTE 1 ◆ ACCOUNTING POLICIES

1.1. Application of accounting policies

The statutory financial statements are presented in accordance with the French General Chart of Accounts and the French Commercial Code.

The general accounting policies were applied in accordance with the:

- principle of prudence;
- accrual basis accounting principle;
- rules for preparing statutory financial statements, based on a going concern assumption.

1.2. Basis of measurement

Non-current assets are recognised as assets when all of the following conditions are simultaneously met:

- it is probable that the Company will benefit from the corresponding future economic benefits;
- the cost or value of the assets can be measured with sufficient reliability.

1.2.1. Intangible assets

Gross value

Intangible items are measured at acquisition or production cost.

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.

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.

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 Centres

- Main structure: 35 years
- Façade: 25 years
- Technical equipment: 20 years
- Miscellaneous fixtures and fittings: 15 years

Convention & Exhibition

- Main structure: 40 years
- Façade: 40 years
- Technical equipment: 30 years
- Miscellaneous fixtures and fittings: 10 years

The depreciation periods applicable to the “Offices” portfolio were used for the CNIT complex, which covers the three segments (“Offices”, “Shopping Centres” and “Convention & Exhibition”).

Impairment of tangible assets

Tangible assets are measured consistently by both external and internal appraisers, as follows:

- Investment property

At the end of each reporting period, investment property is measured at market value. This valuation, including acquisition costs and taxes, is carried out by independent appraisers.

Any loss in value of investment property is calculated by comparing the net 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.

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 subsequently 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.

◆ 1.2.4. Acquisition fees and transfer taxes

The Company has expensed acquisition fees for all non-current assets since January 1, 2005.

◆ 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.

◆ 1.2.6. Bond issuance costs

Bond and EMTN issuance costs along with bond premiums are recognised on an actuarial basis over the term of the debt.

◆ 1.2.7. Provisions

In accordance with CRC 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.

◆ 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.

◆ 1.2.9. Rental income

◆ *Calculation of sales-based rent*

When the sales-based rent called are higher than the estimated sales-based rents, a provision is booked.

◆ *Rebilling of major works*

The percentage of capitalised works rebilled to tenants is included in prepaid income and recognised over a three-year period, corresponding to the average firm term of the leases.

◆ *Key money*

Key money is recognised over the fixed term of the lease whenever it is material.

◆ 1.2.10. Foreign currency transactions

Foreign currency income and expenses are booked at their equivalent value in euros at the recognition date. Foreign currency receivables and payables are translated into euros and recognised on the balance sheet based on the closing exchange rate. Any resulting differences are included in unrealised foreign exchange gains or losses.

A contingency and expense provision is booked for any unrealised losses.

In the event the Company has entered into a perfect and symmetric hedging, the transactions are recognised at the exchange rate set by the hedging transaction and any exchange gains or losses are recognised immediately in the income statement.

1.3. Other accounting principles

◆ 1.3.1. Financial costs relating to construction operations

Financial costs relating to major restructuring or construction operations are expensed as incurred.

◆ 1.3.2. Forward financial instruments

Unibail-Rodamco SE uses a variety of derivative instruments including swaps and caps to manage overall interest rate and/or currency risk.

Premiums paid upon signing an agreement are 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 financial 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 of the 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.

◆ 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.

1.3.4. Treasury shares

Treasury shares are classified when repurchased, either in financial assets, or in a "treasury shares" sub-account in marketable securities, when the shares have been purchased for allocation to employees. As at December 31, 2017, the Company has no treasury shares.

NOTE 2 ◆ HIGHLIGHTS AND COMPARABILITY OF THE LAST TWO REPORTING PERIODS

The comparison between the 2016 and 2017 reporting periods is affected by the events and transactions summarized below.

2.1. Significant events of the year

Property business

- Partial disposal of the technical equipment and fittings of the Pullman hotel as part of work to restructure this asset ("Boccador" project) for a gross value of €45.3 Mn.
- On October 2, 2017, Unibail-Rodamco SE sold So Ouest Plaza building located in Levallois-Perret to SCI Vestas Ivory for a total of €478.8 Mn.

Holding company business

- On January 19, 2017, Unibail-Rodamco SE subscribed to a capital increase of the company Raise Investissement for an amount of €1.4 Mn.
- On December 12, 2017, Unibail-Rodamco SE announced an agreement to acquire Westfield Corporation. Since this announce, Unibail-Rodamco SE obtained the unanimous agreement from the employee representative bodies in accordance with Article 2 of the Implementation Agreement of December 12, 2017. This acquisition remains conditional on the clauses laid down in the Implementation Agreement.

Financial resources

In 2017, the Group took advantage of favourable market windows, to extend its maturity profile and secure attractive funding conditions through the following transactions:

- a new 20-year Euro bond with the lowest spread achieved by Unibail-Rodamco SE for this maturity; and
- the issue of two new Euro bonds with 11-year and 12-year maturities.

In total, medium- to long-term financing transactions completed in 2017 amounted to €3,155 Mn and include:

- the signing of credit facilities amounting to €1,475 Mn with an average maturity of 5 years and an average margin of 33bps, including the first ever "green" credit facility signed in Europe.

  The margin of the "green" facility depends on the achievement by the Group of three CSR objectives in line with the Group's strategy;
- three public EMTN bonds were issued in February, May and June 2017 for a total amount of €1,600 Mn with the following features:
  - €600 Mn with an 11-year maturity and a coupon of 1.5%,
  - €500 Mn with a 12-year maturity and a coupon of 1.5%,
  - €500 Mn with a 20-year maturity and a coupon 2.0%;
- the issue of two private placements under Unibail-Rodamco SE's EMTN programme for a total equivalent amount of €155 Mn through two taps (€105 Mn and €50 Mn) of its outstanding 1.375% bond with a 2030 maturity, increasing the size of the bond to €655 Mn:
  - in addition, Unibail-Rodamco SE accessed the money market by issuing short-term paper (BMTN, "billets de trésorerie" and "US Commercial Paper" (USCP)),
  - the average amount of short-term paper outstanding in 2017 was €1,378 million (vs. €1,252 Mn on average in 2016). The higher average amount of short term papers in 2017 vs. 2016 is due to an increase of the issuances in the first half of the year ahead of the French elections to secure additional liquidity,
  - *billets de trésorerie* were raised in 2017 at an average margin of 1 bp above Eonia (vs. an average of 8 bps above Eonia in 2016).

As at December 31, 2017, the total amount of undrawn credit lines came to €5,828 Mn.

To limit the impact of interest rate fluctuations and to optimise the overall cost of financing in the medium-term, Unibail-Rodamco SE has restructured its portfolio of derivatives in H2-2017.

The restructuring mainly consisted in:

- exchanging the cancellation of €3.35 Bn of swaps for the year 2018 against an extension of maturity up to January 2026 and the sale of 2 year swaptions from 2026 to 2028;
- buying €3.35 Bn of caps to cover 2018;
- buying for €3 Bn of 1 year cap spread to lower the risk of interest rates increases in 2018.

The net cash out of these operations amounted to €10.2 Mn.

2.2. Significant events of 2016

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 €210.1 Mn and €0.3 Mn respectively.
- On December 20, 2016, Unibail-Rodamco SE absorbed its Dutch wholly-owned subsidiary Rodamco Europe BV. From an accounting and tax standpoint, 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 which 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 resources

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 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 SE's EMTN programme 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* programme. Unibail-Rodamco SE also put in place a "US Commercial Paper" (USCP) programme in H1-2016. The average outstanding amount was $105 Mn over the period the USCP programme 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.

NOTE 3 ◆ INTANGIBLE AND TANGIBLE ASSETS

Changes in the gross value of intangible and tangible assets in 2017

(€ thousands)	Gross value Opening balance	Acquisitions Additions	Interaccount transfers	Decreases resulting from contributions or sales to third parties or retirements	Gross value Closing balance
Intangible assets					
Goodwill					
Other intangible assets	367			(82)	285
Total intangible assets	**367**			**(82)**	**285**
Tangible assets					
Land	204,605			(11,710)	192,895
Main structure	396,834		398	(95,778)	301,454
Façade	101,592		93	(21,343)	80,342
Technical equipment	183,140		754	(60,697)	123,197
Miscellaneous fixtures and fittings	173,495		16,436	(43,994)	145,937
General installations	5,496			(4,903)	593
Non-current assets under construction	42,450	54,296	(15,731)	(3,556)	77,459
Advances and downpayments	2,803	2,262	(1,950)	(234)	2,881
Furniture and equipment	2,482	4		(2,159)	327
Total tangible assets	**1,112,897**	**56,562**		**(244,374)**	**925,085**
TOTAL	**1,113,264**	**56,562**		**(244,456)**	**925,370**

The main movements in tangible assets during the year relate to:

- the assets sales related to the disposal of So Ouest Plaza for €196.7 Mn;
- the partial disposal of the technical equipment and fittings of the Pullman hotel for €45.3 Mn;
- the restructuring works of Gaité and the Pullman hotel ("Boccador" project) recognised in non-current assets under construction in 2017 for €45.5 Mn;
- delivery in June and December of works in the Zoetermeer complex owned by the Dutch permanent establishment, for €13.5 Mn that was shown in non-current assets under construction as at December 31, 2016;
- delivery of works in the CNIT complex in March, June, September and December for €3.1 Mn, part of which was shown in non-current assets under construction as at December 31, 2016.

Changes in depreciation, amortisation and impairment in 2017

Tangible assets (€ thousands)	Depreciation and amortisation Opening balance	Expense in the period	Decreases due to contributions, sales or reversals	Interaccount transfers	Depreciation and amortisation Closing balance
Main structure	133,161	19,355	(18,954)		133,562
Façade	32,195	4,420	(2,270)		34,345
Technical equipment	57,892	9,967	(11,126)		56,733
Miscellaneous fixtures and fittings	60,659	30,603	(27,938)		63,324
Installations – fittings	4,964	506	(4,903)		567
Furniture and equipment	2,348	56	(2,159)		245
Total depreciation and amortisation	**291,219**	**64,907**	**(67,350)**		**288,776**

Impairment of tangibles and intangibles assets *(€ thousands)*	Opening balance	Expense in the period	Reversals in the period		Interaccount transfers	Closing balance
			Surplus	Utilized		
Impairment of other intangible assets	367			(82)		285
Impairment of properties	7,242	97	(421)			6,918
Total impairment	**7,609**	**97**	**(421)**	**(82)**		**7,203**
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT	**298,828**	**65,004**	**(67,771)**	**(82)**		**295,979**

Impairment charged against properties relates to certain Dutch assets. Impairment was adjusted in 2017 in light of the independent asset appraisal. Changes in impairment were booked in operating result.

NOTE 4 ◆ FINANCIAL INVESTMENTS

Equity Investments *(€ thousands)*	Gross value Opening balance	Increases due to acquisitions or capital increases	Decreases due to disposals to third parties	Decreases due to merger transactions *via* dissolution without liquidation	Gross value Closing balance
Group subsidiary investments	9,835,182	283	(1)	(1)	9,835,463
Technical loss on Group subsidiary investments	607,944				607,944
Long-term investments	10,000	1,430			11,430
Other investments	119				119
TOTAL	**10,453,245**	**1,713**	**(1)**	**(1)**	**10,454,956**

Changes in Group subsidiary investments result mainly from:

- the subscription to the capital increase of Geniekiosk for €250 K;
- the subscription to the capital increase of Proyectos Inmobiliarios Time Blue SLU for €26 K;
- the subscription to the capital increase of Belwarde 1 for €5 K.

Changes in long-term investments result from the subscription to the capital increase of Raise Investissement for €1,430 K.

Details of equity investments are presented below in the table of subsidiaries and investments.

Impairment *(€ thousands)*	Gross value Opening balance	Expense in the period	Reversals in the period		Gross value Closing balance
			Surplus	Utilized	
Impairment of Group subsidiary investments	47,536	5,417	(14,172)		38,781
Impairment of merger losses	13,189	273			13,462
Impairment of long-term investments	0				0
Impairment of other equity investments	6				6
TOTAL	**60,731**	**5,690**	**(14,172)**	**-**	**52,249**

As at December 31, 2017, the Company booked an additional provision related to the shares of its subsidiary SCI Gaité Bureaux for €3.8 Mn and a provision related to the shares of its subsidiary G.P.I for €1.5 Mn.

The Company also booked a reversal of provision on the shares in Unibail-Rodamco Spain SLU for €12.9 Mn and on the shares in Unibail-Rodamco Real Estate SL for €1.3 Mn.

As at December 31, 2017, an additional depreciation of €273 K was booked concerning the merger loss related to the shares in Unibail-Rodamco SIF France.

Subsidiaries and investments

Company *(€Mn)*	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	2017 statutory result	Dividends received in 2017 and included in income
1. Subsidiaries (more than 50% owned)											
3BORDERS			99.90%				5				
ACARMINA			99.90%				34				
AÉROVILLE			99.90%				300		28	(4)	
AQUABON	1		100.00%	1		1	1		1	1	
BEG INVESTISSEMENTS			99.98%	4	21	25	15		3	2	2
BELWARDE 1			100.00%								
CAPITAL 8			99.90%				301		22	11	11
CNIT DÉVELOPPEMENT			99.90%				73	28			
DORIA	6	92	90.34%	246		246		400			21
ESPACE EXPANSION IMMOBILIÈRE			99.93%								
FINANCIÈRE 5 MALESHERBES			99.98%	118		118	66				20
GAITÉ BUREAUX			99.99%	20		13	15			(2)	
GAITÉ PARKINGS		8	99.99%	16		16	3		1	(2)	
G.P.I		2	100.00%	11		9					
HIPOKAMP			99.90%								
IMMOBILIÈRE LIDICE			100.00%								
ISEULT	1	40	100.00%	21		21	72			(5)	10
LEFOULLON			99.90%				359		25	10	10
MALTESE			99.98%				48		6	3	3
MARCEAU BUSSY-SUD			99.99%				5		1		1
NOTILIUS			99.90%								
PROYECTOS INMOBILIARIOS TIME BLUE SL			51.11%								
R.E. FRANCE FINANCING		9	100.00%	7		7					
RODAMCO EUROPE PROPERTIES BV	670	830	100.00%	6,278		6,278	718			(11)	700
RODAMCO FRANCE	146	377	100.00%	655	522	1,177	196		6	62	62
RODAMCO PROJECT I BV			100.00%	3		3					
SA CROSSROADS PROPERTY INVESTORS			100.00%				1				
SCI ARIANE-DÉFENSE	15		100.00%	15		15	158		18	6	6
SCI BUREAUX DE LA TOUR CREDIT LYONNAIS			99.99%	17		17	17		2	1	1
SCI EIFFEL LEVALLOIS COMMERCES		(15)	99.90%				300		19	3	
SCI GALILÉE-DÉFENSE	11		99.99%	11		11	68		14	10	10
SCI LE SEXTANT			99.99%	30		30	16		5	3	3
SCI MONTHERON			99.90%				1				
SCI SEPT ADENAUER			99.97%	1		1			10	8	8
SCI TRINITY DÉFENSE			99.90%				115				
SNC RANDOLI			99.90%				232		21		
SOCIÉTÉ DE LANCEMENT DE MAGASINS D'USINES A L'USINE			100.00%	5	23	28			3	30	
SOCIÉTÉ DE TAYNINH	15	3	97.68%	21		17					
SOCIÉTÉ FONCIÈRE IMMOBILIÈRE		(1)	100.00%	2		2					

Company *(€Mn)*	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	**2017 statutory result**	**Dividends received in 2017 and included in income**
U&R MANAGEMENT BV			100.00%								
UNIBAIL-RODAMCO PARTICIPATIONS			100.00%				8				
UNIBAIL-RODAMCO REAL ESTATE SL	2	7	100.00%	2		1	14			7	
UNIBAIL-RODAMCO RETAIL SPAIN SLU	50	1,256	100.00%	773		773	982	2		214	46
UNIBAIL-RODAMCO SIF FRANCE	22	16	100.00%	22	42	50	3				
UNIBAIL-RODAMCO SPAIN SL	48	80	100.00%	150		126	315			13	
UNIBAIL-RODAMCO STEAM SL	4	414	51.11%	210		210	202			29	3
UNI-COMMERCES	856	51	100.00%	1,155		1,155	921	7	18	90	119
UNIWATER		14	100.00%	22		22	46		4	1	1
UR VERSAILLES CHANTIERS			99.90%				16		39		
UR-PHOBOS			100.00%								
VALOREXPO			100.00%								
VILLAGE 3 DÉFENSE	2	6	100.00%	2		2	26		2	1	
VILLAGE 4 DÉFENSE	3	7	100.00%	3		3	28			(2)	
VILLAGE 5 DÉFENSE	5	13	100.00%	5		5	34		5	4	3
VILLAGE 6 DÉFENSE	2	17	100.00%	2		2	17		1	(1)	
VILLAGE 7 DÉFENSE	2	8	100.00%	3		3	14		2	2	2
VILLAGE 8 DÉFENSE			100.00%				2				
Total I	**1,861**	**3,234**		**9,831**	**608**	**10,387**	**5,742**	**437**	**256**	**484**	**1,042**
2. Investments (between 10% to 50% owned)											
GENIEKIOSK			50.00%	1		1					
LA ROUBINE	3		50.00%	1		1					
SIAGNE NORD	5	4	22.48%	2		2					
SP POISSY RETAIL ENTERPRISES			50.00%				1				
Total II	**8**	**4**		**4**	**0**	**4**	**1**	**0**	**0**	**0**	**0**
Other Investments				**12**		**11**					
TOTAL	**1,869**	**3,238**		**9,847**	**608**	**10,402**	**5,743**	**437**	**256**	**484**	**1,042**

5.

NOTE 5 ◆ LOANS AND OTHER FINANCIAL ASSETS

Loans, other financial assets and other long-term investments *(thousands of currency units)*	Currency	12/31/2016	Increases	Decreases	Impact of exchange rate fluctuations	12/31/2017
Other long-term investments (bonds issued by subsidiaries)	**EUR**	**32,632**				**32,632**
Receivable from other long-term investments	**EUR**	**206**				**206**
Loans to subsidiaries						
Loans to subsidiaries in EUR	EUR	6,181,772	475,983	(136,483)		6,521,272
Loans to subsidiaries in CZK	CZK	8,478,400	4,444,000	(3,667,000)		9,255,400
Loans to subsidiaries in DKK	DKK	300,000				300,000
Loans to subsidiaries in HUF	HUF	0				0
Loans to subsidiaries in PLN	PLN	1,074,795	80,109			1,154,904
Loans to subsidiaries in SEK	SEK	9,451,014		(1,763,514)		7,687,500
Total euro equivalent value of loans to subsidiaries	**EUR**	**7,768,973**	**669,197**	**(456,806)**	**102**	**7,981,466**
Amounts receivable on loans	**EUR**	**61,451**	**53,836**	**(61,451)**		**53,836**
Other loans	**EUR**	**12**		**(5)**		**7**
TOTAL		**7,863,274**	**723,033**	**(518,262)**	**102**	**8,068,147**

The maturity of loans to subsidiaries as at December 31, 2017 is as follows:

1 year or less:	€750 Mn
between 1 and 5 years:	€3,264 Mn
more than 5 years:	€3,967 Mn

NOTE 6 ◆ RECEIVABLES

(€ thousands)	12/31/2017	12/31/2016
Doubtful or disputed receivables	968	1,409
Other trade receivables from activity	12,814	30,892
Employee receivables	244	7
Social security and similar receivables	0	8
Income tax receivables	30,893	1,115
VAT receivables	18,446	18,012
Other tax receivables	1,714	1,375
Miscellaneous tax receivables	0	0
Receivables from Group and associated companies	4,974,003	4,278,686
Accrued income on derivatives	50,504	34,022
Difference of assessment of derivatives	469,710	545,880
Sundry debtors	31,343	38,287
TOTAL	**5,590,639**	**4,949,693**

"Other trade receivables from activity" mainly relates to accrued receivables and the outstanding balance of rent-free periods and step rents.

"Income tax receivables" as at December 31, 2017 primarily corresponds to the amount of taxes on dividends paid on the period from 2013 to 2016 and reclaimed from the French Tax Administration.

"Receivables from Group and associated companies" mainly 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 to 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 2016 for €400 Mn. An additional amount related to 2017 transactions is included in this item for €69.7 Mn.

"Sundry debtors" primarily corresponds to funds received from tenants in relation to service charges.

Impairment of receivables

(€ thousands)	Opening balance	Expense in the period	Reversals in the period		Closing balance
			Surplus	Utilized	
Impairment of doubtful receivables	1,704	314	(601)	(795)	622
Impairment of subsidiary current accounts	150				150
TOTAL	**1,854**	**314**	**(601)**	**(795)**	**772**

NOTE 7 ◆ CASH AND CASH EQUIVALENTS

(€ thousands)	12/31/2017	12/31/2016
Marketable securities	290,153	30,003
Cash	141,230	179,631
TOTAL	**431,383**	**209,634**

There is no difference between the carrying amount of marketable securities on the balance sheet and their market value.

NOTE 8 ◆ PREPAID EXPENSES

(€ thousands)	12/31/2017	12/31/2016
Rentals	40	19,128
Interest on discounted commercial papers	0	(535)
General expenses	63	21
TOTAL	**103**	**18,614**

As at December 31, 2016, the "Rentals" line included the indemnities related to So Ouest Plaza which was sold in 2017.

NOTE 9 ◆ DEFERRED CHARGES

(€ thousands)	12/31/2017	12/31/2016
Charges on bank loans and borrowings	9,623	10,030
Charges on bonds	23,523	20,363
Charges on convertible bonds	5,342	6,765
Charges on bonds redeemable in shares	5	5
Bond issue premium	53,079	42,734
TOTAL	**91,572**	**79,897**

NOTE 10 ◆ UNREALISED FOREIGN EXCHANGE LOSSES

(€ thousands)	12/31/2017	12/31/2016
Unrealised foreign exchange losses on subsidiary loans in PLN	0	111
Unrealised foreign exchange losses on subsidiary loans in SEK	77,733	79,017
TOTAL	**77,733**	**79,128**

NOTE 11 ◆ ACCRUED INCOME

(€ thousands)	12/31/2017	12/31/2016
Financial assets	54,042	61,658
Trade receivables from activity	7,681	26,531
Amounts due to suppliers	1,368	2,310
Taxes	5,951	2,859
Subsidiary current accounts	6,366	5,955
Other receivables	50,237	33,987
TOTAL	**125,645**	**133,300**

Changes in "Trade receivables from activity" are mainly due to the rent-free periods for €13.7 Mn included in this line as at December 31, 2016 and concerning So Ouest Plaza sold in 2017.

NOTE 12 ◆ CHANGES IN SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2017

Number of shares: 99,856,676

Par value: €5

	Before appropriation of net result 12/31/2016	Appropriation of 2016 net result	2017 changes(1)	Before appropriation of net result 12/31/2017	Proposed appropriation of 2017 net result(2)	After appropriation of 2017 net result
Share capital	**496,969**		**2,314**	**499,283**		**499,283**
Reserves	**6,478,926**	**350**	**68,455**	**6,547,731**	**231**	**6,547,962**
Additional paid-in capital: issue premium	2,553,777		68,455	2,622,232		2,622,232
Additional paid-in capital: contribution premium	3,848,488			3,848,488		3,848,488
Legal reserve	49,347	350		49,697	231	49,928
Other reserves	23,509			23,509		23,509
Reserve for euro translation	3,805			3,805		3,805
Retained earnings	**1,343,299**	**(475,319)**	**(166)**	**867,814**	**113,147**	**980,961**
Net result	**543,367**	**(543,367)**	**1,191,830**	**1,191,830**	**(1,191,830)**	**0**
TOTAL SHAREHOLDERS' EQUITY	**8,862,561**	**(1,018,336)**	**1,262,433**	**9,106,658**	**(1,078,452)**	**8,028,206**
DIVIDEND		**1,018,336**			**1,078,452**	

(1) Changes relate mainly to options exercised, to the capital increase reserved for employees carried out under the Company Savings Plan, to the issue of performance shares and to the cancellation of shares purchased by the Company during the 2017 year.
(2) Proposal of the allocation and distribution of the result to be submitted to the next Annual General Meeting (AGM) in 2018 based on 99,856,676 shares as at 12/31/2017 (€ thousands):

- net result for the period	*1 191 830*
- previous retained earnings balance	*867 814*
- allocation to the legal reserve	*(231)*
- net result available for distribution	***2 059 413***
- dividend of €10.80 per share	***1 078 452***
- new retained earnings balance	***980 961***

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.
Thiswill satisfy Unibail-Rodamco SE's 2017 obligation as a SIIC to pay a minimum dividend of €414.7 Mn.

Changes in the number of shares comprising the share capital

	Number of shares
As at 01/01/2016	**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
ORNANE convertible bonds	1,549
As at 12/31/2016	**99,393,785**
Capital increase reserved for employees under the Company Savings Plan	30,562
Exercise of stock options	433,991
Bonds redeemable in shares	74
Performance shares grants	25,323
ORNANE convertible bonds	7,811
Cancellation of treasury shares	(34,870)
AS AT 12/31/2017	**99,856,676**

NOTE 13 ◆ OTHER EQUITY

(€ thousands)	12/31/2017	12/31/2016
Bonds redeemable in shares	1,150	1,161
TOTAL	**1,150**	**1,161**

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 (Board Meeting of June 21, 2007) in consideration for Rodamco Europe BV shares.

Each Unibail-Rodamco SE ORA bond 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 2017, 59 ORA bonds were redeemed, representing a total of 9,357,861 bonds redeemed since issuance. As at December 31, 2017, a total of 5,847 ORA bonds were outstanding, redeemable in 7,309 shares.

NOTE 14 ◆ PROVISIONS FOR CONTINGENCIES AND EXPENSES

			Reversals in the period		
(€ thousands)	Opening balance	Expense in the period	Surplus	Utilized	Closing balance
Provisions for operating contingencies	2,547	100	(4)		2,643
Provisions for foreign exchange losses	79,128	23,814	(203)	(31,690)	71,049
Other operating provisions	6,965	311	(5,185)		2,091
TOTAL	**88,640**	**24,225**	**(5,392)**	**(31,690)**	**75,783**

Changes in "Provisions for foreign exchange losses" line reflect provisions for unrealised foreign exchange losses following the fall in the Swedish krona and reversals of provisions for unrealised foreign exchange losses related to loans denominated in Swedish kronor falling due.

Changes in "Other operating provisions" line mainly relate to the reversal of a risk provision on the subsidiary Unibail-Rodamco Real Estate SL for €5.1 Mn due to the increase of the fair value of its assets.

NOTE 15 ◆ BORROWINGS AND FINANCIAL LIABILITIES

(€ thousands)	12/31/2016	Increases	Decreases	12/31/2017
Convertible bonds (ORNANE)	**1,007,841**	**2**	**(7,567)**	**1,000,276**
Principal outstanding	1,007,783	0	(7,509)	1,000,274
Accrued interest	58	2	(58)	2
Other bonds	**9,769,379**	**1,885,405**	**(799,674)**	**10,855,110**
Principal outstanding	9,657,701	1,755,000	(687,996)	10,724,705
Accrued interest	111,678	130,405	(111,678)	130,405
Bank loans and borrowings	**102,527**	**3,424**	**(1,738)**	**104,213**
Principal outstanding	100,000	0	0	100,000
Accrued interest	1,738	1,745	(1,738)	1,745
Bank accounts with a credit balance	789	1,679	0	2,468
Accrued interest	0	0	0	0
Miscellaneous borrowings and financial liabilities	**4,179,160**	**3,795,616**	**(4,264,069)**	**3,710,707**
Deposits and guarantees	5,094	339	(985)	4,448
Other borrowings	1,360,273	0	(241,738)	1,118,535
Payable on other borrowings	937	856	(937)	856
Medium-term notes	177,300	40,000	(115,000)	102,300
Payable on medium-term notes	(18)	(73)	18	(73)
Commercial paper	1,043,500	3,555,000	(3,528,500)	1,070,000
Payable on commercial paper	(67)	0	67	0
Subsidiary current accounts	1,583,245	196,362	(373,334)	1,406,273
Transfer of subsidiaries' earnings	8,896	3,132	(3,660)	8,368
TOTAL	**15,058,907**	**5,684,447**	**(5,073,048)**	**15,670,306**

Changes in the "Convertible bonds – Principal outstanding" line reflect the redemption of 34,560 ORNANE bonds issued in 2012, following requests for conversion made by bondholders for €7.5 Mn.

Changes in the "Other bonds" line result from the final maturity of four bond tranches for a total amount of €688 Mn and bond issues under the Euro Medium-Term Notes (EMTN) programme for an overall amount of €1,755 Mn in 2017.

Changes in the "Other borrowings" line result from the repayment of a borrowing with the Group company Warsaw III BV for €236 Mn.

As at December 31, 2017, the "Subsidiary current accounts" line comprises financing granted mainly by the following subsidiaries:

- Rodamco Europe Finance BV: €346 Mn;
- Unibail-Rodamco Polska Sp zoo: €196 Mn;
- Unibail-Rodamco Poland 3 BV: €180 Mn;
- Rodamco Sverige AB: €179 Mn;
- SCI Propexpo: €84 Mn.

It also includes €10 Mn in VAT credits relating to companies within the VAT consolidation scope. This amount was repaid in January 2018.

Characteristics of bonds and EMTNs

Issue date *(based on value date)*	Interest rate	Amount outstanding as at 12/31/2017 *(€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
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
October 2011	Fixed rate 4.10%	27	October 2031
November 2011	Fixed rate 4.05%	20	November 2031
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
February 2013	Fixed rate 2.375%	418	February 2021
February 2013	Fixed rate 3.10% for a par value of HKD 700 Mn	69	February 2025
March 2013	Fixed rate 3.28% for a par value of HKD 585 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 HKD 400 Mn	38	October 2025
November 2013	Fixed rate 2.00% for a par value of CHF 135 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 HKD 750 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 HKD 500 Mn	61	November 2026
February 2017	Fixed rate 1.5%	600	February 2028
March 2017	Fixed rate 1,375%	155	April 2030
May 2017	Fixed rate 1.5%	500	May 2029
May 2017	Fixed rate 2,0%	500	May 2037
TOTAL		**10,725**	

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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 ORNANE bonds are admitted to trading on the Euronext Paris market and were described in the prospectus approved by the French financial markets authority (*Autorité des marchés financiers* – AMF) under no. 15-144.

Main characteristics of the ORNANE 2015 issue

The bonds do not bear any interest and will be redeemed at par on January 1, 2022. They may be redeemed early as from January 1, 2018 at Unibail-Rodamco SE's discretion, and may also be redeemed early at the bondholders' discretion, in accordance with the provisions of the issue note (*note d'opération*) submitted to the AMF for approval. In the event their share rights are exercised, bondholders will receive an amount in cash and, where applicable, new and/or existing Unibail-Rodamco SE shares. The Company will also have the option to deliver new and/or existing shares only.

The ORNANE 2015 issue was taken into account when calculating diluted earnings per share, based on 1,441,462 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 ORNANE bonds are admitted for trading on the Euronext Paris market and were described in the prospectus approved by the French financial market authority (AMF) under no. 14-296.

Main characteristics of the ORNANE 2014 issue

The bonds do not bear any interest and will be redeemed at par on July 1, 2021. They may be redeemed early at Unibail-Rodamco SE's discretion and may also be redeemed early at the 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, bondholders will receive an amount in cash and, where applicable, new and/or existing Unibail-Rodamco SE shares. The Company will also have the option to deliver new and/or existing shares only.

The ORNANE 2015 issue was taken into account when calculating diluted earnings per share, based on 1,926,681 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 ORNANE bonds 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. 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 SE 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.

In 2017, 34,560 ORNANE 2012 bonds were redeemed following requests for conversion made by bondholders. As at December 31, 2017, a total of 1,260 ORNANE 2012 bonds were outstanding.

The ORNANE 2012 issue is taken into account when calculating diluted earnings per share based on 1,550 shares.

Maturity of borrowings and financial liabilities

(€ thousands)	1 year or less	Between 1 and 5 years	More than 5 years	Total
Other bonds	**866,454**	**3,652,426**	**7,336,506**	**11,855,386**
Convertible bonds (ORNANE)	274	1,000,000	0	1,000,274
Accrued interest	2	0	0	2
Bonds	735,773	2,652,426	7,336,506	10,724,705
Accrued interest	130,405	0	0	130,405
Bank loans and borrowings	**4,213**	**50,000**	**50,000**	**104,213**
Bank loans	0	50,000	50,000	100,000
Accrued interest on bank loans	1,745	0	0	1,745
Bank accounts with a credit balance	2,468	0	0	2,468
Miscellaneous borrowings and financial liabilities	**2,592,172**	**1,118,535**	**0**	**3,710,707**
Deposits and guarantees	4,448	0	0	4,448
Other borrowings	0	1,118,535	0	1,118,535
Payable on other borrowings	856	0	0	856
Medium-term notes	102,300	0	0	102,300
Payable on medium-term notes	(73)	0	0	(73)
Commercial paper	1,070,000	0	0	1,070,000
Payable on commercial paper	0	0	0	0
Subsidiary current accounts	1,406,273	0	0	1,406,273
Transfer of subsidiaries' earnings	8,368	0	0	8,368
TOTAL	**3,462,839**	**4,820,961**	**7,386,506**	**15,670,306**

Contractual obligations relating to borrowings

No borrowing is subject to early repayment clauses linked to the Company's debt ratings, barring exceptional circumstances such as a change of control.

The bonds are not subject to any contractual covenants 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.

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, 2017, the LTV ratio for the Unibail-Rodamco Group amounted to 33% unchanged from December 31, 2016.

The ICR ratio [(1)] for the Unibail-Rodamco Group improved to 6.7x for 2017 as a result of strong rental levels for existing assets, and the lower cost of debt. ICR is in line with the solid levels achieved in recent years and increased from 5.9x in 2016.

These ratios show ample headroom with regard to bank covenants, usually set at a maximum LTV of 60% and a minimum ICR of 2x and reported twice a year to the banks.

As at December 31, 2017, 95% 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 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 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 and swaps) to hedge its interest rate exposure. All transactions are managed centrally and independently.

As at December 31, 2017, net financial liabilities amounted to €13,820 Mn (excluding current accounts and ORA instruments). The face value of net financial liabilities (excluding current accounts) was €13,688 Mn. In all, 34% 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.

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.

(1) *Interest Coverage Ratio = Recurring EBITDA/Recurring net financial expenses (including capitalised interest).*
Recurring EBITDA is calculated as total recurring operating income and other income, less general expenses and excluding depreciation, amortisation and impairment.

NOTE 16 ◆ OTHER LIABILITIES

(€ thousands)	12/31/2017	12/31/2016
Amounts due to suppliers	66,837	6,040
Employee payables	9,941	2,652
Social security and similar payables	4,601	1,763
Income tax payables	0	0
VAT payables	3,318	2,684
Other tax payables	255	662
Amounts due on investments	22,427	18,853
Other liabilities	282,121	329,509
TOTAL	**389,500**	**362,163**

The "Amounts due on investments" line mainly consists of accrued payables relating to works on the "Boccador" project for €8.8 Mn and the Pullman hotel for €5.8 Mn.

A breakdown of "other liabilities" is provided below:

(€ thousands)	12/31/2017	12/31/2016
On property activities	47,740	53,630
On caps, floors and swaps	119,273	52,894
Other	115,108	222,985
TOTAL	**282,121**	**329,509**

The "Other liabilities on caps, floors and swaps" line corresponds to the balancing cash adjustments and premiums relating to 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 2016 for €48.4 Mn. An additional amount related to 2017 transactions is included in this item for €66.9 Mn.

Changes in the "Others sundry liabilities" line result mainly from the partial repayment for €101.9 Mn of the debt loaned from a subsidiary following the acquisition of shares in Unibail-Rodamco Steam SL and Proyectos Inmobiliarios Time Blue SL for €210.4 Mn.

NOTE 17 ◆ PREPAID INCOME

(€ thousands)	12/31/2017	12/31/2016
Property business	1,932	5,998
Interest on discounted commercial papers	1,202	0
Deferred recognition of issue premium on EMTN	4,894	5,928
Deferred recognition of issue premium on ORNANE bonds	1,485	1,857
Arrangement fee on subsidiary loans	11,524	11,756
TOTAL	**21,037**	**25,539**

NOTE 18 ◆ UNREALISED FOREIGN EXCHANGE GAINS

(€ thousands)	12/31/2017	12/31/2016
Unrealised foreign exchange gains on subsidiary loans in CZK	16,406	2,843
Unrealised foreign exchange gains on subsidiary loans in DKK	98	155
Unrealised foreign exchange gains on subsidiary loans in PLN	1,844	0
Unrealised foreign exchange gains on Group debt in SEK	3,456	0
TOTAL	**21,804**	**2,998**

NOTE 19 ◆ ACCRUED CHARGES

Accrued charges included in the balance sheet

(€ thousands)	12/31/2017	12/31/2016
Miscellaneous borrowings and financial liabilities	133,007	114,412
Trade receivables from activity	98	308
Amounts due to suppliers	84,881	19,484
Employee payables	9,512	2,657
Social security and similar payables	3,850	941
Tax payables	555	514
Subsidiary current accounts	293	504
Other liabilities	10,066	10,442
TOTAL	**242,262**	**149,262**

The increase in the "Miscellaneous borrowings and financial liabilities" line mainly results from the increase in the accrued interest on bonds (plus €18.7 Mn).

The increases in the "Amounts due to suppliers", "Employee payables" and "Social security and similar payables" lines mainly result from the provisions booked at the end of 2017 and related to the proposed business combination between Unibail-Rodamco and Westfield Corporation and to the restructuration of the Gaité Shopping Centre and Pullman hotel ("Boccador" project).

NOTE 20 ◆ MATURITY OF RECEIVABLES AND PAYABLES AT THE END OF THE REPORTING PERIOD

Maturity of receivables

		Maturity	
(€ thousands)	Gross	1 year or less	More than 1 year
Receivable on non-current assets			
Receivable from equity interests	0	0	0
Other long-term investments	32,838	206	32,632
Loans*	8,035,303	803,383	7,231,920
Other	8	8	0
Current asset receivables			
Trade receivables from activity			
Doubtful or disputed receivables	968	968	0
Other trade receivables from activity	12,814	8,219	4,595
Other receivables			
Employee receivables	244	244	0
Social security and similar receivables	0	0	0
Income tax receivables	0	0	0
VAT receivables	18,446	18,446	0
Other tax receivables	32,607	32,607	0
Miscellaneous tax receivables	0	0	0
Receivables from Group and associated companies	4,974,003	4,974,003	0
Accrued income on derivatives	50,504	50,504	0
Difference of assessment of derivatives	469,710	150,409	319,301
Sundry debtors	31,343	31,343	0
Subscribed called unpaid capital	0	0	0
Prepaid expenses			
Rentals	40	40	0
Interest on discounted commercial papers	0	0	0
Overheads	63	63	0
TOTAL	**13,658,891**	**6,070,443**	**7,588,448**

* *Loans granted during the financial year*	*669,299*		
Loans repaid during the financial year	*456,806*		

5.

Maturity of liabilities

(€ thousands)	Gross	Maturity: 1 year or less	Maturity: Between 1 and 5 years	Maturity: More than 5 years
Convertible bonds*	1,000,276	276	1,000,000	0
Other bonds*	10,855,110	866,178	2,652,426	7,336,506
Bank loans and borrowings, o/w*				
◆ initial maturity of no more than 2 years	101,745	1,745	50,000	50,000
◆ initial maturity of more than 2 years	2,468	2,468	0	0
Miscellaneous borrowings and financial liabilities*	3,710,707	2,592,172	1,118,535	0
Advances and downpayments received	6,089	6,089	0	0
Amounts due to suppliers	66,837	66,837	0	0
Tax and social security liabilities				
Employee payables	9,941	9,941	0	0
Social security and similar payables	4,601	4,601	0	0
Income tax payables	0	0	0	0
VAT payables	3,318	3,318	0	0
Other tax payables	255	255	0	0
Amounts due on investments	22,427	22,427	0	0
Other liabilities	282,121	165,451	52,643	64,027
Prepaid income				
Property business	1,932	1,932	0	0
Interest on discounted commercial papers	1,201	1,201	0	0
Deferred recognition of issue premium on EMTN	4,894	1,061	3,833	0
Deferred recognition of issue premium on ORNANEs	1,485	371	1,114	0
Arrangement fee on subsidiary loans	11,524	2,538	6,398	2,588
TOTAL	**16,086,931**	**3,748,861**	**4,884,949**	**7,453,121**
* *Liabilities contracted during the financial year*	*5,350,000*			
Liabilities repaid during the financial year	*4,580,743*			

NOTE 21 ◆ OPERATING INCOME

21.1. Revenue

(€ thousands)	2017	2016
Property business	**42,381**	**86,311**
Offices segment	(11,190)	29,481
Shopping Centres segment	32,395	33,090
Convention & Exhibition segment	21,176	23,740
Other rebilled items	**10,303**	**11,412**
TOTAL	**52,684**	**97,723**

In 2017, the negative amount in the "Property business – Offices segment" line results essentially from the disposal of So Ouest Plaza. The straight-lining of the free rent period related to this asset has been reversed with a negative impact of €37.6 Mn.

"Other rebilled items" consists of rebilled items relating to the Group Service Charges agreement.

21.2. Reversals of depreciation, amortisation, impairment, provisions, and expense transfers

(€ thousands)	2017	2016
Reversals of impairment	**1,766**	**1,000**
Reversals of provisions for disputes	4	200
Reversals of impairment of doubtful receivables	1,341	669
Reversals of impairment of buildings	421	131
Rebilled expenses and expense transfers	**20,531**	**24,636**
TOTAL	**22,297**	**25,636**

Rebilled expenses and expense transfers in 2017 relate to:

- rebilled rental expenses for €13.3 Mn;
- rebilled construction work for €2.4 Mn;
- rebilled taxes for €3.8 Mn;
- rebilled marketing expenses for €0.7 Mn;
- rebilled management fees for €0.3 Mn.

21.3. Other income

(€ thousands)	2017	2016
Key money	793	1,137
Termination indemnities	0	685
Specialty leasing fee	599	817
Other	20	858
TOTAL	**1,412**	**3,497**

NOTE 22 ◆ OPERATING EXPENSES

22.1. Other purchases and external charges

(€ thousands)	2017	2016
1- PURCHASES OF CONSUMABLES	**330**	**392**
2- EXTERNAL SERVICES	**14,274**	**18,322**
Property business	**13,193**	**17,024**
Leases and rental expenses	11,833	15,058
Maintenance and repair	1,312	1,863
Insurance	48	103
General expenses	**1,081**	**1,298**
Leases and rental expenses	78	139
Maintenance and repair	48	36
Insurance	508	499
Miscellaneous	447	624
3- OTHER EXTERNAL SERVICES	**68,889**	**16,635**
Property business	2,364	1,888
General expenses	66,525	14,747
TOTAL	**83,493**	**35,349**

The increase in the "Other external services – general expenses" line mainly results from the provisions recorded at the end of 2017 and concerning the proposed friendly acquisition by Unibail-Rodamco of Westfield Corporation (related to the incurred transaction expenses).

22.2. Taxes other than on income

(€ thousands)	2017	2016
Taxes on remuneration	572	546
Property taxes	4,016	5,618
Other	768	1,911
TOTAL	**5,356**	**8,075**

22.3. Personnel expenses

(€ thousands)	2017	2016
Remuneration	11,929	5,661
Related payroll taxes	5,673	2,884
TOTAL	**17,602**	**8,545**

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.

22.4. Depreciation and amortisation expenses

(€ thousands)	2017	2016
Tangible assets	64,907	42,387
TOTAL	**64,907**	**42,387**

As at December 31, 2017, "Tangible assets" includes accelerated amortisation expenses related to the Pullman hotel for an amount of €25 Mn and the Gaité Shopping Centre for an amount of €3.4 Mn.

22.5. Impairment and provision expenses

(€ thousands)	2017	2016
Non-current assets	98	1,537
Current assets	315	304
Contingencies and expenses	411	5,476
TOTAL	**824**	**7,317**

22.6. Other operating expenses

(€ thousands)	2017	2016
Attendance fees	1,034	766
Net eviction and termination indemnities	0	50
Irrevocable receivables and miscellaneous operating lease expenses	1,062	1,594
TOTAL	**2,096**	**2,410**

NOTE 23 ◆ FINANCIAL INCOME

23.1. Investment income

(€ thousands)	2017	2016
Subsidiary income transferred	73,516	159,760
Dividends	948,519	285,804
Other	2,991	420
TOTAL	**1,025,026**	**445,984**

Income transfers of transparent companies relate mainly to Financière 5 Malesherbes, Capital 8, SCI Galilée-Défense, Lefoullon and SCI Sept Adenauer.

The main dividends collected in 2017 in respect of 2016 earnings were:

- Rodamco Europe Properties BV: €700 Mn (against 0 in 2016);
- Uni-Commerces: €119 Mn;
- Rodamco France: €62 Mn;
- Unibail-Rodamco Retail Spain SL: €46 Mn.

23.2. Income from other marketable securities and receivable on non-current assets

(€ thousands)	2017	2016
Income from loans to subsidiaries	273,075	280,758
TOTAL	**273,075**	**280,758**

In 2017, contributing subsidiaries were primarily Rodamco Europe France Financing (€51 Mn), Unibail-Rodamco Retail Spain SL (€33 Mn), GSSM Warsaw Sp zoo (€22 Mn), Wood Sp zoo (€19 Mn), Unibail-Rodamco Spain SLU (€15 Mn), Rodamco Retail Deutschland BV (€15 Mn) and Zlote Tarasy Sp zoo (€11 Mn).

23.3. Other interest income

(€ thousands)	2017	2016
Bank fees	15	163
Interest on subsidiary current accounts	25,059	25,573
Income on caps, floors and swaps	98,456	82,339
Deferred recognition of fees on subsidiary loans	3,032	2,727
Deferred recognition of premium on convertible bonds	372	372
Interest on marketable securities	(210)	0
Financial expenses rebilled to subsidiaries	0	4
TOTAL	**126,724**	**111,178**

23.4. Reversals of impairment and expense transfers

(€ thousands)	2017	2016
Reversals of provisions for foreign exchange gains and losses	31,893	1,681
Reversal of provisions for subsidiaries	19,338	3,239
TOTAL	**51,231**	**4,920**

In 2017, reversals of the provision for unrealised foreign exchange losses were recorded following the final or anticipated falling due of loans denominated in Swedish kronor.

As at December 31, 2017, the Company booked a reversal of provision on the shares in Unibail-Rodamco Spain SLU for €12.9 Mn and on the shares in Unibail-Rodamco Real Estate SL for €1.3 Mn. The Company also booked a reversal of a risk provision on the subsidiary Unibail-Rodamco Real Estate SL for €5.1 Mn.

5.

23.5. Foreign exchange gains

(€ thousands)	2017	2016
CZK foreign exchange gains	7,994	250
DKK foreign exchange gains	0	3
HUF foreign exchange gains	0	51
PLN foreign exchange gains	14,838	6,921
SEK foreign exchange gains	0	1,609
USD foreign exchange gains	5,093	3,028
TOTAL	**27,925**	**11,862**

Foreign exchange gains recognised in 2017 primarily relate to loans denominated in Polish zlotys and in Czech koruny falling due.

NOTE 24 ◆ FINANCIAL EXPENSES

24.1. Financial items

(€ thousands)	2017	2016
Depreciation and amortisation		
Bond issue premium	7,101	8,199
Provisions for contingencies		
Currency risk on loans	23,815	38,648
Impairment and provisions		
On shares (including merger losses)	5,690	9,928
Deferred charges		
Charges on borrowings	8,280	9,664
Charges on convertible bonds (ORNANE)	1,423	1,426
TOTAL	**46,309**	**67,865**

As at December 31, 2017, provisions were booked for shares held in SCI Gaité Bureaux amounting to €3.8 Mn and in G.P.I amounting to €1.5 Mn.

24.2. Interest expenses

(€ thousands)	2017	2016
Bank fees	46	63
Fees on deposits and confirmed credit facilities	18,075	9,072
Interest on borrowings	16,114	17,940
Interest on negotiable debt securities	(4,081)	(1,959)
Interest on bonds	239,868	237,070
Interest on convertible bonds	2	58
Interest on current accounts	2,535	3,697
Interest on bonds redeemable in shares	75	75
Charges on caps, floors and swaps with third parties	177,812	149,877
Redemption premium on bond repurchases	0	69,367
Transfer of subsidiary income	8,284	8,062
TOTAL	**458,730**	**493,322**

Changes in "Fees on deposits and confirmed credit facilities" line mainly result from fees for €9.2 Mn related to the credit facility of €6.1 Bn set up in order to pay the cash component of the proposed friendly acquisition of Westfield Corporation.

The "Charges on caps, floors and swaps with third parties" line includes the 2017 amortisation of the balancing cash adjustment relating to swaps restructured in 2015 and 2016. This amortisation amounts to €141 Mn for 2017.

At December 31, 2016, the "Redemption premium on bond repurchases" line related to the premiums paid following the repurchase of public bonds (EMTN).

24.3. Foreign exchange losses

(€ thousands)	2017	2016
CZK foreign exchange losses	310	59
DKK foreign exchange losses	12	3
HUF foreign exchange losses	0	251
PLN foreign exchange losses	2,865	16,043
SEK foreign exchange losses	29,534	1,609
USD foreign exchange losses	4,669	2,733
TOTAL	**37,390**	**20,698**

The foreign exchange losses recognised in 2017 mainly relate to the maturity of loans denominated in Swedish kronor and to US dollar commercial paper issued and repaid in 2017.

These losses have been offset by reversal for €31.9 Mn (see note 23.4).

NOTE 25 ◆ NON-RECURRING ITEMS

(€ thousands)	2017	2016
Capital gains and losses on sales of tangible assets	298,109	0
Capital gains and losses on sales of financial assets	(50)	121
Capital gains and losses on dissolution of subsidiaries without liquidation in a merger transaction ("TUP")	(18)	249,789
Provisions for contingencies	0	0
Other non-recurring income and expenses	(235)	698
TOTAL	**297,806**	**250,608**

As at December 31, 2017, "Capital gains and losses on sales of tangible assets" mainly includes the profit of the disposal of So Ouest Plaza building located in Levallois-Perret for a total amount of €298 Mn.

As a reminder, as at December 31, 2016, "Capital gains and losses on dissolution of subsidiaries without liquidation in a merger transaction ("TUP")" included:

- 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.

NOTE 26 ◆ INCOME TAX

(€ thousands)	2017	2016
Income tax	(30,593)	2,951
TOTAL	**(30,593)**	**2,951**

In 2017, the negative amount of income tax corresponds to the amount of taxes on dividends (3% levy on non-SIIC dividends paid in cash) paid on the period from 2013 to 2016 and reclaimed from the French Tax Administration.

NOTE 27 ◆ 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				
	3BORDERS	Ultimate parent company	4,646	Non-interest-bearing current account
	ACARMINA	Ultimate parent company	0	Non-interest-bearing current account
	CAPITAL 8	Ultimate parent company	300,906	Non-interest-bearing current account
	CENTRE COMMERCIAL FRANCILIA	Ultimate parent company	234,264	Non-interest-bearing current account
	CNIT DÉVELOPPEMENT	Ultimate parent company	73,070	Non-interest-bearing current account
	FINANCIÈRE 5 MALESHERBES	Ultimate parent company	66,203	Non-interest-bearing current account
	GAITÉ PARKINGS	Ultimate parent company	3,365	Non-interest-bearing current account
	GALILÉE-DÉFENSE	Ultimate parent company	67,853	Non-interest-bearing current account
	LEFOULLON	Ultimate parent company	18,983	Non-interest-bearing current account
	MALTESE	Ultimate parent company	47,798	Non-interest-bearing current account
	MARCEAU BUSSY-SUD	Ultimate parent company	4,905	Non-interest-bearing current account
	MONTHERON	Ultimate parent company	1,137	Non-interest-bearing current account
	SCI ARIANE-DÉFENSE	Ultimate parent company	158,034	Non-interest-bearing current account
	SCI BUREAUX DE LA TOUR CREDIT LYONNAIS	Ultimate parent company	16,732	Non-interest-bearing current account
	SCI GAITÉ BUREAUX	Ultimate parent company	15,111	Non-interest-bearing current account
	SCI LE SEXTANT	Ultimate parent company	6,061	Non-interest-bearing current account
	SCI SEPT ADENAUER	Ultimate parent company	33,826	Non-interest-bearing current account
	SNC RANDOLI	Ultimate parent company	81,503	Non-interest-bearing current account
	TRINITY DÉFENSE	Ultimate parent company	115,049	Non-interest-bearing current account
	UR VERSAILLES CHANTIERS	Ultimate parent company	15,896	Non-interest-bearing current account
	VILLAGE 8 DÉFENSE	Ultimate parent company	2,057	Non-interest-bearing current account
	YETA	Ultimate parent company	5,195	Non-interest-bearing current account
Liabilities				
Miscellaneous borrowings and financial liabilities				
	AÉROVILLE	Ultimate parent company	5,775	Non-interest-bearing current account
	BURES-PALAISEAU	Ultimate parent company	6	Non-interest-bearing current account
	HIPOKAMP	Ultimate parent company	0	Non-interest-bearing current account
	NOTILIUS	Ultimate parent company	0	Non-interest-bearing current account

NOTE 28 ◆ OFF-BALANCE SHEET COMMITMENTS

28.1. Financial instruments

(€ thousands)	2017	2016
Financial instruments		
Interest rate and currency swaps	14,501,779	10,384,779
Caps and floors		
◆ purchases	18,550,000	18,500,000
◆ sales	6,200,000	3,200,000
Swaption calls		
◆ sales	8,850,000	5,800,000
Currency option		
◆ purchases	4,853,390	0
TOTAL	**52,955,169**	**37,884,779**

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				**490,000**	**13,442,138**
Microhedges	Fixed-rate lender/Floating-rate borrower			130,000	3,242,138
Microhedges	Floating-rate lender/Fixed-rate borrower			0	0
Microhedges	Floating-rate lender/Floating-rate borrower			360,000	0
Macrohedges	Floating-rate lender/Fixed-rate borrower			0	10,200,000
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
Microhedges	Fixed-rate lender/Floating-rate borrower	CHF	135,000		109,276
Microhedges	Floating-rate lender/Fixed-rate borrower	USD	200,000		144,928
CONDITIONAL TRANSACTIONS					
Caps and floors					
	purchases			**6,200,000**	**12,350,000**
Macrohedges				6,200,000	12,350,000
Isolated positions					
	sales			**3,200,000**	**3,000,000**
Macrohedges				3,200,000	3,000,000
Isolated positions				0	0
OPTIONS					
Swaption calls	**sales**			3,000,000	5,850,000
Currency option	**purchases**	USD	5,727,000	4,853,390	0

Borrowings contracted by Unibail-Rodamco SE are hedged by interest rate swaps and caps. Income and expenses arising on these transactions are recognised on an accrual basis in the income statement.

The net fair value of these hedges amounts to -€162 Mn.

28.2. Other commitments given and received

All material commitments are disclosed below.

	2017		2016	
(€ thousands)	Currency	EUR	Currency	EUR
Other commitments received				
EUR refinancing agreements obtained and not used		11,927,500		5,615,000
Guarantees received		22,012		9,589
TOTAL		**11,949,512**		**5,624,589**
Other commitments given				
EUR refinancing agreements given and not used		300,830		63,641
Guarantees given in SEK	6,200,000	629,838	5,200,000	544,360
Guarantees given in EUR		1,464,006		1,574,830
TOTAL		**2,394,674**		**2,182,831**

Changes in "EUR refinancing agreements obtained and not used" line mainly result from a guarantee to finance the Westfield Corporation takeover obtained for €6.1 Bn.

Guarantees given relate to deposits and commitments at first call, including the financing granted by banks to subsidiaries.

In addition, in the context of the Westfield Corporation acquisition, an Implementation Agreement was signed on December 12, 2017, which restricts actions that may be taken by both Unibail-Rodamco SE and Westfield Corporation prior to the completion. These restrictions fall into three main categories: conduct of the Business outside the ordinary course, undertaking actions that would constitute a "Prescribed Event", and undertaking actions that would constitute a breach of representations or warranties.

In certain circumstances, if the Transaction does not proceed, a "break fee" of $150.0 Mn is payable by Unibail-Rodamco SE or by Westfield Corporation.

NOTE 29 ◆ OPTIONS GRANTING ACCESS TO THE SHARE CAPITAL

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]
2010 plan (no. 6)	2010	from 11/03/2014 to 10/03/2017	120.33	778,800	170,561	231,172	718,189	-
	2011	from 11/03/2015 to 10/03/2018	141.54	753,950	15,059	182,234	566,845	19,930
2011 plan (no. 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	-	156,067	484,336	31,799
	2013	from 05/03/2017 to 04/03/2020	173.16	617,066	-	148,660	352,032	116,374
	2014	from 04/03/2018 to 03/03/2021	186.10	606,087	-	190,629	5,738	409,720
2015 plan (no. 8)	2015	from 04/03/2019 to 03/03/2022	256.81	615,860	-	156,625	-	459,235
	2015	from 05/09/2019 to 04/09/2022	238.33	7,225	-	2,125	-	5,100
	2016	from 09/03/2020 to 08/03/2023	227.24	611,608	-	90,740	1,913	518,955
2017 plan (no. 9)	2017	from 08/03/2021 to 07/03/2024	218.47	611,611	-	41,865	-	569,746
TOTAL				**5,300,409**	**185,620**	**1,200,117**	**2,155,053**	**2,130,859**

(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.*

NOTE 30 ◆ OTHER INFORMATION

30.1. Subsequent events

On January 2, 2018, the Dutch permanent establishment of Unibail-Rodamco SE acquired assets Stadshart Amstelveen from a company of the Group for a total amount of €543.2 Mn. This acquisition was financed by an intercompany loan.

In the context of the Westfield Corporation acquisition, the Group obtained commitments from Deutsche Bank and Goldman Sachs to finance the cash component of the transaction (including costs) and potential debt refinancing needs. The €6.1 Bn credit facility was signed on January 12, 2018. The facility was syndicated with 29 banks. The Group received a total of €11.2 Bn of commitments from its banking partners.

30.2. Pledged shares of Unibail-Rodamco SE held by third parties

As at December 31, 2017, 520,751 administered registered shares are pledged. There are no fully registered shares.

30.3. Remuneration of Management Board members

(€ thousands)	**2017**	2016
Fixed Income	3,530	3,084
Short-Term Incentive	3,472	3,114
Other benefits(1)	1,139	1,075
TOTAL(2)	**8,141**	**7,273**

(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 2017, Management Board members were awarded a total of 148,750 stock options, all of which were subject to performance condition, along with 9,680 performance shares.

Based on 2017 performance, Management Board members will receive aggregate variable remuneration of €4,030 K subject to their agreement during the next Shareholders' Meeting in 2018.

30.4. Remuneration of Supervisory Board members

Remuneration accruing to Supervisory Board members represented €1,033,944 for 2017.

30.5. Headcount

The average headcount during 2017 was one person. As at December 31, 2017, the Company had one employee.

30.6. Loans and guarantees granted to Management Board and Supervisory Board members

None.

5.5. OTHER INFORMATION

5.5.1. SUPPLIER AND CUSTOMER PAYMENT DATES

5.5.1.1. Supplier payment dates for Unibail-Rodamco SE

	Article D. 441 I.-1°: Supplier invoices due and not paid as at 12/31/2017					
	0 day	Between 1 day and 30 days	Between 31 days and 60 days	Between 61 days and 90 days	More than 91 days	Total (1 day and more)
(A) PERIOD OF DELAY						
Number of invoices concerned	50	20	9	2	55	86
Total of all invoices concerned including VAT *(€ thousands)*	458	27	2	1	(20)	10
Percentage of the total amount of purchases including VAT of the year	0.56%	0.03%	0.00%	0.00%	(0.02%)	0.01%
(B) INVOICES EXCLUDED FROM (A) AND RELATED TO LITIGIOUS DEBTS OR UNRECOGNIZED						
Number of invoices excluded			0			
Total amount of all invoices excluded *(€ thousands)*			0			
(C) PAYMENT PERIODS USED (CONTRACTUAL OR LEGAL PAYMENT PERIOD ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE FRENCH COMMERCIAL CODE)						
Payment dates used for the calculation of the late payment	- Contractual payment periods x - Legal payment periods					

5.5.1.2. Customer payment dates for Unibail-Rodamco SE

	Article D. 441 I.-1°: Customer invoices due and not paid as at 12/31/2017					
	0 day	Between 1 day and 30 days	Between 31 days and 60 days	Between 61 days and 90 days	More than 91 days	Total (1 day and more)
(A) PERIOD OF DELAY						
Number of invoices concerned	0	0	4	0	36	40
Total of all invoices concerned including VAT *(€ thousands)*	111	0	(216)	(38)	760	10
Percentage of the operating income including VAT of the year	0.14%	0.00%	(0.28%)	(0.05%)	0.97%	0.96%
(B) INVOICES EXCLUDED FROM (A) AND RELATED TO DISPUTED RECEIVABLES OR UNRECOGNIZED						
Number of invoices excluded			0			
Total amount of all invoices excluded *(€ thousands)*			0			
(C) PAYMENT PERIODS USED (CONTRACTUAL OR LEGAL PAYMENT PERIOD ARTICLE L. 441-6 OR ARTICLE L. 443-1 OF THE FRENCH COMMERCIAL CODE)						
Payment dates used for the calculation of the late payment	- Contractual payment periods x - Legal payment periods					

5.5.2. RESULT FOR UNIBAIL-RODAMCO SE OVER THE PAST FIVE YEARS

Capital at year-end *(€ thousands)*	2017	2016	2015	2014	2013
Share capital	499,283	496,969	493,470	490,292	486,343
Number of shares outstanding	99,856,676	99,393,785	98,693,942	98,058,347	97,268,576
Number of convertible bonds outstanding	3,184,318	3,218,937	3,225,522	5,194,866	3,459,575
Results of operations *(€ thousands)*					
Net sales	52,684	97,723	82,659	90,002	79,817
Income before tax, depreciation, amortisation and provisions	1,220,448	657,816	1,209,728	675,408	787,414
Corporate income tax	(30,593)	2,951	14,055	14,781	3,304
Net income	1,191,830	543,367	1,159,629	1,209,223	774,210
Dividends	1,078,452*	1,018,336	963,079	946,455	871,354
Exceptional distribution	0	0	0	0	0
Per share data *(€)*					
Income after tax, before depreciation, amortisation and provisions	12.53	6.59	12.11	6.74	8.06
Earnings per share	11.94	5.47	11.75	12.33	7.96
Dividend	10.80*	10.20	9.70	9.60	8.90
Exceptional distribution	0.00	0.00	0.00	0.00	0.00
Employee data					
Number of employees	1	1	1	1	1
Total payroll *(€ thousands)*	11,930	5,661	3,939	4,320	3,723
Total benefits *(€ thousands)*	5,676	2,884	2,450	2,714	2,713

* *To be submitted to the next General Assembly expected to be in May 2018 on the basis of 99,856,676 shares as at 12/31/2017.*

5.6. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Unibail-Rodamco SE

For the year ended December 31, 2017

Statutory Auditors' report on the consolidated financial statements

To the Annual General Meeting of Unibail-Rodamco SE,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Unibail-Rodamco SE for the year ended December 31, 2017.

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, 2017 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements" Section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Valuation of the investment property portfolio, including investment properties under construction (IPUC)

Key Audit Matter	Our response
The investment properties amount to €38,524 Mn at December 31, 2017. They are measured at fair value except for some Investment Properties Under Construction (IPUC) carried at cost amounting to €1,343 Mn. The valuation movement recorded in the net result of the year in respect of investment properties is €1,364 Mn. The Group's investment property portfolio is split between shopping centres (€32,272 Mn) across eleven countries in continental Europe, offices (€3,535 Mn) and Convention & Exhibition Centers (€2,717 Mn) mainly in the Paris area. The valuation of investment properties is highly dependent on estimates and assumptions and requires significant judgment by management and the external appraisers. The valuations take into account the property-specific information (including the current tenancy agreements and rental income, condition and location of the property, future rental prospects), as well as prevailing market yields and market transactions. For IPUC, other factors such as projected costs to complete for developments, ability to let, timing of practical completion and reliability of fair value have also been considered. Accordingly, the valuation of investment properties and impairment test of IPUC accounted for at cost are considered as key audit matters due to significance of their balance to the financial statements as a whole, combined with the level of judgment associated with determining their fair value or the impairment provision. Please refer to note 5.1 to the consolidated financial statement.	We assessed management's controls over the process implemented to determine the valuation of investment properties. We assessed the competence and independence of the external appraisers. We also evaluated the suitability of their valuation scope and methodology for the Financial Report. The audit team, including our real estate valuation experts, attended meetings with each of the appraisers at which the valuations and the key assumptions therein were discussed and challenged. We conducted analytical procedures by comparing assumptions and the value of each property in the portfolio on a year-on-year basis, by reference to our understanding of their local market, external market data, published benchmarks and asset specific considerations to evaluate the appropriateness of the valuations adopted by the Group. We investigated further the valuations of some properties, and where appropriate, obtaining evidence to support the gross market value movement and involving our experts. Our work focused on the largest properties in the portfolio and those where the assumptions used and/or year-on-year movement in values suggested a possible outlier versus market data for the relevant sector. For IPUC carried at cost, we met with Development Directors and project managers to assess the reasonableness of data and assumptions used by the Company to carry out its impairment tests, in particular incurred project costs, progress of development, forecast costs to complete as well as identified contingencies, exposures and remaining risks. These procedures were performed either by the central teams or by the component auditors based on our audit instructions. Additionally, we considered the appropriateness of the disclosures in the consolidated financial statements in respect of investment properties.

Accounting for financial debt and related derivatives

Key Audit Matter	Our response
As at December 31, 2017, Unibail-Rodamco has total financial debt of €16,567 Mn. The debt includes net share settled bonds convertible into new and/or exchangeable for existing shares (ORNANEs) accounted for at fair value through profit and loss for a total amount of €1,020 Mn. The Group used derivatives, mainly interest rate swaps and caps and cross-currency swaps, to hedge its exposure to movements in interest and currency exchange rates related to its financial indebtedness. These derivatives for which no hedge accounting has been applied are carried at fair value through profit and loss, for amounts on the balance sheet of €231 Mn (asset) and €316 Mn (liability). During the year the Group incurred €228 Mn in net financial expenses and a net negative fair value adjustment of €0.2 Mn related to ORNANEs and derivatives (excluding accrued interest). The Group's gearing, liquidity, covenant obligations and financing cost profile result from this portfolio of financial debt and derivatives. Financial debt and derivatives are considered as key audit matters due to significance of the balances to the financial statements as a whole and due to the impact of the valuation movements of ORNANEs and derivatives on the consolidated statement of comprehensive income. Please refer to note 7 to the consolidated financial statements.	We obtained and analyzed loan contracts on a sample basis to understand the terms and conditions and verified that those characteristics were correctly reflected in the financial statements in according with accounting options retained by the group. We also performed analytical procedures on the financial expenses. The amount of the principal debt was agreed to third party confirmations on a sample basis. The carrying value of ORNANEs was reconciled to market price. We assessed the maturity profile of the Group's financial debt to check that loans maturing within the next twelve months were classified in current liabilities. Where debt covenants were identified, we checked management's calculations to verify compliance with the contracts. We confirmed a selection of derivatives directly with counterparties and performed procedures to ensure completeness of them. We assessed management's controls over the valuation of derivatives. For a sample of financial instruments, we reviewed the valuation of derivatives and we involved our internal specialists who performed independent valuations. We reviewed that the financial costs were appropriately allocated between recurring and non-recurring results in the consolidated income statement by segment. Additionally, we considered the appropriateness of the disclosures in the financial statements in respect of financial debt and derivatives.

VERIFICATION OF THE INFORMATION PERTAINING TO THE GROUP PRESENTED IN THE MANAGEMENT REPORT

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Management Board.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Unibail-Rodamco SE by the Annual General Meeting held on April 27, 2011 for DELOITTE & ASSOCIÉS and on May 13, 1975 for ERNST & YOUNG Audit.

As at December 31, 2017, DELOITTE & ASSOCIÉS was in its 13th consecutive year of mandate given the acquisitions or mergers with firms that have previously taken place, and ERNST & YOUNG Audit in its 43rd consecutive year of mandate.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Management Board.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;

- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, on March 27, 2018

The Statutory Auditors

French Original signed by

DELOITTE & ASSOCIÉS Pascal Colin	**ERNST & YOUNG Audit** Jean-Yves Jégourel

5.7. STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE PARENT COMPANY ONLY FOR THE YEAR ENDED DECEMBER 31, 2017

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Unibail-Rodamco SE

Year ended December 31, 2017

Statutory Auditors' report on the financial statements of the parent company only

To the Annual General Meeting of Unibail-Rodamco SE,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Unibail-Rodamco SE for the year ended December 31, 2017.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2017 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" Section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2017 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) no. 537/2014 or in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

IMPAIRMENT TEST OF INVESTMENTS IN SUBSIDIARIES

Key Audit Matter

As at December 31, 2017, Unibail-Rodamco SE held €10,403 Mn of investments in subsidiaries.

An impairment is booked when the value in use of an investment in subsidiaries is lower than its acquisition cost.

As described in note 1.2.3. to the financial statements, the value in use of the investment in subsidiaries is based on the revalued net asset of the subsidiary which takes into account the unrealised capital gain on its investment properties and other assets held by each subsidiary.

The estimate of the value in use of the investment in subsidiaries requires assumptions and estimates by management, as it is based on the fair value of the investment property held by the subsidiary.

The valuation of the investment properties is performed by independent appraisers and takes into account property specific information as well as prevailing market yields and market transactions.

Accordingly, the impairment test of investments in subsidiaries is considered as a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the level of judgment associated with determining fair values.

How the scope of our audit responded to the risk

We evaluated the Company's controls over the process implemented to determine the value in use of investments in subsidiaries.

We checked the calculation of the revalued net asset which takes into account percentage of ownership, shareholder's net equity, and unrealised capital gains on investment properties and other assets.

As to the unrealised capital gains, we agreed the fair values of the underlying assets with the appraisers' reports. Our procedures on the fair values of the underlying assets consisted mainly of:

- meeting the independent external appraisers with our real estate valuation experts;
- assessing the reasonableness of data and operational assumptions;
- benchmarking the market assumptions (yields, market rent…) with relevant market evidence.

Additionally, we considered the appropriateness of the disclosures in the financial statements in respect of investments in subsidiaries.

ACCOUNTING FOR FINANCIAL DEBT AND DERIVATIVES

Key Audit Matter

As at December 31, 2017, Unibail-Rodamco SE has borrowings and financial liabilities of €15,670 Mn described in note 15 "Borrowings and financial liabilities" to the financial statements.

The Company uses derivatives, mainly interest rate swaps and caps and cross-currency swaps, to hedge its exposure to movements in interest and currency exchange rates. This portfolio of derivatives is described in note 28.1 "Financial instruments" to the financial statements.

The Company's gearing, liquidity, covenant obligations and financing cost profile result from this portfolio of financial debt and derivatives.

During the year, the Company restructured its portfolio of derivatives as described in note 2.1. "Significant events of the year" to the financial statements.

Financial debt and derivatives are considered as a key audit matter due to the significance of the balances to the financial statements as a whole and due to the fact that the accounting of derivatives is complex. Please refer to notes 6, 16 and 24 to the financial statements.

How the scope of our audit responded to the risk

We obtained and analysed loan contracts on a sample basis to understand the terms and conditions and checked that those characteristics are correctly reflected in the financial statements and we also performed analytical procedures on the financial expenses.

The carrying value of debt was agreed to third party confirmations on a sample basis.

Where debt covenants were identified, we checked management's calculations to verify compliance with the contracts.

We confirmed a selection of derivatives directly with counterparties and performed procedures to ensure completeness of their disclosures in the off-balance sheet items.

We assessed the hedging position of the Company and analysed that derivatives were appropriately classified (hedging vs trading). In particular, the audit team, including our internal capital markets specialists, examined the restructuring operations conducted on the derivatives portfolio and assessed the compliance of accounting treatments applied.

Additionally, we considered the appropriateness of the disclosures in the financial statements in respect of financial debt and derivatives.

VERIFICATION OF THE MANAGEMENT REPORT AND OF THE OTHER DOCUMENTS PROVIDED TO THE SHAREHOLDERS

We also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information provided in the management report and in the other documents provided to the shareholders

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 other documents provided to the shareholders with respect to the financial position and the financial statements.

Information related to the corporate governance of the Company

We confirm the existence in the Supervisory Board's report of the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code (*Code de commerce*) in relation with the corporate governance of the Company.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the members of the Management Board and of the Supervisory Board and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Unibail-Rodamco SE by the Annual General Meeting held on April 27, 2011 for DELOITTE & ASSOCIÉS and on May 13, 1975 for ERNST & YOUNG Audit.

As at December 31, 2017, DELOITTE & ASSOCIÉS was in its 13th consecutive year of mandate given the acquisitions or mergers with firms that have previously taken place, and ERNST & YOUNG Audit in its 43rd consecutive year of mandate.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Management Board.

STATUTORY AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) no. 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris-La Défense, on March 27, 2018
The Statutory Auditors French Original signed by

DELOITTE & ASSOCIÉS
Pascal Colin

ERNST & YOUNG Audit
Jean-Yves Jégourel

5.8. STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

Unibail-Rodamco SE

Société Européenne
7, Place du Chancelier Adenauer
75016 PARIS

Statutory Auditors' special report on regulated agreements and commitments

Shareholders' Meeting held to approve the financial statements

for the year ended December 31, 2017

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' Meeting of Unibail-Rodamco SE,

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 authorized 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 27, 2018
The Statutory Auditors French Original signed by

DELOITTE & ASSOCIÉS
represented by Pascal Colin

ERNST & YOUNG Audit
represented by Jean-Yves Jégourel

6.

RISK FACTORS AND INTERNAL CONTROL

6.1. RISK MANAGEMENT FRAMEWORK

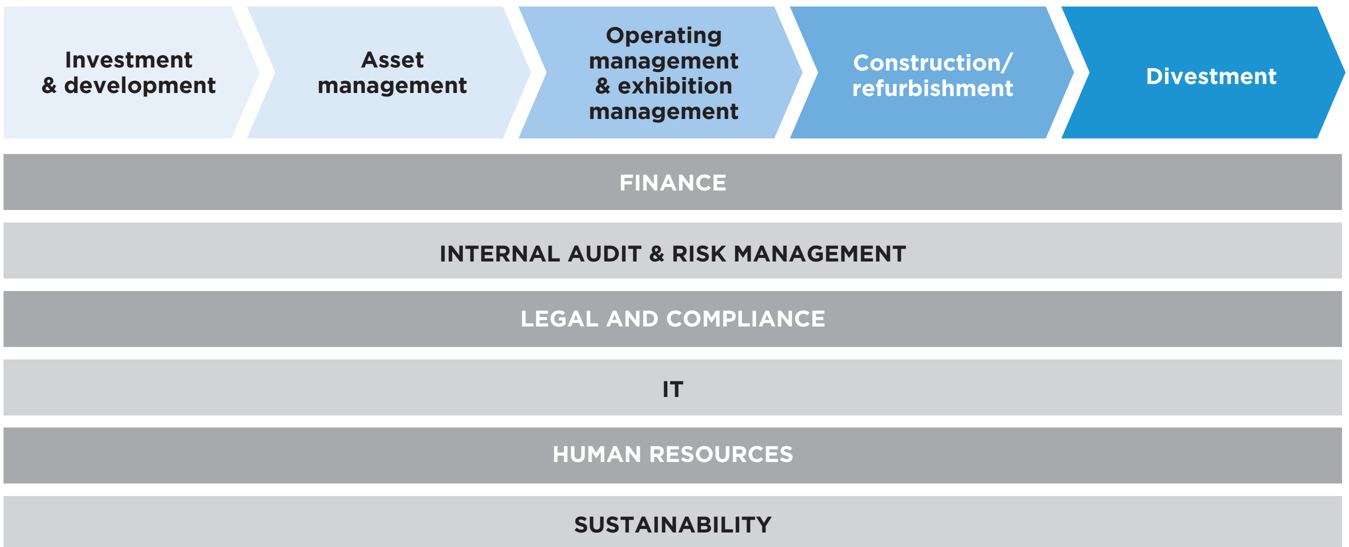
6.1.1. RISK MANAGEMENT POLICY & ORGANISATION

The Risk Management Policy at Unibail-Rodamco is designed to:

- **secure decision-making and the Group's processes;**
- **create and preserve the Group's value, assets and reputation** (it is used to identify and analyse the main potential threats in order to anticipate risks proactively);
- **promote the consistency of decisions with the Group's values and strategy;**
- **bring the Group's staff together through a shared vision of risk management.**

The organisation of Unibail-Rodamco can be defined as a matrix organisation containing seven regions (France, Nordic countries, Benelux, Central Europe, 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 certain parts of its IT system.

In these seven regions, Unibail-Rodamco's main activities include 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 the first step 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 must undergo a strict procedure with different steps before approval in alignment with Unibail-Rodamco's investment strategy.

For 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, etc.) 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 the strategy for each asset (5-year plan). In line with the contract terms and conditions, the Accounting Department invoices and collects the rents and pays expenses related to the management of the building.

Operating Management

Operating Management 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).

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.

Exhibition Management

Exhibition management includes activities such as letting areas 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).

Divestment

The Investment Department is responsible for the value creation process and is in charge of evaluating and advising periodically on 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.

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 need to be given.

The organisational structure is also based on a set of delegations that define the roles and responsibilities of managers. This organisation is also supplemented by internal committees, where decisions are taken based on a risk analysis approach.

6.1.2. GROUP RISK COMMITTEE

The Group Risk Committee (GRC) is composed of the Chief Resources Officer (as Chairperson), 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 to align the way risk management is embedded in all operations (operating management, development, property management, finance, human resources, etc.) 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 ensure that the oversight of any risks is not missed;
- alerting 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 taking 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 the 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 are presented annually to the MB and the Audit Committee (AC) as well as the Supervisory Board (SB).

The Group Risk Management organisation and governance were reviewed by KPMG in 2016. KPMG's overall conclusion stated that there was a **"Strong risk awareness and mitigation culture at Unibail-Rodamco"**. 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 plans. 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 six times in 2017. Its main achievements were:

- the review of the key risk mapping;
- the review of risk sheets where sub-risks are identified and assessed;
- the review of each action plan.

In 2018, the GRC will continue to review all risk sheets and associated action plans in collaboration with risk owners. Risk sheets will be then discussed with the AC in the presence of the Risk Owners. A description of the main risks monitored by this internal control system follows.

6.1.3. INTERNAL CONTROL SYSTEM

The Group's internal control system covers all of the Group's activities across all regions. It is based on a set of principles that aim to provide reasonable assurance that the following internal control objectives are met:

- transactions are executed effectively and optimised;
- property assets are protected;
- financial information is reliable; and
- all 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
- segregation of duties between the executive and control functions.

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.

In addition to the Compliance Book, the Group's control environment comprises:

- 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.

The appraisal of the internal control system is carried out by the Group Internal Audit Department (composed of three persons), which conducts regular assignments looking at all of the Group's business units in line with the annual audit plan approved by the MB and the SB.

The CEO or (the Chairperson of) the AC can also request 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 that 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 AC Chairman.

A description of the main risks monitored by this internal control system is described below.

6.2. MAIN 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, financial position and/or results as at the date of filing of this Registration Document.

The Group Risk Mapping is composed of 19 key risks, 13 of which are considered primary risks and 6 of which are classified under 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 behaviour, obsolescence of assets	◆ Tax ◆ Access to funds, interest rate, counterparty and capital markets	◆ Mergers & acquisitions ◆ Development & construction ◆ Leasing ◆ Health & safety ◆ Terrorism ◆ IT breakdown & cybercrime ◆ Corruption ◆ Recruitment & retention ◆ Succession plan & key managers ◆ Unreliable forecast & material accounting issues
Other risks		◆ Euro break-up ◆ Country default ◆ Political instability	◆ Legal, regulatory and compliance risks ◆ Fraud ◆ Management of competencies

These risks are detailed 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 behaviour, Obsolescence of assets	◆ Our activities are exposed to factors beyond our control such as the cyclical nature of the sector. ◆ Sudden changes in the economic, financial, regulatory, geopolitical, political, social, health and/or ecological environment may have a significant effect on the Group's results and/or asset values. ◆ E-commerce might also affect sales in shopping centres.	◆ Regular conduct of social and satisfaction surveys to anticipate changes in social behaviour and customer demand. ◆ Loyalty programs and events in malls to enhance the customers' shopping experience. ◆ Adaptation of the tenant mix in order to propose the most attractive offer with concepts unrivalled by e-commerce. ◆ Customer Data Framework to collect visitor data & patterns.	More details in section 6.2.1.1.

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 these.	◆ Tax regimes are closely followed up by the Group Tax Department. ◆ Tax requirements are monitored on a regular basis.	More details in section 6.2.2.1.
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. ◆ Decisions taken by the Group Asset & Liability Management Committee.	More details in section 6.2.2.2.

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 purposes.	More details in section 6.2.3.1.
Development & construction	◆ Development projects are subject to administrative authorisation. ◆ Potential deviation of construction costs & delays.	◆ Standardised development & construction processes. ◆ Selection of large & reputable contractors. ◆ Tender process implemented.	More details in section 6.2.3.2.
Leasing	◆ Tenant solvency. ◆ Payment default. ◆ Litigation.	◆ Collegial leasing decision-making process. ◆ Credit analysis for new tenants. ◆ Close follow-up of debtors.	More details in section 6.2.3.3.
Health & safety	◆ Compliance with local environmental and health regulations. ◆ People and assets health & safety vulnerable to damages caused by fire, water leakage, construction defects, natural disasters (climate change, health or ecological crises, etc.).	◆ Risk management system and annual external inspection and assessment in place. ◆ Environmental and health risk mitigation procedure in place.	More details in section 6.2.3.4.
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 training for retailer staff. ◆ Close collaboration with police authorities.	More details in section 6.2.3.5.
IT breakdown & cybercrime	◆ IT failure, interruption or breach of security. ◆ Loss of data. ◆ High costs for information retrieval and verification.	◆ Mitigating measures regularly reviewed and improved. ◆ Annual test of the IT recovery plan. ◆ Cyber insurance policy.	More details in section 6.2.3.6.
Corruption	◆ Risk of corruption and bribery in the real estate sector and/or in countries where the Group operates.	◆ The Code of Ethics places a particular focus on corruption & bribery. ◆ Implementation of an Anti-Corruption Programme in 2017.	More details in section 6.2.3.11.
Recruitment & retention	◆ Insufficient & inadequate resources. ◆ Low employee engagement & motivation.	◆ Definition of business needs & team sizing with internal benchmark. ◆ 360° review of each employee, benefits policy, engagement survey.	More details in section 6.2.3.7.
Succession plans & key employees	◆ Business continuity. ◆ Loss of key knowledge. ◆ Loss of confidence from employees and investors.	◆ Succession plan for the most relevant levels. ◆ Comprehensive documentation of processes, existence of a CRM and knowledge management tool.	More details in section 6.2.3.8.
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 section 6.2.3.10.

6.2.1. RISKS INHERENT TO THE REAL ESTATE SECTOR

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.

In addition to risk factors specific to each category of assets, 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 (including e-commerce), health and/or ecological environment may have an adverse effect on the Group, sales in shopping centres, the value of its assets, its results, its distribution policy, its development plans, and/or its investment/divestment activities.

6.2.1.1. Property market, consumer behaviour, obsolescence of assets

Risk factors	Mitigating measures
◆ 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 value of the Group's assets (calculated using the fair value method) is sensitive to variations in the valuers' principal assumptions (yield, rental value, occupancy rates) and is, therefore, subject to material variations that may impact the Group, its profile and/or its results. ◆ The rental income of some of the Company's real estate assets depends 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 leases, and/or their location were considered to lack attractiveness, and/or in the event of consolidation among these retail sector companies.	Mitigating measures taken by the Group to reduce these risks are handled by the Group Director of Marketing in collaboration with the Group Director of Shopping Centres Product: ◆ the regular conduct of social and satisfaction surveys, notably through the Group's lab for open innovation, the 4-month coaching program to speed up business with start-ups in order to anticipate changes in customer behaviour and demand; ◆ a Customer Data Framework to collect visitors' data; ◆ loyalty programmes and events in malls to enhance the customers' shopping experience and offer an entertaining experience *via*: • the Dining Experience, an area dedicated to restaurants, • 4-star guidelines to provide high quality services to customers, • the Designer Gallery, a consistent and distinctly designed cluster of at least 15 aspirational, contemporary and young designer brands associated with unique events and exclusive services; ◆ permanent adaptation of its tenant mix in order to provide the most attractive offer, with concepts least affected by e-commerce; ◆ services linked to e-commerce to adapt to new trends such as Click&Collect or renting units to e-retailers and using new ways to communicate with customers; ◆ Finally, the Group constantly studies how to improve shopping centres notably by carrying out extensions/refurbishments of the assets and hiring high quality service providers.

6.2.2. RISKS INHERENT TO THE EXTERNAL ENVIRONMENT

6.2.2.1. Tax

Risk factors	Mitigating measures
◆ 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 is subsequently taxable at the level of the shareholders. If and to the extent that Unibail-Rodamco opts to make use of such systems, it will be obliged to meet the conditions that are linked to the respective systems. ◆ 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.	◆ A continuous monitoring process is in place to ensure that the Group is in line with the requirements as prescribed by the special tax regimes. ◆ The Group is a member of various national and international bodies involved in potential changes in the tax rules, thus keeping a constant eye on the most recent developments as well as being able to advise thereon when requested. ◆ Tax issues are closely followed by an internal Tax Committee and the Audit Committee. The Tax Department follows developments with external expert lawyers in each country where the Group operates.

6.2.2.2. Risks associated with access to funds, interest rate, counterparties and capital markets

◆ Market risks

Risk factors	Mitigating measures
The Group, through its activities, is exposed to market risks that can generate losses as a result of fluctuations in interest rates and/or currency exchange rates. Notably, 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. Although the Group's exposure to variable rates is hedged through derivatives, these hedges could be insufficient to cover these risks, • affect the valuation of derivatives contracts; ◆ Foreign exchange risks outside the euro zone. Fluctuations in exchange rates may affect: • the value of assets, rents and revenues received in these countries, • the value of operational and financial expenses, when translated into euros, • 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 due to the use of financing instruments on international markets that may have a significant adverse effect on the Group, its results and its financial position. ◆ Foreign exchange risk is managed at 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 the underlying assets or activities perfectly, and as a result changes in the currency exchange and/or interest rates may have an impact on the cash flows, the results and/or the statement of financial position. ◆ 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 Financial Resources in the Business Review section. ◆ Market risks, which can generate losses as a result of fluctuations in stock markets. The Group is either: • directly exposed to fluctuations in stock prices due to the ownership of shares or financial instruments; or • indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share-based derivatives that are directly correlated with the price of the asset underlying such derivatives.	◆ Sensitivity to interest rates and currency movements is monitored by the Group Treasury Department in line with the policy defined by the Group Asset & Liability Management Committee (ALM Committee). ◆ The ALM 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 Group Treasury Department 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.). Currency exposure is also reviewed on an *ad hoc* basis. ◆ 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. ◆ The ALM Committee met twice in 2017. Throughout the year, the members of this committee received regular information and update on the significant change in the financial environment. See details in section 4.5.

◆ Liquidity risks

Risk factors	Mitigating measures
The Group's strategy depends on its ability to raise financial resources, either in the form of debt (mainly bank loans, bonds, credit lines and commercial paper) or equity capital, so that it can finance its general operating requirements and its investments. Some events such as: ◆ 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; ◆ a change in business activities, financial position or Unibail-Rodamco's ownership structure; could affect: ◆ the ability of the Group to raise funds and, as a result, it may lack the access to liquidity that it needs; ◆ the cost of its financing and lead to an increase in the Group's financial expenses. Some financing contracts are subject to financial covenants which may be affected by the occurrence of material adverse changes.	◆ Sensitivity to liquidity risk is monitored by the Group Treasury Department in line with the policy defined by the ALM Committee. ◆ The Group Treasury Department regularly provides each member with a comprehensive report on the Group's liquidity projections, bank covenant positions, availability under the Group's committed lines of credit. ◆ Unibail-Rodamco has put in place undrawn back-up facilities. More details in section 4.5.

Counterparty risks

Risk factors	Mitigating measures
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: ◆ lose all or part of its deposits; ◆ lose the benefit from hedges signed with such counterparties. This could then: ◆ result in an increase in interest rate and/or currency exposures; ◆ have a significant adverse effect on the Group, its results and its financial position. Due to its use of derivatives, the Group is exposed to potential counterparty defaults.	◆ Sensitivity to counterparty risk is monitored by the Group Treasury Department in line with the policy defined by the ALM Committee. ◆ The Group Treasury Department regularly provides each member with a comprehensive report on counterparty risks. Any change in the policy is approved by the ALM Committee. More details in section 4.5.

6.2.2.3. Risks related to Euro break-up, country default, or political instability

Risk factors	Mitigating measures
The following risks and their potential impacts could be detrimental to the Group and could negatively affect the markets and businesses in which the Group operates: ◆ the onset of a credit risk (including for Sovereigns); ◆ a Sovereign debt crisis; ◆ the exit of the Eurozone by a country where the Group operates. This environment could also negatively affect: ◆ the Group's operations and profitability; ◆ the solvency of the Group and of its counterparties; ◆ the value and liquidity of the securities issued by Unibail-Rodamco; ◆ the Group's ability to meet its commitments in respect of those securities and, more generally, its commitments with respect to its debt.	◆ These risks are identified and closely followed-up by the Management Board, notably by studying strategic decisions like diversifying the geographical activities and financial lenders.

6.2.3. OPERATIONAL RISKS INHERENT TO THE BUSINESS ACTIVITIES

6.2.3.1. Mergers & Acquisition

Risk factors	Mitigating measures
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; ◆ the legal & regulatory documentation of assets.	◆ Corporate business development or property acquisition projects are always discussed by the relevant management team and presented to the CEO and the CFO in order to determine whether the transaction is worth investigating and pursuing. ◆ A legal, financial, technical and commercial review of these transactions is always presented to a committee comprising the CEO, CFO, COO, CDO (for property development and re-development), and the relevant Regional Managing Director and regional Investment teams. ◆ An in-depth audit (data room) is carried out before final approval in compliance with the Group's authorisation rules. ◆ During the annual budget review a disposal schedule is drawn up for mature properties. These asset divestments are then prepared and analysed in detail by the committee described above. ◆ 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. ◆ 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 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 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.

6.2.3.2. Risks inherent to development and construction

Risk factors	Mitigating measures
Unibail-Rodamco conducts construction and refurbishment activities in the office, shopping centres and convention & exhibition property segments. The principal risks are linked to: ◆ project definition, which may not align with the Group's strategy and/or future tenant and customer demand, generating potential vacancies or a letting at inadequate 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); ◆ accidents, bodily injuries or material damages, which may delay the project; and ◆ financial claims with contractors and sub-contractors.	◆ Unibail-Rodamco's construction projects are carried out in countries where the Group has a local team. ◆ The Group selects large, reputable contractors to work on its construction and refurbishment projects by issuing invitations to tender based on a set of clear specifications. In 2017, the Group implemented its anti-corruption programme in order to prevent the risk of corruption and bribery. ◆ The Group employs construction experts within its own organisation and they ensure: • 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 are reviewed quarterly by the Controlling Department at Group level and by the Management Board. ◆ The Director of Finance of Unibail-Rodamco Development is in charge of monitoring the financial, legal and tax structuring of 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. ◆ Unibail-Rodamco SE publishes detailed corporate sustainability information annually dealing with the Group's environmental and social policy, its targets and achievements.

6.2.3.3. Leasing

Risk factors	Mitigating measures
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; ◆ may default on payments, especially in more difficult economic environments. This could materially affect Unibail-Rodamco's operating performance and/or its results.	◆ The leasing 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 the MB level by the COO or the CEO. ◆ The large number of tenants in the Group's shopping centres portfolio minimises the associated risks 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 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. ◆ Payments for ancillary services provided by the Convention & Exhibition division are generally received in advance, thereby reducing the risk of unpaid debts. ◆ Late payment reminders are systematically issued in respect of late payments and are monitored by local teams in each region.

6.2.3.4. Health and Safety

Risk factors	Mitigating measures
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 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; ◆ delay in the development of the Group's activities, which could potentially affect Unibail-Rodamco's results and its financial position as well as its general liability and reputation. Moreover, each of Unibail-Rodamco's real estate assets is potentially exposed to damages caused: ◆ by fire, water leakage; ◆ construction defects; ◆ natural disasters (climate change, health or ecological crises, etc.); that may have a significant adverse effect on the properties concerned and similarly on the Group, its results and its financial position.	◆ A Health and Safety annual risk assessment was conducted in 2017 for all managed assets in all regions to mitigate health and safety risks such as water, air, lead, asbestos and Legionnaires' disease. ◆ The Group regularly arranges inspections of technical facilities that could have an impact on the environment and/or personal safety. A Group committee is in charge of the results review and action plan management. ◆ In 2016, the Group performed an assessment of the assets most exposed to natural disasters. Action and crisis management plans are in place to enable rapid response in the event of an incident.

6.2.3.5. Terrorism

Risk factors	Mitigating measures
By their nature, and despite the measures put in place by the Group independently, and in close cooperation with public authorities in all countries, 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 subject to an act of terrorism or some assets located in the country concerned would suffer variable consequences depending on the gravity of the event and the period of time and could have a significant adverse effect on the Group, its results, its financial position and its reputation.	Measures were taken in 2017 to strengthen existing procedures and processes applied by local teams and reinforce the security of customers, employees, suppliers' employees and tenants' employees by: ◆ knowing and strictly applying the legal obligations in terms of security; ◆ following up with the relevant and competent regional authorities in terms of security; ◆ reinforcing strong relationships with police authorities and intelligence agencies; ◆ providing temporary additional staffing for securing accesses; ◆ implementing access guidelines for strategic 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 centres management teams to identify and manage situations linked to terrorism; ◆ being sure that all tenants are aware of security framework and evacuation plans; ◆ developing crisis management principles and best practices; ◆ implementing a Group Security Committee to manage and standardize the Group's practices in line with local regulations.

6.2.3.6. Information system breakdown and cybercrime

Risk factors	Mitigating measures
The Group relies on communication and information systems to conduct its business: ◆ any failure, interruption or breach in security of these systems; ◆ any loss of data; could result in failures or interruptions to its business leading to high costs related to information retrieval and verification and to a potential loss of business. The information systems may also face: ◆ identity theft; ◆ 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, etc.); ◆ legal (responsibility towards individuals or corporate entities about which Unibail-Rodamco Group holds confidential and/or personal information); ◆ reputational (disclosure of operational or non-public financial data). 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 position.	Unibail-Rodamco's information system relies on: ◆ a Europe-wide, redundant and interconnected infrastructure to guarantee IT service availability; ◆ a suite of software from established vendors and Cloud providers; ◆ a set of components storing structured and unstructured data extracting controls to guarantee data consistency and integrity. Unibail-Rodamco's IT risk management approach is largely based on: ◆ a management system relying on principles established in information security international standards (ISO 27001) and a set of security policies in line with market best practices (ISO 27002); ◆ an IT Security Manager who is in charge of defining and implementing a multiyear IT Security roadmap; ◆ a set of measures and controls to reduce IT risks such as data leakage, intrusions and malware infections. Actions are also carried out to raise users' awareness of security risks *via* an e-learning module that must be completed by each employee; ◆ a strong collaboration with the Legal Department and the Internal Audit & Risk Management Department on regulations impacting IT (GDPR, for instance); ◆ 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 scope will be enlarged to accounting IT systems in 2018. In 2017, several external audits were carried out on the security level of critical applications and corporate infrastructure (intrusion tests). External audits will continue to be carried out every year.

6.2.3.7. Risks linked to recruitment & retention

Risk factors	Mitigating measures
The success of the Group depends mainly on its employees. ◆ Insufficient and inadequate resources could prevent the Group from reaching its objectives. ◆ Low employee engagement could result in high turnover, team instability and loss of knowledge, which would jeopardize the performance of the Group.	◆ The Human Resources Department works with operational teams to define business needs and team sizing. ◆ Market watch of key positions, talent. The Group has also developed a European Graduate Programme to recruit high-potential employees. ◆ A yearly 360° review of each employee with identification of key employees, key managers and future talent is performed. ◆ Implementation of a meaningful and attractive Remuneration Policy. ◆ Development of internal mobility and career paths as well as a structured and comprehensive benefits policy.

6.2.3.8. Risks linked to succession plans and key managers

Risk factors	Mitigating measures
The departure of a top management team member or a key person could have a material adverse impact on the business, financial position and/or results of the Group.	◆ Implementation of a meaningful and attractive Remuneration Policy. ◆ Existence of an effective succession plan for the most relevant levels (Supervisory Board, Management Board, Group Management Team, key managers); ◆ Comprehensive documentation of processes, existence of a CRM and knowledge management tool.

6.2.3.9. Risks linked to management of competencies

Risk factors	Mitigating measures
The Group's performance depends on its organization and the competencies of its employees and managers and notably their abilities to innovate. A lack of a challenging process relating to department organization and staffing could have a financial impact, and insufficient professional and technical employee skills could lead to the inability to respond to new problems.	◆ The Group makes sure that the organization and staffing are optimized, notably by budgeting resources every year. Departmental organization is reviewed yearly at regional and corporate levels. ◆ Development of new learning management systems and a leadership programme for high potential employees and soft skills trainings for managers; ◆ Comprehensive documentation of processes, existence of a CRM and knowledge management tool.

6.2.3.10. Risks related to unreliable forecasts & material accounting issues

Risk factors	Mitigating measures
Unreliable forecasts and/or accounting mistakes might have a material impact on financial accounts, which may led to profit warnings. 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.	◆ Existence of a closing account check-list. ◆ Use of manuals for accounting procedures and instructions that describe the segregation of duties between the accounting execution and control. ◆ Analytical accounting reporting on each property, event and exhibition to monitor budget execution. ◆ Implementation of common processes and reporting templates, the Quarterly Flash Report (QFR). 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 verified and reviewed 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. ◆ The consolidation process is centralised and carried out by a dedicated team in the Group Consolidation Department. ◆ Multiple checks are carried out, in 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 the Controlling Department, and • Group financial statements are reviewed by the Statutory Auditors before being presented and explained to the MB, the AC and, ultimately, to the SB.

6.2.3.11. Legal, regulatory and compliance risks

◆ Legal and regulatory risk

Risk factors	Mitigating measures
◆ The Group must comply with a wide variety of laws and regulations in 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, • corporate and tax laws, in particular the provisions of the SIIC (*Sociétés d'Investissements Immobiliers Cotées*) regime and foreign equivalents. ◆ Changes in the regulatory 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), • face additional constraints and/or costs. This would possibly lead to: • a significant adverse effect on the value of its property portfolio and/or its results, • an increase in its expenses, • 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), • 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, maintain a geographical market presence; ◆ reputational damage associated with the Company's image, ethics and way of doing business.	◆ 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 that 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 endeavours to anticipate any legislative initiatives likely to have an impact on its business. ◆ By exercising its activities in different countries, the Group limits the impact of legislative and regulatory risks. ◆ 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 General Counsel 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 semester, each local Legal Department provides 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. ◆ To the best of the Company's knowledge, at the filing date of this Registration Document, Unibail-Rodamco is not involved in, nor party to, any government, judicial, administrative, regulatory or arbitration proceedings (including all proceedings which the Company is aware of and which are either pending or threatened) which could have or have had, during the last 12 months, a significant adverse effects on the results, the profitability or financial position of the Company and/or the Group that are not reflected in its financial statements.

Compliance risk

Risks related to Ethics and Integrity

Risk factors	Mitigating measures
As a company listed on the Paris and Amsterdam Stock Exchanges, Unibail-Rodamco is committed to performing its activities in a transparent, ethical and upstanding way. According to its reputation as the leading real estate company in Europe, failure to comply with ethical and compliance standards: ◆ may result in substantial financial, administrative or disciplinary sanctions; and ◆ may negatively impact the trust that stakeholders have placed in the Group; ◆ may result in substantial reputational damages.	◆ Unibail-Rodamco has implemented a Compliance Programme applicable to all company staff and directors in all regions where it operates. It aims at fostering compliance with the highest standards of governance. This programme is monitored by the Group Compliance Officer and is founded on 3 pillars - prevention, detection and correction. ◆ Unibail-Rodamco's Code of Ethics sets out the fundamental values and principles, based on a "zero tolerance" principle, governing the Group's operations and providing guidelines on how management and staff must behave in their professional environment. This Code has been translated into the various working languages of the Group and is made available to all company staff. It is published on the corporation internet and intranet sites. ◆ Unibail-Rodamco's Code of Ethics is supplemented by: • an e-learning module, rolled out on an annual basis to all company staff and designed to raise their awareness on ethics, • a Group reporting system encouraging company staff to report any violation or breach to the Group Compliance Officer. ◆ Contracts signed with the Group's suppliers, which 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 breaches, or potential breaches. ◆ Any material compliance breach is reported to the French financial market authority, which would then make this information public *via* its website. The Group did not report any material breaches in 2017.

Risks related to Corruption

Risk factors	Mitigating measures
Unibail-Rodamco conducts its business in 11 European countries and drives its real-estate activity with a wide variety of actors and business partners. As a European company, Unibail-Rodamco complies with the highest standards in this particular field and with anti-corruption regulations such as the Sapin II law in France. Failure to comply with anti-corruption regulations and lack of transparency can lead to: ◆ material reputational damages; ◆ financial, administrative or disciplinary sanctions; and ◆ may negatively impact on investors' trust.	◆ Implementation of a rigorous Anti-Corruption Programme (ACP) applicable in every entity controlled by the Group. This Programme is based on the principle of "zero tolerance" of any form of corruption. ◆ The ACP incorporates all provisions of international conventions and national laws and regulations that may be applicable to the Group's business activities. More specifically, the ACP encourages ethical conduct and commitment to prevent, detect and deter any form of corrupt practices, and the taking of prompt and appropriate action to deal with such prohibited behaviours. ◆ Interactions with Public Officials and Business Partners are monitored by a "Know Your Partner" procedure to ensure compliance by third parties with the Group's Anti-Corruption Programme. Prior to appointing a business partner or renewing the term of a related appointment, appropriate due diligence is conducted, in accordance with the third party risk profile. ◆ A policy regarding gifts, invitations, sponsoring and charitable contributions has also been implemented in order to prevent any behaviour from being perceived as corrupt and to prevent assets from being diverted for personal use or benefit to public officials or private companies. ◆ In 2017, the most exposed departments were trained in every region. In 2018, the ACP will be strengthened by a dedicated training module available to all staff and describing the general principles related to the prevention of corruption. ◆ Local Compliance Correspondents support the coordination of the Anti-Corruption Programme and manage processes and procedures. ◆ During the 2017 financial year, no incident of corruption was reported.

Risks related to Stock Market Regulation

Risk factors	Mitigating measures
Unibail-Rodamco is a European company listed on various stock markets such as Euronext Paris and Amsterdam. The Group is also a member of: - the CAC 40; - AEX; - EURO STOXX 50 indexes; - the ASPI Eurozone Index; - Global Real Estate Sustainability Benchmark (GRESB); - STOXX Global ESG Leaders Index; - Ethibel Excellence Investment Register; and - FTSE4Good sustainable investment indexes. Within this framework, Unibail-Rodamco is required to comply with various regulations and requirements aiming at fostering market transparency in order to provide clear, reliable and objective information about the Company. Failure to comply with these requirements can lead to: - financial, administrative or disciplinary sanctions; and - may have a negative impact on investors' trust.	- The Market Abuse Regulation related to insider trading is detailed in an Insider Trading Rules procedure, setting out common rules applying to the qualification of Inside Information, the disclosure of such information, trading bans during pre-defined periods of time and disclosure requirements for designated persons. - Unibail-Rodamco has created a Group Disclosure Committee (GDC) responsible for monitoring the proper application of the Insider Trading Rule.

Risks related to Lobbying Activities

Risk factors	Mitigating measures
While conducting real-estate activities, Unibail-Rodamco is in contact with public officials. These interactions may be: - subject to a lack of disclosure; or even - considered as corrupt practices; and - may result in a loss of trust of the public, investors and stakeholders. Within this framework, the French Sapin II law promotes greater transparency in the relationships and interests between companies and public officials by setting a general reporting requirement for all companies employing persons in contact with public officials in positions in which they may be liable to influence a public decision.	- Pursuant to the French Sapin II law, the Group has registered its lobbying activities with the French High Authority for Transparency in Public Life. - Contacts and expenses related to these activities are set out in a table and will be reported to the Authority in compliance with disclosure requirements. - Appropriate training has been provided to the staff members targeted by this new legal requirement.

Risks related to Personal Data Protection

Risk factors	Mitigating measures
- In the course of its activities, Unibail-Rodamco collects and processes diverse personal data from customers, employees, business partners and service providers. A breach of security may lead to a number of forms of malicious attacks such as cyber-attacks. - Furthermore, the General Data Protection Regulation* entering into force in 2018 strengthens several obligations with the general aim of providing greater protection of natural persons with regards to the processing of personal data. In this context, sanctions for non-compliance will increase substantially, to a maximum of 4% of total worldwide annual turnover and may expose the Group to significant financial and reputational risk.	- Unibail-Rodamco takes great care of this personal data by ensuring secure processing and storage in order to prevent any form of theft, intrusion or misuse thereof. - In 2017, Unibail-Rodamco launched a Group-wide project involving all relevant actors from various functions in order to ensure compliance with the upcoming General Data Protection Regulation by May 2018.

* *Regulation (EU) 2016/679 of the European Parliament and of the Council of April 26, 2016 on the protection of natural persons with regard to the processing of data and on the free movement of such data.*

6.2.3.12. Risks of fraud

Risk factors	Mitigating measures
The Group could be exposed to: - attempted fraud (identity theft, for example); or - embezzlement in the course of its business. This could have a major impact on its financial position and reputation.	- The Group has implemented a secure payments procedure and has formalised the rules for opening, changing and closing bank accounts. - Awareness of fraud scenarios is raised in departments throughout the year and illustrated by real cases. In the case of attempted fraud, the Group Compliance Officer systematically shares the information *via* email with all regions, including a reminder of preventive procedures.

6.3. TRANSFERRING RISK TO THE INSURANCE MARKET

The Group operates a loss prevention policy, developing measures to reduce the probability and impact of claims notably with respect to fire protection and safety. This policy improves the Group's position when negotiating cover and premiums with its insurers.

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 against terrorism 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 that includes an annual aggregate limit based on the asset that has the highest insured value with respect to rebuilding cost and loss of rent (CentrO in Germany).

The Group has also taken out general liability insurance policies that cover financial damages resulting from third party claims.

Type of insurance	Coverage and main limits
Property damage and loss of rent/business interruption Terrorism	Coverage: "all risks" basis (subject to named exclusions) Basis of compensation: ◆ reconstruction costs for building, replacement cost for equipment; ◆ loss of rent or business interruption with a compensation period of between 12 and 48 months depending on the asset. Limits of compensation: ◆ property damage and loss of rent/business interruption: limit of €880 million covering all damages and loss of rent/business interruption per claim. The programme includes sub-limits, for example to cover natural events; ◆ terrorism*: limit of €900 million covering all damages and loss of rent/business interruption per claim within an annual aggregate.
General civil liability	Coverage: "all risks" basis (subject to named exclusions) for damage caused to third parties up to €200 million per claim. The programme includes sub-limits, for example to cover liability claims in the event of a terrorist attack.
General environmental liability	Coverage for damage caused to third parties up to: ◆ for accidental pollution: €30 million per claim within an annual aggregate; ◆ for gradual pollution: €3 million per claim within an annual aggregate.
Cyber risks	Annual aggregate coverage up to €15 million.

* *French and Spanish assets are insured for their full values according to* Gareat *in France and* Consorcio de Compensación de Seguros *in Spain.*

Main construction projects and renovation work on properties are covered by contractors' All Risks policies for their total construction cost. Defects affecting the works are covered by decennial insurance in France, Inherent Defect Insurance for large construction or extension projects in other countries or by contractors' warranties.

The 2017 premium amounted to €8.6 million, excluding construction insurance premiums. Most of these premiums were invoiced in the context of existing contracts concluded with third parties.

The Group did not incur any major uninsured losses in 2017.

At the end of 2017, the Group's insurance policies were successfully renegotiated with coverage improvements notably for construction insurance policies with effect as of January 1, 2018.

7.

INFORMATION ON THE COMPANY, SHAREHOLDING AND THE SHARE CAPITAL

7.1. INFORMATION ON THE COMPANY

7.1.1. GENERAL INFORMATION

The corporate name of the Company is "Unibail-Rodamco SE" and it was incorporated on July 23, 1968 for a period of 99 years, *i.e.* up to July 22, 2067.

Its registered office is at 7, place du Chancelier-Adenauer, 75016 Paris, France and it is registered in the Paris Trade and Companies Register under number 682 024 096.

Its financial year runs from January 1 to December 31.

7.1.2. LEGAL FORM AND APPLICABLE LAW

Originally constituted as a public limited company with a Board of Directors, the Company was changed on May 21, 2007 into a public limited company with a Management Board and Supervisory Board, then, on May 14, 2009, into a European company with a Management Board and Supervisory Board pursuant to the provisions of European Council Regulation no. 2157/2001/EC of October 8, 2001, applicable to European companies and the current laws and regulations of France.

7.2. SHARE CAPITAL AND OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

7.2.1. SHARE CAPITAL – FORM OF SHARES

As at December 31, 2017, the share capital is €499,283,380 divided into 99,856,676 fully paid up ordinary shares at 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.

7.2.2. SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

7.2.2.1. Performance Stock Options and Performance Shares

The Long-Term Incentive (LTI) programme of the Company combines two equity remuneration instruments: Performance Stock Options (SO) and Performance Shares (PS). It is intended to strengthen the engagement and loyalty of beneficiaries in the Group's performance. (see Section 3.4. of the Registration Document).

As of December 31, 2017, the number of potential shares to be theoretically issued after taking into account cancellation (assuming the required performance and presence conditions are attained and excluding any cancellations that may occur during the course of the plan) represents 0.10% of the fully-diluted capital with regard to the PS and 2.13% of the fully-diluted capital with regard to the SO.

7.2.2.2. Warrants to purchase existing shares and/or subscribe for new shares

None.

7.2.2.3. ORA (bonds redeemable in shares)

Pursuant to the Rodamco Europe B.V. Public Exchange Offer, 9,363,708 ORA were issued as consideration for the shares contributed by Rodamco Europe B.V. shareholders. As at December 31, 2017, 9,357,861 ORA had been redeemed for shares.

The number of outstanding ORA at this date is 5,847. The number of potential new shares to be issued out of the exercise of the remaining ORA is 7,308 [1], 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.

7.2.2.4. ORNANE (bonds redeemable in cash and/or in new and/or existing shares)

◆ ORNANE 2012 issuance of September 19, 2012

On September 19, 2012, the Company issued 3,451,767 ORNANE at a nominal value per unit of €217.28, representing a nominal amount of €750 million.

In April 2015, the Company completed a repurchase procedure which resulted in the purchase of approximately 99% of the 2012 ORNANE. As at December 31, 2017, the remaining number of 2012 ORNANE is 1,260.

The 2012 ORNANE have been convertible since January 1, 2016. Pursuant to the *Note d'opération* referred to by the AMF under no. 12-440 of September 11, 2012, these ORNANE expired on January 2, 2018. Since this date, ORNANE 2012 are no longer available on the market.

◆ ORNANE 2014 issuance of June 25, 2014

On June 25, 2014, the Company issued 1,735,749 ORNANE at a nominal value per unit of €288,06, representing a nominal amount of €500 million. As at December 31, 2017, no 2014 ORNANE have been converted.

The 2014 ORNANE are potentially convertible as from January 1, 2018. The rate of conversion is 1.11 as at December 31, 2017. For full details on the 2014 ORNANE, please refer to the *Note d'opération* approved by the AMF under visa no. 14-296 dated June 17, 2014.

(1) Subject to ORA holder entitlement to round up fractional shareholding.

ORNANE 2015 issuance of April 15, 2015

On April 15, 2015, the Company issued 1,441,462 ORNANE at a nominal value per unit of €346.87, representing a nominal amount of €500 million. As at December 31, 2017, no 2015 ORNANE have been converted.

The 2015 ORNANE are potentially convertible as from January 1, 2018. The rate of conversion is 1.00 as at December 31, 2017. For more details on the ORNANE 2015, please refer to the *Note d'opération* approved by the AMF under visa n° 15-144 dated April 8, 2015.

7.2.3. PLEDGED COMPANY SHARES

As at December 31, 2017, 520,751 shares were pledged in a registered custodian account. No standard registered shares were pledged.

7.2.4. ESCHEAT SHARES

Within the framework of the escheat shares sale procedure implemented by the Company, Company shares unclaimed by shareholders for a period of two years following publication of a notice in the newspaper *La Tribune* on July 8, 2005, were sold. The shareholders whose shares were sold may claim the counter value from CACEIS Corporate Trust (the Company's share custodian) within a ten-year period as from the sale of the shares.

After this period, the attributable sums may still be claimed by the beneficiaries from the *Caisse des Dépôts et Consignations* within a period of 20 years.

7.2.5. OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

None.

7.2.6. CHANGES IN UNIBAIL-RODAMCO'S SHARE CAPITAL DURING THE PAST FIVE YEARS

Since January 1, 2013, the Company's share capital has changed as follows:

Date	Movements in the share capital	Number of shares issued	Number of shares	Total share capital	Premium resulting from transaction
03/01/2013	Exercise of Performance Stock Options (SO) (2006-2008 tranches)	105,465	94,997,445	€474,987,225	€10,720,322.94
03/31/2013	Exercise of SO (2006-2009 tranches)	431,244	95,428,689	€477,143,445	€38,676,960.60
06/03/2013	Exercise of SO (2006-2009 tranches)	582,712	96,011,401	€480,057,005	€54,102,667.78
06/03/2013	Reimbursement of ORA	21	96,011,422	€480,057,110	€3,190.92
06/03/2013	Partial payment of the dividend paid in shares	1,190,366	97,201,788	€486,008,940	€189,994,317.26
07/01/2013	Company Savings Plan	27,812	97,229,600	€486,148,000	€4,249,951.72
09/30/2013	Exercise of SO (2006-2009 tranches)	10,451	97,240,051	€486,200,255	€1,018,780.52
12/31/2013	Exercise of SO (2006-2009 tranches)	28,525	97,268,576	€486,342,880	€2,834,076.22
03/03/2014	Exercise of SO (2007-2009 tranches)	17,733	97,286,309	€486,431,545	€1,708,947.30
03/31/2014	Exercise of SO (2007-2010 tranches)	298,109	97,584,418	€487,922,090	€33,304,465.88
06/30/2014	Exercise of SO (2007-2010 tranches)	416,441	98,000,859	€490,004,295	€47,417,417.39
07/01/2014	Company Savings Plan	30,779	98,031,638	€490,158,190	€4,830,560.79
09/30/2014	Exercise of SO (2007-2010 tranches)	9,206	98,040,844	€490,204,220	€964,819.33
09/30/2014	Anticipated allocation of Performance Shares (2012 tranche - following a death)	43	98,040,887	€490,204,435	€0.00
09/30/2014	Reimbursement of ORA	500	98,041,387	€490,206,935	€76,140
12/31/2014	Reimbursement of ORA	72	98,041,459	€490,207,295	€10,941.68
12/31/2014	Exercise of SO (2007-2010 tranches)	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 SO (2007-2010 tranches)	15,774	98,075,166	€490,375,830	€1,698,066.93
04/03/2015	Reimbursement of ORA	180	98,075,346	€490,376,730	€27,410.40
04/03/2015	Exercise of SO (2008-2011 tranches)	370,345	98,445,691	€492,228,455	€49,774,191.67
06/30/2015	Reimbursement of ORA	126	98,445,817	€492,229,085	€19,163.97
06/30/2015	Allocation of Performance Shares (2012 tranche)	27,527	98,473,344	€492,366,720	€0.00
06/30/2015	Exercise of SO (2008-2011 tranches)	115,751	98,589,095	€492,945,475	€14,760,250.08
07/01/2015	Company Savings Plan	28,202	98,617,297	€493,086,485	€5,223,355.02
09/30/2015	Exercise of SO (2008-2011 tranches)	22,486	98,639,783	€493,198,915	€2,877,669.34
09/30/2015	Reimbursement of ORNANE	1,831	98,641,614	€493,208,070	n/a
12/31/2015	Reimbursement of ORA	100	98,641,714	€493,208,570	€15,228
12/31/2015	Exercise of SO (2009-2011 tranches)	52,228	98,693,942	€493,469,710	€5,717,440.57
03/08/2016	Allocation of Performance Shares (2013 tranche)	21,482	98,715,424	€493,577,120	€0.00
03/08/2016	Exercise of SO (2009-2011 tranches)	45,222	98,760,646	€493,803,230	€4,677,562.44
03/31/2016	Exercise of SO (2009-2012 tranches)	314,957	99,075,603	€495,378,015	€43,318,897.34
06/30/2016	Exercise of SO (2010-2016 tranches)	202,193	99,277,796	€496,388,980	€27,904,687.09
06/30/2016	Allocation of Performance Shares (2012 tranche) (2013-2015 - following a death)	7,941	99,285,737	€496,428,685	€0.00
06/30/2016	Reimbursement of ORNANE	1,549	99,287,286	€496,436,430	n/a
07/05/2016	Company Savings Plan	29,783	99,317,069	€496,585,345	€5,525,871.66
09/30/2016	Exercise of SO (2010-2012 tranches)	29,154	99,346,223	€496,731,115	€4,026,209.25
12/31/2016	Reimbursement of ORA	353	99,346,576	€496,732,880	€58,787.80
12/31/2016	Exercise of SO (2010-2012 tranches)	47,209	99,393,785	€496,968,925	€6,554,720.32
03/31/2017	Reimbursement of ORA	74	99,393,859	€496,969,295	€14,178.40
03/31/2017	Allocation of Performance Shares (2013 tranche)	25,323	99,419,182	€497,095,910	€0.00
03/31/2017	Exercise of SO (2010-2013 tranches)	292,980	99,712,162	€498,560,810	€47,288,266
06/30/2017	Exercise of SO (2011-2013 tranches)	124,677	99,836,839	€499,184,195	€20,416,087.88
07/05/2017	Company Savings Plan	30,562	99,867,401	€499,337,005	€5,555,237.35
09/30/2017	Exercise of SO (2011-2012 tranches)	10,556	99,877,957	€499,389,785	€1,463,841.77
10/23/2017	Share cancellations	(34,870)	99,843,087	€499,215,435	(€7,088,135.08)
12/31/2017	Exercise of SO (2011-2012 tranches)	5,778	99,848,865	€499,244,325	€807,583
12/31/2017	Reimbursement of ORNANE	7,811	99,856,676	€499,283,380	n/a

Note: increases in the share capital associated with the exercise of Performance Stock Options (SO) and creation of Performance Shares (PS), with reimbursements of ORA and ORNANE, are taken into account by a statement of the MB.

7.3. SHARE BUY-BACK PROGRAMME

Pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code and European Commission Regulation no. 2273/2003 of December 22, 2003, the General Meeting held on April 25, 2017 (sixteenth resolution) authorised the MB, for a period of 18 months, to buy back Company shares up to the legal limit of 10% of the total number of outstanding shares adjusted for any change in the share capital during the authorisation period, with a view to:

(i) cancelling all or part of the securities purchased under Article L. 225-209 of the French Commercial Code, subject to the General Meeting's authorization to reduce the Company's share capital;

(ii) holding shares that may be allotted to its corporate officers and employees and to those of affiliated companies under the terms and conditions provided by law pursuant to the Company's stock options 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 or the liquidity of the shares through an investment intermediary in the context of a liquidity contract;

(v) implementing any new market practice which might be approved by the French Financial Market Authority ("AMF") and, more generally, carrying out any transaction permitted under the regulations in force.

The maximum share buy-back purchase price is fixed at €250 per share, excluding costs, based on a nominal value of €5 per share. The total cost of the share buy-back programme can not exceed €2.47 billion.

7.3.1. REVIEW OF THE USE OF THE AUTHORISATION

On August 11, 2017, pursuant to the authorization granted to it by the General Meeting held on April 25, 2017, the Management Board (MB) decided to implement a Unibail-Rodamco SE share buy-back programme for a total amount of €750 million (excluding costs and charges) for a 60-day period as from its decision.

Buy-backs of 34,870 shares took place on September 2017, the 5 and the 6. Details of the transactions were published on September 14, 2017 and are available on the Unibail-Rodamco website .

On October 10, 2017, the MB decided to extend its share buy-back programme to December 29, 2017.

On October 23, 2017, the MB, pursuant to the authorization granted by the General Meeting of April 25, 2017 (seventeenth resolution) and pursuant to Article L. 225-209 of the French Commercial Code, decided to cancel 34,870 treasury shares.

As at December 31, 2017, the Company does not hold any of its own shares.

7.3.2. INFORMATION ON THE TRANSACTIONS CARRIED OUT DURING THE FINANCIAL YEAR ENDING DECEMBER 31, 2017

The table below gives details of the transactions carried out by the Company on its own shares as part of the share buy-back programme authorized by the General Meeting of April 25, 2017 and implemented by the decisions of the Management Board on August 11, 2017 and October 23, 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	34,870	34,870 (cancelled)	–	–	–	–
Average maximum maturity	–	–	–	–	–	–
Average transaction price *(€/share)*	208.07	208.07	–	–	–	–
TOTAL AMOUNT	**-**	**-**	**-**	**-**	**-**	**-**

The Company has not used any derivative products as part of its share buy-back programme and has currently not entered into any market-making and/or liquidity agreement.

7.3.3. SITUATION AS AT DECEMBER 31, 2017

At the close of the financial year ending December 31, 2017, the share capital held by the Company is as follows:

% 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	34,870
Number of shares held in the portfolio as at 12/31/2017	0
Accountant value of the portfolio	€0
Market value of the portfolio	€0

7.4. INFORMATION ON THE SHAREHOLDING

7.4.1. OWNERSHIP OF CAPITAL AND VOTING RIGHTS

The Group's share capital as at December 31, 2017 comprises 99,856,676 fully paid-up ordinary shares with a nominal value of €5 each. One single voting right is attached to each share in accordance with the "one share, one vote" principle.

99.25 % of the share capital is free floating.

The Company's shareholding structure has changed as follows during the last three financial years:

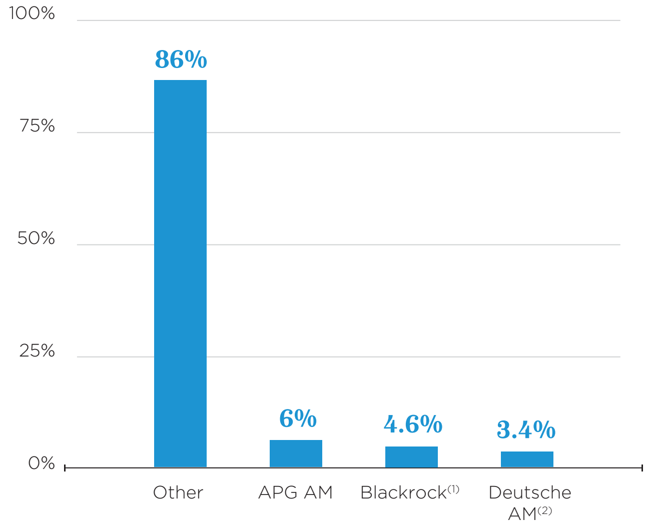
	Year-end-2015			Year-end-2016			**Year-end-2017**		
Shareholder	Number of shares	% of share capital	% of voting rights	Number of shares	% of share capital	% of voting rights	**Number of shares**	**% of share capital**	**% of voting rights**
Free float	98,171,188	99.47	99.47	98,715,540	99.32	99.32	99,103,931	99.25	99.25
Treasury shares	0	0	0	0	0	0	0	0	0
Company directors	282,512	0.29	0.29	429,502	0.43	0.43	496,972	0.50	0.50
FCompany Savings Plan*	240,242	0.24	0.24	248,743	0.25	0.25	255,773	0.26	0.26
TOTAL	**98,693,942**			**99,393,785**			**99,856,676**		

Figures may not add up due to rouding.

* *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, 2017



(1) BlackRock Fund Advisors
(2) Deutsche Asset Management Investment GmbH

7.4.2. INFORMATION REGARDING OWNERSHIP THRESHOLD DISCLOSURES SINCE JANUARY 1, 2017

Legal threshold disclosures notified prior to January 1, 2017 can be viewed on the French Financial Market Authority ("AMF") website and threshold disclosures notified to the Company are available at the registered office of the Company.

In addition to the thresholds provided by Article 9 bis of the Articles of Association of the Company (see Section 7.6.7 of the Registration Document) 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 of the share capital of the Company which is equal to or greater than 5%, 10%, 15%, 20%, 25%, 30%, 33.3%, 50%, 66.6%, 90% or 95% is required to notify the Company and the AMF at the latest within four business days following the crossing of such threshold, the total number of shares or voting rights it holds. Notification must also be given when the number of shares or voting rights falls below one of these thresholds.

Failing this, the voting rights attached to all shares exceeding the threshold that have not been disclosed are suspended in the Shareholders' Meetings until such time as the situation has been regularised and for a period of two years after the date of due notification. Under the same conditions, the voting rights attached to such shares exceeding the threshold that ought to have been declared may not be exercised or transferred by the defaulting shareholder (Article L. 233-14 paragraphs 1 & 2 of the French Commercial Code).

A standard notification form declaring the crossing of legal thresholds is available on the AMF website.

To the best of the Company's knowledge and based on the legal and statutory threshold crossings disclosed to the Company and/or the AMF by the shareholders, the latest positions notified are identified hereafter for the financial year ending December 31, 2017:

Shareholders	Number of shares	% of share capital	Number of voting rights	% of voting rights
BlackRock Inc. (number of shares based on an email dated 05/04/2017 sent to the Company)	10,007,086	10.07%	10,007,086	10.07%
BlackRock Inc. (number of shares based on an email dated 12/07/2017 sent to the Company)	9,909,521	9.93%	9,909,521	9.93%

7.4.3. SHAREHOLDERS' AGREEMENT

To the best of the Company's knowledge, there is no shareholders' agreement, nor any person or group of persons exercising or capable of exercising control over the Company.

7.5. FINANCIAL AUTHORISATIONS

Pursuant to Article L. 225-37-4 of the French Commercial Code on the reference of Article L. 225-68, 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, 2017.

Type of authorisation(1)	Amount(2)	Date of General Meeting	Authorisation expiry date	Beneficiaries	Issue terms and conditions	Amounts 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 31/12/2017(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. 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	04/25/2017	10/25/2018	Shareholders	Authorisation to the Management Board 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 negotiable 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	04/25/2017	10/25/2018	Shareholders and/or third parties	Authorisation to the Management Board to fix the amount and conditions: cancellation of the 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. 20	Maximum threshold of 15% for the first issue and within the global limit fixed in respect of the initial issue of debts instruments	04/25/2017	10/25/2018	Subscribers to the issue	Authorisation to the Management Board to increase the number of shares and/or negotiable securities giving access to the share capital to be issued on the same terms and conditions as the initial issue	0	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. 21	Capital contribution in the form of securities: 10% of the authorised share capital as at the issuance	04/25/2017	10/25/2018	Subscribers to the issue	Authorisation to the Management Board 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	Amounts 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 31/12/2017[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	0.8% of the total diluted capital over the authorisation validity period	04/21/2016	06/21/2019	Salaried staff and corporate officers of the Group	Authorisation to the Management Board to fix the terms Performance and presence conditions are mandatory	76,515	740,279
Increase in the share capital reserved for managers and employees eligible for the Performance Stock Option plan – Plan no. 8 Performance Resolution no. 22	Maximum: ◆ 1% of the fully diluted share capital per year ◆ 3% of the total diluted capital over the authorisation validity period	04/25/2017	06/25/2020	Salaried staff and corporate officers of the Group	Authorisation to the Management Board to fix the terms Performance and presence conditions are mandatory No discount applied	0	3,062,981
Increase in the share capital reserved for participants of Companies Savings Plans without PSR[3] Resolution no. 23	Maximum nominal value of €2,000,000	04/25/2017	10/25/2018	Participants in the Company Savings Plan	Authorisation to the Management Board to fix the terms 20% discount applies based on the average share price over previous 20 trading days	34,870	365,130

(1) For more details, refer to the exact text of the resolutions.
(2) Up to: €122 million (nominal value) in shares and securities giving access to the share capital; and €1.5 billion (nominal value) of debt securities.
(3) Pre-emptive Subscription Rights.

7.6. ARTICLES OF ASSOCIATION OF THE COMPANY

The main statutory provisions are given hereafter. Furthermore, the Management Board, Supervisory Board, Audit Committee and Governance, Nomination and Remuneration Committee each have their own internal regulations. The Articles of Association and internal regulations of these committees are available on the Company's website or at its registered office.

7.6.1. CORPORATE PURPOSE (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

The corporate purpose of the Company is 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.

7.6.2. 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).

7.6.3. STATUTORY OBLIGATIONS PERTAINING TO CHANGES IN THE COMPANY'S SHARE CAPITAL AND CATEGORIES OF SHARE RIGHTS

None.

7.6.4. CORPORATE GOVERNANCE STRUCTURE (ARTICLES 10 TO 16 OF THE ARTICLES OF ASSOCIATION)

The Company is managed by a Management Board (MB) and a Supervisory Board (SB).

Details of the composition and the functioning of the MB and the SB are set out in Section 3.1 of the Registration Document.

7.6.4.1. The Management Board (Articles 10 to 12 of the Articles of Association)

The Management Board (MB) is the collegial decision-making body of Unibail-Rodamco SE. It is composed of a maximum of seven members appointed for a four-year term by the SB which elects one of them as Chairman.

With respect to third parties, the MB is granted the widest possible powers to act in all circumstances in the name of the Company, subject to those expressly attributed by law to the SB and to general meetings of shareholders and within the limits of the corporate purpose and those which require prior authorisation from the SB (see Section 7.6.4.2.1 of the Registration Document).

Upon a proposal by the MB Chairman and with the authorisation of the SB, the MB Members may share the management tasks.

The MB Charter is available on the Company's website.

7.6.4.2. The Supervisory Board (Articles 13 to 16 of the Articles of Association)

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 has 8 to 14 members appointed for a three-year term.

Retention of an SB Member is subject to the condition that he/she is not over the age of 75. If an SB member reaches this age limit while in office, he/she will be considered as having resigned at the next Ordinary General Meeting which will be held after the end of the year during which he/she reached the age of 75. During this general meeting, the shareholders may appoint his/her replacement.

The number of SB Members having exceeded the age of 70 can not be greater than one third of the SB members.

The SB elects a Chairman and a Vice-Chairman from among its members who are tasked with convening the Board and to direct the discussions. The SB Chairman's and Vice-Chairman's terms may not exceed their terms as SB Members.

The SB meets as often as the interest of the Company so requires.

(1) For more details, please refer to note 8 of the Section 5.2.

7.6.4.2.1. Limitations on the Powers of the Management Board by the Supervisory Board (Article 11 of the Articles of Association)

Pursuant to Article 11.5 of the Company's Articles of Association and the SB internal regulations, 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 million (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 million (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 to €700 million (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 million (consolidated figure). This threshold is raised to €700 million (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 million (consolidated figure), threshold raised to €1 billion for corporate debt refinancing purposes;
- outsourcing accountability to third parties for asset management and real estate management or other asset management or real estate management representing more than 25% of the total value of the Company's assets and investments;
- transfers of all or part of the Company's business to third parties in excess of €500 million (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 overall Remuneration Policy of the Group and any remuneration of the MB members;
- any off-balance sheet commitment by the Company exceeding the amounts fixed by the SB;
- any proposal to (re)appoint or dismiss the Statutory Auditors of the Company or of one of its main subsidiaries and any review of the fees of the Statutory Auditors;
- any alterations to the Company's dividend policy and proposals by the MB in the distribution of interim or full dividends;
- any signing of an agreement involving or likely to involve a conflict of interest between a member of the MB or the SB on the one hand and the Company on the other hand in the meaning of Articles L. 225-86 *et seq.* of the French Commercial Code;
- any alteration to the insider rules in force within the Company;
- approval of the Group's strategy and its annual budget, as submitted to the SB for approval when submitting the financial statements for the financial year completed.

The SB must also, pursuant to its charter, be informed of current transactions involving amounts between €300 million and €500 million. The thresholds were last amended by the SB on February 9, 2011.

7.6.4.2.3. The specialised committees of the Supervisory Board

The task of two specialised committees are to assist the Board in the execution of its tasks: the Audit Committee and the Governance, Nominations and Remuneration Committee. All SB members participate in one of these committees. The committees function under separate charters.

Details of the composition, missions and diligences of the committees are set out in Section 3.1.2.3 of the Registration Document.

7.6.5. GENERAL MEETINGS (ARTICLES 18 AND 19 OF THE ARTICLES OF ASSOCIATION)

The general meetings of shareholders are convened and conducted pursuant to French law and European regulations. All shareholders, evidencing the ownership of their shares, have the right to participate, either in person or through a representative, provided that they have been shareholders for at least two business days prior to the date of the General Meeting.

The terms and conditions of participation in general meetings are set out in Article 18 of the Company's Articles of Association.

There is one voting right per share. There are currently neither preference shares nor shares with double voting rights. For further information, refer to Articles 18 and 19 of the Articles of Association.

7.6.6. REQUIREMENTS PERTAINING TO THE DISTRIBUTION OF PROFITS (ARTICLE 21 OF THE ARTICLES OF ASSOCIATION)

The distributable profit in any given year is equal to the sum of the net profit and any retained earnings, less: any accumulated loss; and amounts transferred to reserves. In addition to the distributable profits, the General Meeting of Shareholders may expressly resolve to distribute sums from other distributable reserves and/or contribution premiums.

Pursuant to the SIIC regime, the payment of a dividend may give rise to the imposition of a withholding tax (currently at a rate of 20%) on the Company pursuant to Article 208-C-II-*ter* of the French General Tax Code; calculated on the basis of the total dividend paid to any shareholders holding (directly or indirectly) 10% or more of the share capital (a "Shareholder Concerned"[1]) if the Shareholder Concerned, as a legal person who is a non-French tax resident, is not subject to a tax equivalent to the French corporate income tax to be paid by French companies on SIIC dividends distributed by the Company (a "Shareholder Subject to Withholding Tax"). Any Shareholder Concerned is deemed to be a Shareholder Subject to Withholding Tax unless

7.

(1) A "Shareholder Concerned" is any shareholder, other than a natural person, that owns, directly or through entities acting as intermediaries that it controls within the meaning of Article L. 233-3 of the French Commercial Code, at least the percentage of rights to a dividend specified in Article 208 C-II-ter (10%) of the French General Tax Code.

it provides the Company with a satisfactory and unreserved legal opinion certifying that it is not a Shareholder Subject to Withholding Tax. If this is not possible and in compliance with Article 21 of the Articles of Association, this tax will be borne by the Shareholder Subject to Withholding Tax. The withholding amount is either offset against its dividend or reimbursed *a posteriori*.

7.6.7. STATUTORY SHAREHOLDER THRESHOLD AND OBLIGATION TO REGISTER SHARES (ARTICLE 9 OF THE ARTICLES OF ASSOCIATION)

In addition to the thresholds provided by French law[1], 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[2] 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 General 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.

7.7. INVESTMENT BY THE COMPANY OUTSIDE THE UNIBAIL-RODAMCO GROUP

The Company has not made any significant investment outside the Group during the financial year ending December 31, 2017.

7.8. ELEMENTS LIKELY TO HAVE AN EFFECT IN THE CASE OF A PUBLIC OFFER

All information pursuant to Article L. 225-37-5 of the French Commercial Code that is likely to have an effect in the event of a public offer is included in this Chapter 7 and, regarding the change in control, in Section 4.5.1 of the Registration Document.

(1) *For more details, please refer to Section 7.4.2 of the Registration Document.*

(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.*

8.

ADDITIONAL INFORMATION

8.1. STATEMENT OF THE PERSONS RESPONSIBLE FOR 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.

Paris, March 28, 2018
On behalf of the Management Board

Christophe Cuvillier
Chairman of the Management Board of Unibail-Rodamco SE

Jaap Tonckens
Chief Financial Officer

8.2. AUDITORS

The Statutory Auditors of the Company are the following:

Ernst & Young Audit

1/2 place des Saisons
92400 Courbevoie Paris La Défense 1

Mr Jean-Yves Jégourel

Commencement date of the first term: General Meeting of May 13, 1975

Deloitte et Associés

185 avenue Charles de Gaulle
92524 Neuilly-sur-Seine

Mr Pascal Colin

Commencement date of the first term: General Meeting of April 27, 2011

Deloitte et Associés succeeded to Deloitte Marque & Gendrot which was appointed on April 28, 2005.

The expiry of the term of Ernst & Young Audit and Deloitte et Associés will be at the General Meeting held to approve the 2022 accounts.

8.3. HISTORICAL INFORMATION ON FINANCIAL YEARS 2015 AND 2016

Pursuant to Article 28 of Commission regulation (EC) No. 809/2004, the following information is incorporated by reference in this 2017 Registration document:

8.3.1. FOR 2015 FINANCIAL YEAR

The 2015 Registration document was filed with the French Financial Markets Authority on March 18, 2016, under number D. 15-0132.

The financial information, the consolidated financial statements and the statutory Financial statement for the year 2015 and the statutory auditors' report on these financial statements appear respectively in chapter 2 (on pages 14 to 61), chapter 4 (on pages 154 to 223) and chapter 5 (on pages 224 to 257).

The other parts of this document are either irrelevant to the investor or covered elsewhere in the Registration document.

8.3.2. FOR 2016 FINANCIAL YEAR

The 2016 Registration document was filed with the French Financial Markets Authority on March 21, 2017, under number D. 16-0170.

The financial information, the consolidated financial statements and the statutory Financial statement for the year 2016 and the statutory auditors' report on these financial statements appear respectively in chapter 2 (on pages 14 to 60), chapter 4 (on pages 168 to 231) and chapter 5 (on pages 232 to 267).

The other parts of this document are either irrelevant to the investor or covered elsewhere in the Registration document.

8.4. 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 with 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, on the website www.unibail-rodamco.com or obtained upon request from the Company.

8.5. GLOSSARY

Average cost of debt: recurring financial expenses (excluding the ones on financial leases and the ones related to partners' current accounts) + capitalized financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact)/average net debt over the period.

Buyer's Net Initial Yield: annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the TAC.

Committed projects: projects currently under construction, for which Unibail-Rodamco owns the land or building rights and has obtained all necessary administrative authorizations 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 authorizations have been obtained yet.

EBITDA-Viparis: "Net rental income" and "On site property services operating result" + "Recurring contribution of affiliates" of Viparis venues.

EPRA: European Public Real estate Association.

EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV less the estimated transfer taxes and deferred capital gain taxes.

EPRA Eurozone Reference Index: includes companies with more than 50% of their activity focused in Retail or Office and operating in the same countries as Unibail-Rodamco, so as to reflect the business and geographical footprint of UR. As of March 5, 2018, the reference index is composed of 14 companies (10 Retail and 4 Office). The GNRC undertakes a regular review of the appropriateness of the reference index to ensure it remains a relevant and fair benchmark of Unibail-Rodamco's business profile and performance, by reflecting the weight of each business line in Unibail-Rodamco's Gross Market Value, as follows (as long as the index includes the concerned company over the nesting period of the plan):

•Sub-Index Retail (90% weight) - Klépierre, Carmila, Deutsche EuroShop, Citycon, EuroCommercial Ppty, Mercialys, Wereldhave, Vastned Retail, Retail Estates and Lar España Real Estate.

•Sub-Index Office France (10% weight) - ANF-Immobilier, Icade, Fonciere des Régions and Gecina.

EPRA NIY: annualized rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the Gross Market Value of the portfolio. For a reconciliation of 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. Total Portfolio valuation includes consolidated portfolio valuation.

Minimum Guaranteed Rent uplift: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.

Net Disposal Price (NDP): Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.

Net Initial Yield (NIY): annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs.

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.

Replacement capital expenditure (Replacement CAPEX): replacement Capex relates to works either on equipment or the structure of a standing asset. The primary purpose of Replacement Capex is to ensure that the asset is in good working order and/or to make minor improvements. These investments can be triggered by obsolescence, maintaining technical performance at market levels or compliance with regulatory requirements.

RICS: Royal Institution of Chartered Surveyors.

Rotation rate: (number of relettings and number of assignments and renewals with new concepts)/number of stores. Short term leases are excluded.

SBR: Sales Based Rent.

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

SIIC: Société d'Investissement Immobilier Cotée (in France).

Tenant sales: performance in Unibail-Rodamco's shopping centres (excluding The Netherlands) in portfolio of shopping centres in operation, including extensions of existing assets, and excluding deliveries of new brownfield projects, acquisition of new assets and assets under heavy refurbishment.

Total Acquisition Cost (TAC): the total amount a buyer shall pay to acquire an asset or a company. TAC equals the price agreed between the seller and the buyer plus all transfer taxes and transaction costs.

TIC: Total Investment Cost equals the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, technical fees, tenant fitting-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) tenants' lease incentives and opening marketing expenses. Does not include capitalized interests and internal costs capitalized.

Yield on cost: contracted rents for the 12 months following the opening (for the delivered projects) or annualized expected rents (for the on-going projects), net of expenses, divided by the Total Investment Cost.

8.6. CROSS-REFERENCES TABLE

8.6.1. CONCORDANCE TABLE OF THE REGISTRATION DOCUMENT

Category of appendix 1 of European Regulation (CE) 809/2004	Section of the Registration Document
1. RESPONSIBLE PERSONS	
1.1. Persons responsible for the information included in the Registration Document	8.1
1.2. Declaration of the persons responsible for the Registration Document	8.1
2. STATUTORY AUDITORS OF ACCOUNTS	
2.1. Name and address of the Statutory Auditors	8.2
2.2. Resignation of the Statutory Auditors	n/a
3. SELECTED FINANCIAL INFORMATION	
3.1. Historic information	1.2
3.2. Information for interim periods	1.1
4. RISK FACTORS	**6.2**
5. INFORMATION ABOUT THE ISSUER	
5.1. History and development of the issuer	
5.1.1. Corporate name and trade name	7.1
5.1.2. Place of registration and registration number	7.1
5.1.3. Date of incorporation and statutory length of life	7.1
5.1.4. Head office and legal form	7.1
5.1.5. Important events	5.2 (note 1)
5.2. Investments	
5.2.1. Description of the financial year's main investments	4.2
5.2.2. Description of investments in progress	4.3
5.2.3. Description of future investments	4.3.7 - 4.3.8
6. BUSINESS OVERVIEW	
6.1. Main activities	
6.1.1. Nature of the operations	1.3 - 4.1
6.1.2. New products or new developments	4.3
6.2. Main markets	4.1.2
6.3. Exceptional factors	1.6
6.4. Possible dependencies	n/a
6.5. Competitive position	n/a
7. ORGANISATIONAL CHART	
7.1. Description of the Group	1.7
7.2. List of significant subsidiaries	5.2 (note 14)
8. PROPERTY OWNERSHIP	
8.1. Significant tangible fixed assets	1.4
8.2. Environmental issues possibly affecting the tangible fixed assets	2.3
9. OPERATING AND FINANCIAL REVIEW	
9.1. Financial condition	5.1.2
9.2. Operating results	5.1.1 - 4.2 (note 4)
9.2.1. Significant factors	4.1
9.2.2. Material changes	4.1
9.2.3. Influencing factors	n/a
10. CASH-FLOW AND CAPITAL RESSOURCES	
10.1. Capital ressources of the issuer	5.1.4
10.2. Sources and cash-flow amounts	5.1.3
10.3 Terms of borrowings and funding structure	4.5
10.4. Restrictions on the use of capital resources that could affect the activities of the issuer	2.4.7
10.5. Forecast of financial sources	4.5.1
11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES	**N/A**
12. TREND INFORMATION	

Category of appendix 1 of European Regulation (CE) 809/2004	Section of the Registration Document
12.1. Principal trends which impacted production and revenues	2.1 - 4.2
12.2. Trends which may impact future activity	4.2
13. FORECASTS OR ESTIMATES OF PROFIT	
13.1. Main assumptions underlying forecasts and estimates	4.2
13.2. Report of the independent Statutory Auditors	n/a
13.3. Forecast or estimate of net profit	4.2
13.4. Forecast of profit included in an existing prospectus	4.2
14. SUPERVISORY AND MANAGEMENT BODIES	
14.1. Supervisory and Management Boards	3.1
14.2. Conflicts of interest regarding supervisory bodies and directors	3.1.2.5
15. REMUNERATION AND BENEFITS	
15.1. Remuneration paid and benefits in kind	3.2.3
15.2. Provisioned amounts for pensions, retirements, or similar benefits	5.2 (note 10)
16. FUNCTIONING OF SUPERVISORY AND MANAGEMENT BODIES	
16.1. Expiry of current terms of office	3.1
16.2. Service agreements binding the members of the Supervisory and the Management Boards	n/a
16.3. Information on the Audit Committee and the Remunerations Committee	3.1.2.3
16.4. Corporate governance	Chapter 3
17. EMPLOYEES	
17.1. Number of employees	2.5
17.2. Profit sharing and stock-options	3.4
17.3. Agreements for employees to subscribe to the share capital	5.2 (note 10)
18. MAIN SHAREHOLDERS	
18.1. Shareholders holding more than 5% of share capital	7.4
18.2. Different voting rights	7.6.3
18.3. Direct or indirect holding or control of the issuer	7.4
18.4. Known agreements with the issuer which could engender a change of control	n/a
19. RELATED PARTY TRANSACTIONS	**5.2 (NOTE 6.6)**
20. FINANCIAL INFORMATION CONCERNING THE PORTFOLIO, FINANCIAL POSITION AND RESULTS	
20.1. Historic financial information	8.3
20.2. Pro-forma financial information	n/a
20.3. Financial statements	5.1 - 5.3
20.4. Verification of annual historic information	
20.4.1. Audit certificate of annual historic information	5.6 - 5.7
20.4.2. Other information reviewed by the Statutory Auditors	5.8
20.4.3. Sources of information not reviewed by the Statutory Auditors	n/a
20.5. Dates of the latest financial information	
20.5.1. Most recent financial year for which the financial information has been audited	5.1 - 5.2
20.6. Interim financial information	
20.6.1. Audited quarterly or half-yearly financial information	n/a
20.6.2. Not audited quarterly or half-yearly financial information	n/a
20.7. Dividend distribution policy	
20.7.1. Amount of dividends per share	4.1.7 - 5.7 (note 11.3)
20.8. Court and arbitration proceedings	5.2 (note 12.3)
20.9. Significant changes in financial position or business activity	n/a
21. SUPPLEMENTARY INFORMATION	
21.1. Company share capital	
21.1.1. Issued share capital	7.2
21.1.2. Non-representative shares	n/a
21.1.3. Number, book value and nominal value of treasury shares	7.3.3
21.1.4. Amount of securities giving access to share capital	7.2.2
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	7.2.6

Category of appendix 1 of European Regulation (CE) 809/2004	Section of the Registration Document
21.2. Applied regulations and Articles of Association	
21.2.1. Corporate purpose	7.6.1
21.2.2. Synopsis of the Articles of Association	7.6
21.2.3. Description of rights and privileges	7.6
21.2.4. Description of actions required to modify shareholders' rights	7.6
21.2.5. Description of conditions for convening shareholders' meetings	7.6.5
21.2.6. Change-of-control provisions	7.6
21.2.7. Rules defining the thresholds for disclosure of shareholdings	7.6.7
21.2.8. Description of conditions governing changes in capital	7.6.3
22. IMPORTANT CONTRACTS	**4.7**
23. INFORMATION FROM THIRD PARTIES, EXPERT STATEMENTS AND INTEREST STATEMENTS	
23.2. Expert statements	1.5
23.3. Third party information	n/a
24. DOCUMENTS PUBLICLY AVAILABLE	**8.4**
25. INFORMATION ON SHAREHOLDINGS	**5.2 (NOTE 6.5)**

8.6.2. CROSS-REFERENCE TABLE OF THE FINANCIAL REPORT

The below table of contents sets out the main categories required under the General Regulation of the AMF.

Category of Article 222-3 of the AMF General Regulations	Section of the Registration Document
1. FINANCIAL STATEMENTS	**5.3**
2. CONSOLIDATED FINANCIAL STATEMENTS	**5.1**
3. MANAGEMENT REPORT	**8.6.3**
4. RESPONSIBLE PERSONS	
4.1. Persons responsible for the information included in the Annual Financial Report	8.1
4.2. Declaration of the persons responsible for the Annual Financial Report	8.1
5. STATUTORY AUDITORS REPORTS	
5.1. Statutory Auditors' report on the financial statements	5.7
5.2. Statutory Auditors' report on the consolidated financial statements	5.6

8.6.3. CROSS-REFERENCE TABLE OF THE MANAGEMENT REPORT

The management report prepared pursuant to Article L. 225-100 of the Commercial Code, updated by the *Ordonnance* no 2017-1162 of July 12, 2017, is included in this Registration Document. It contains the following information (unless otherwise stated, the numbers in brackets refer to the relevant articles of the Commercial Code).

Management report		Section of the Registration Document
1. Review of the business, results and financial position of the Company, its affiliates and companies under its control during the year	(L. 225-100, L. 225-100-1, L. 232-1- II, L. 233-6, L. 233-26, R. 225-102)	4.1
2. Dividends paid out in respect of the last three years	(Article 243 *bis* of the General Tax Code)	5.2 (note 11.3)
3. Foreseeable developments, outlook	(L. 232-1-II, L. 233-26, R. 225-102)	4.3
4. Important events since the end of the financial year	(L. 232-1-II, L. 233-26)	4.1.5
5. Research and development activities	(L. 232-1-II, L. 233-26)	n/a
6. Key performance indicators of a non-financial nature	(L. 225-100, L. 225-100-1)	2.6
7. Main risks and uncertainties	(L. 225-100, L. 225-100-1)	6.1 - 6.2
8. Information about the company's use of financial instruments	(L. 225-100, L. 225-100-1)	4.5.1
9. Employee shareholdings	(L. 225-102)	7.4.1
10. Summary of securities transactions carried out by executive management	(Article 223-26 of the AMF General Regulation, Article L. 621-18-2 of the Monetary and Financial Code)	3.3.2
11. Purchases and sales of treasury stock	(L. 225-211)	7.3.2
12. Acquisitions of holdings in or control over companies having their registered office in France	(L. 233-6)	7.7
13. Share ownership	(L. 233-13)	7.4
14. Controlled companies	(L. 233-13)	5.2 (note 6.4)
15. Branches	(L. 232-1, II)	n/a
16. Results of the company over the last five years	(R. 225-102)	5.5.2
17. Breakdown of trade payables	(L. 441-6-1, D. 441-4)	5.5.1
18. Human resources information	(L. 225-102-1, R. 225-105, R. 225-105-1)	2.5
19. Environmental information	(L. 225-102-1, R. 225-105, R. 225-105-1)	2.3
20. Social information	(L. 225-102-1, R. 225-105, R. 225-105-1)	2.2
21. Verification of human resources, environmental and social information	(L. 225-102-1)	2.7
22. Share buyback programme	(L. 225-211)	7.3
23. Loans with a maximum term of two years granted by the company to micro-, small- and medium sized companies	(Article L. 511-6 of the Monetary and Financial Code)	n/a
24. Injunctions or fines imposed by the French Competition Authority for anti-competitive practices, which the Authority as required to be disclosed in the Registration Document	(L. 464-2)	n/a

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