UNIBAIL-RODAMCO-WESTFIELD

THE PREMIER GLOBAL DEVELOPER
AND OPERATOR OF FLAGSHIP SHOPPING DESTINATIONS

REGISTRATION DOCUMENT 2018

UNIBAIL-RODAMCO SE

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UNIBAIL-RODAMCO-WESTFIELD

REGISTRATION DOCUMENT

2018

The year in review

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This Registration Document was filed with the Autorité des Marchés Financiers on March 27, 2019, 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).

INTRODUCTION - THE WORLD'S PREMIER DEVELOPER AND OPERATOR OF FLAGSHIP SHOPPING DESTINATIONS

On December 12, 2017, Unibail-Rodamco SE ("**Unibail-Rodamco**") and Westfield Corporation entered into an Implementation Agreement for Unibail-Rodamco to acquire Westfield Corporation (the "**Transaction**").

After approval by 94.15% of the shareholders of Unibail-Rodamco and 97.5% of the securityholders of Westfield Corporation, Unibail-Rodamco on June 7, 2018, completed the acquisition of Westfield Corporation, creating Unibail-Rodamco-Westfield ("**URW**" or "**the Group**"), the premier global developer and operator of flagship shopping destinations. URW combines two of the strongest and most respected names in the real estate industry to build on their legacies. The acquisition of Westfield Corporation is a natural extension of Unibail-Rodamco's strategy of concentration, differentiation and innovation.

As at December 31, 2018, URW owned and operated 93 Shopping Centres in 13 countries, of which 56 are Flagships. The Group's proportionate total portfolio is valued at €65.2 Bn, of which 87% in retail, 6% in Offices, 5% in Convention & Exhibition venues and 2% in services.

URW is convinced that prime assets in the best locations will thrive and continue to generate sustained rental income growth. Similar to its Continental European assets, most of the US and UK Flagships are trophy assets and a perfect strategic fit, creating a unique cross-Atlantic platform. The high-quality assets in London and soon Milan will strengthen URW's position as the leading landlord in Europe, while the US Flagship assets give the Group exposure to the wealthiest and most attractive locations in the US.

The URW portfolio is on the forefront of the changes in a rapidly evolving retail environment. Exposure to department stores is being reduced as they are replaced by in-line tenants or exciting new leisure, health & well-being and dining concepts. Digital Native Vertical Brands such as Bonobos, Peloton, Amazon and Warby Parker have elected to open stores in Flagship centres and drive omni-channel revenues.

The Group provides a unique platform for retailers and brand events and offers an unparalleled experience for customers. The Transaction created a promising platform, connecting customers (approximately 1.2 billion annual visits) in the wealthiest catchment areas with the best brands and retailers. The combined visitor base multiplies the consumer insight and influence of the Group and its value to retailers and brands, making URW a critical, must-have partner for such operators globally.

URW will leverage the world-famous Westfield brand by gradually rebranding a number of its Continental European Flagship assets. The Group has an €11.9 billion development pipeline, and expects to capitalise on Westfield's unique development expertise.

In line with the "Better Places 2030" agenda, to be implemented across the entire Group, URW's assets are designed and maintained to create places that respect the highest environmental standards and contribute to better cities. It addresses the main challenges facing commercial real estate in the next decades: 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 teams as well as its stakeholders.

STRUCTURE

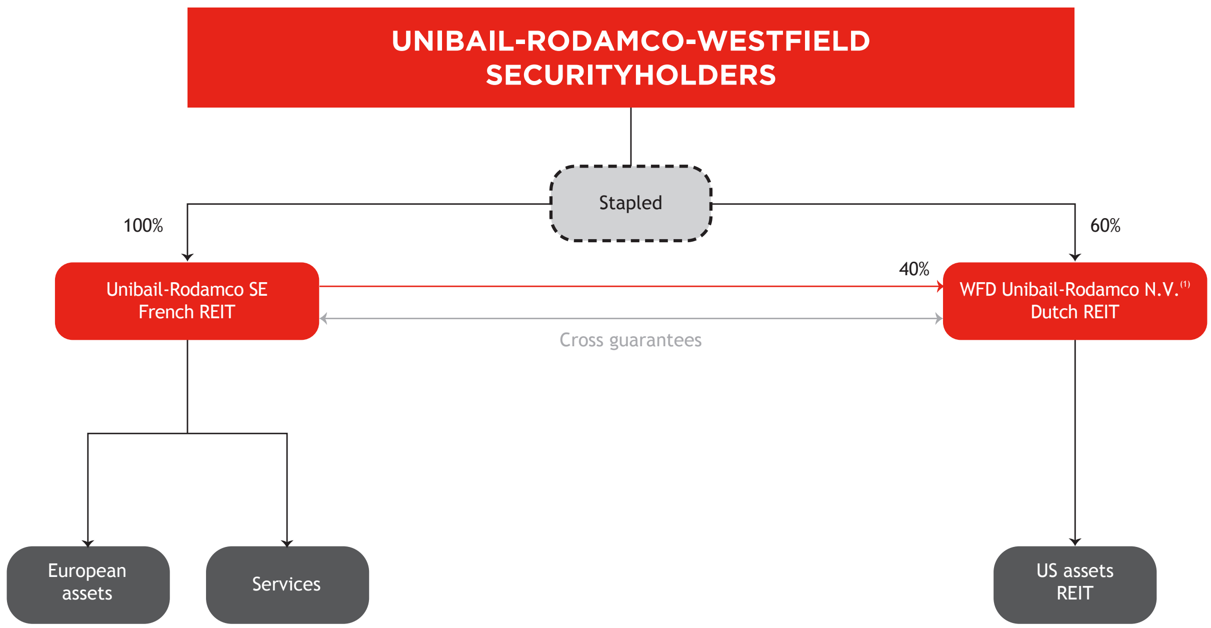
URW comprises two legal entities: Unibail-Rodamco with a registered office in France, and WFD Unibail-Rodamco N.V. (**"Unibail-Rodamco-WFD"**), with a registered office in The Netherlands. The shares of Unibail-Rodamco and the Class A shares of Unibail-Rodamco-WFD are stapled together (the **"Stapled Shares"**) such that holders hold an interest in both Unibail-Rodamco and Unibail-Rodamco-WFD as if they held an interest in a single (combined) company. All the Class B shares of Unibail-Rodamco-WFD, which represent an ownership of 40% in Unibail-Rodamco-WFD, are held by Unibail-Rodamco SE. The principal subsidiaries of Unibail-Rodamco and Unibail-Rodamco-WFD have guaranteed each other's debt, creating a single credit with an "A" and "A2" rating by Standard & Poors and Moody's, respectively.

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

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

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

Unibail-Rodamco's consolidated financial statements cover Unibail-Rodamco and its controlled undertakings, consolidating Unibail-Rodamco-WFD and its controlled undertakings, representing a comprehensive overview of the Group.



(1) *Also owns selected Dutch assets*

1.

PRESENTATION OF THE GROUP

1.

1.1 KEY FACTS

93 Shopping Centres	**11** Office buildings(1)	**10** Convention & Exhibition venues
1.2 Bn Footfall	**+3.0%** Tenant sales growth(2)	**3,639** Employees
€2,161 Mn Net rental income	**€12.92** Recurring earnings per share	**€10.80** Dividend per share
€65.2 Bn Gross Market Value	**€11.9 Bn** Pipeline	**€233.90** Going concern NAV per share

(1) French perimeter only.
(2) Continental Europe only.

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, for example Tour Ariane.

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

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

2001: Delivery of Cœur Défense.

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

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

RODAMCO

1979: Robeco, a Rotterdam based fund manager, creates Rodamco, a diversified global real estate investment fund (FBI) listed in Amsterdam with investments in Europe, the 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 Überseequartier and with the city of Brussels to develop Mall of Europe. Disposal of €2.4 Bn of non-core assets.

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

2016: Launch of Unibail-Rodamco's 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.

WESTFIELD

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

1960: Westifield is listed on the Sydney Stock Exchange.

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

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

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

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

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

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

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

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

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

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

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

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

UNIBAIL-RODAMCO-WESTFIELD

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

1.3 BUSINESS MODEL

OUR VISION → In a rapidly changing environment → Will be delivered by 3 strategic objectives → That mobilise our resources

THE PREMIER GLOBAL DEVELOPER AND OPERATOR OF FLAGSHIP SHOPPING DESTINATIONS

STRUCTURAL CHANGES IN RETAIL

TRANSITION TOWARDS A GREENER ECONOMY

We concentrate
on the best assets in the world's most dynamic cities

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

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

EMPLOYEES

- **3,639** skilled employees
- **50%** male, **50%** female

ASSETS

- **93** Shopping Centres with **8.4 Mn** sqm GLA(1)
- **11** Office Buildings(2) with **230,000** sqm(1)
- **10** Convention & Exhibition

CAPITAL

- **€65.2 bn** total GMV(3)
- **€25.4 bn** net debt(3)
- **1.6%** average cost of debt
- **7.5** years average debt maturity
- **37%** LTV(4) & **"A"** category credit rating(5)
- **€32.1 bn** shareholders' equity

INTELLECTUAL PROPERTY

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

(1) *Excluding assets under redevelopment for GLA and total surfaces.*
(2) *French offices only.*
(3) *On a proportionate basis.*
(4) *Including transfer taxes and excluding €2,039 Mn of goodwill as per the Group's European leverage covenants.*
(5) *A2 Moody's / A S&P.*
(6) *Net Disposal Price: Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.*
(7) *In the common areas of owned & managed shopping centres.*
(8) *Adjusted Recurring Earnings Per Share.*
(9) *FX rate SEK/EUR 10.3195 as at closing.*

Via our value chain

To produce outstanding outputs

ASSETS

- **92%** of owned and managed shopping centers are certified BREEAM In-Use in Continental Europe, of wich 47% rated "Outstanding" for "Building Management (Part 2)"
- All Continental European regions are now supplied with Green Electricity[7]
- **100%** of development projects in Continental Europe have conducted a Life Cycle Assessment analysis in the design phase

SHAREHOLDERS & CREDITORS

- **€12.92** AREPS[8]
- **€10.80** Dividend Per Share
- **€221.80** EPRA NAV per

BUILDING & RENOVATION

- **€11.9 bn** development pipeline
- Ambitious mixed-use projects, fully intergrated in the communities
- Constantly challenging the status quo to deliver the best customer experience

RETAILERS

- **+3.0%** tenant sales growth in Continental Europe shopping centres
- **+2.8%** tenant sales growth in UK shopping centres
- **+5.7%** tenant sales growth in US shopping centres

LEASING

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

VISITORS

- circa **1.2 bn** visits in 2018

PROPERTY MANAGEMENT

- Ensure premium quality services for our visitors

EMPLOYEES

- **418** employees were promoted
- **54** employees benefitted from an international mobility

INVESTMENT & DIVESTMENT

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

SOCIO-ECONOMIC FOOTPRINT

- **62,266** jobs hosted[10] in our shopping centres[11]

COMMUNITIES

- "UR for Jobs"conducted in 30 shopping centres. 551 initial jobs and training placements provided
- **17** "Solidarity Days" initiatives with NGOs
- **78%** of Continental Europe's workforce[12] volunteered, i.e. 1,210 Group employees

MOBILITY

- **100%** of the Group's standing assets[13] in Continental Europe are now equipped with electrical vehicle charging spaces

(10) Hosted impact: the direct impact analysis takes into account the number of employees working at the shopping centre (Unibail-Rodamco-Westfield's employees at the shopping centres, tenants and on-site suppliers' staff).

(11) Unibail-Rodamco-Westfield in Continental Europe and excluding Viparis. Economic impact study updated in 2018, Beyond Financials.

(12) Excluding Viparis and new joiners (Q4-2018).

(13) For the owned and managed shopping centres for which the Group fully owns and manages the car parks.

1.4 BUSINESS OVERVIEW

URW is the world's premier developer and operator of Flagship shopping destinations, and was first listed on the Paris stock exchange in 1972 (as Unibail SA). URW owns a portfolio of prime commercial properties with a proportionate value of €65.2 billion as at December 31, 2018, located in the largest and most prosperous cities across Europe and the United States.

URW's operations are focused on Flaghsip Shopping Centres in the wealthiest and most attractive catchment areas in Europe and the United States, large office buildings in Paris and major convention and exhibition venues in and around Paris.

URW'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 URW with unique market knowledge and expertise. This knowledge and expertise assists URW in dealing with markets that are cyclical in nature and its strategy is designed to allow the Group to continue its investment programs even during economic downturns. URW actively recycles assets and deploys disposal proceeds into its development projects.

Thanks to this portfolio of high quality assets and talents including experts in the business of investment, development, leasing, management and divestment, URW has been able to generate strong growth.

Finally, URW 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, URW is recognized as a leader in the industry.

BUSINESS SEGMENTS

a) Retail

As at December 31, 2018, URW owned 93 Shopping Centres, of which 56 are Flagships[1]. URW continuously reinforces the attractiveness of its assets by re-designing them: upgrading the layout; re-tenanting them: renewing the tenant mix; and re-marketing them: enhancing the shopping experience through special events.

Total proportionate Net Rental Income (NRI) of the shopping centre portfolio in 2018 amounted to €1,916.3 million, an increase of +36.9%. This growth mainly resulted from the acquisition of WFD (+€450.5 Mn, corresponding to seven months of NRI) and the growth in the retail segment of UR (+4.7%, due to strong like-for-like growth and deliveries), partially offset by the negative impact of disposals.

	Net Rental Income *(€Mn)*		
Region	**2018**	2017	%
France	651.1	618.1	+5.3%
Central Europe	211.6	173.9	+21.7%
Spain	155.5	161.3	-3.6%
Nordics	141.5	145.8	-2.9%
Austria	107.6	103.2	+4.3%
Germany	139.6	135.9	+2.7%
Netherlands	59.0	61.7	-4.4%
US	351.1		
UK	99.4		
TOTAL NRI	**1,916.3**	**1,399.9**	**+36.9%**

b) Offices

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

In 2018, the proportionate NRI from Offices amounted to €142.6 million, a +1.3% increase compared to 2017, primarily due to the Westfield acquisition, partially offset by disposals in 2017 and 2018.

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

	Net Rental Income (€Mn)		
Region	2018	2017	%
France	117.7	123.6	-4.8%
Nordics	11.0	12.4	-11.1%
Other countries	5.6	4.9	+16.1%
US	8.4		
TOTAL NRI	**142.6**	**140.8**	**+1.3%**

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 URW.

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

In total, 721 events were held in the Viparis venues during 2018, of which 259 shows, 90 congresses and 372 corporate events. Viparis's EBITDA came to €160.9 Mn, an increase of +€8.8 Mn (+5.8%) compared to 2016. Adjusted for the impact of the triennial Intermat exhibition, growth was +0.7%. The NRI from hotels amounted to €6.1 Mn (€11.6 Mn in 2017), mainly due to the closure in August 2017 of the Pullman Montparnasse hotel for renovation works.

PORTFOLIO BREAKDOWN

Net rental income

(€Mn)	FY-2018	FY-2017	Growth	Like-for-like Growth*
Shopping Centres	1,916.3	1,399.9	+36.9%	+4.0%
Offices	142.6	140.8	+1.3%	+4.5%
Convention & Exhibition	102.1	96.1	+6.2%	+4.0%
Net Rental Income	2,161.0	1,636.8	+32.0%	+4.0%
Recurring Net Result (Group share)	1,609.8	1,202.1	+33.9%	
Recurring EPS	13.15	12.05	+9.1%	
ADJUSTED RECURRING EPS	**12.92**	**12.05**	**+7.2%**	

* *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

VALUATION SPLIT PER ACTIVITY

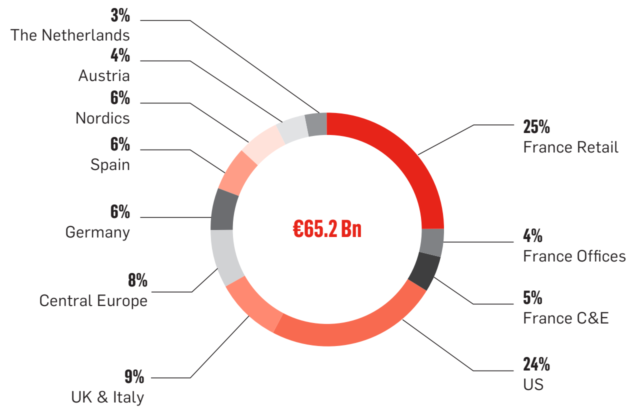
	Proportionate		IFRS		Group share	
Asset portfolio valuation – 12/31/2018	*(€Mn)*	%	*(€Mn)*	%	*(€Mn)*	%
Shopping Centres	56,514	87%	54,034	86%	49,417	87%
Offices	3,924	6%	3,894	6%	3,870	7%
Convention & Exhibition	3,222	5%	3,223	5%	1,848	3%
Services	1,541	2%	1,541	2%	1,451	3%
TOTAL	**65,201**	**100%**	**62,693**	**100%**	**56,586**	**100%**

VALUATION SPLIT PER ACTIVITY AND REGION

	12/31/2018		12/31/2017	
Valuation of Office portfolio	(€Mn)	%	(€Mn)	%
France	2,879	73%	3,738	90%
Nordics	168	4%	173	4%
Other countries	144	4%	260	6%
US	302	8%		
UK & Italy	432	11%		
TOTAL	**3,924**	**100%**	**4,171**	**100%**

	12/31/2018		12/31/2017	
Valuation of Shopping Centre portfolio	(€Mn)	%	(€Mn)	%
France	16,282	29%	15,769	44%
Central Europe	5,321	9%	5,098	14%
Spain	3,703	7%	3,763	10%
Nordics	3,486	6%	3,516	10%
Germany	3,756	7%	3,601	10%
Austria	2,583	5%	2,498	7%
The Netherlands	1,631	3%	1,607	4%
US	14,933	26%		
UK & Italy	4,818	9%		
TOTAL	**56,514**	**100%**	**35,851**	**100%**

The chart below shows the split of GMV per region as at December 31, 2018, including assets accounted for using the equity method:



DEVELOPMENT PIPELINE

The table below shows the evolution of URW's development pipeline between December 31, 2017, and December 31, 2018:

(€Bn)	12/31/2018	12/31/2017
Committed projects[1]	2.9	
Controlled projects[2]	7.7	
Secured Exclusivity projects[3]	1.4	
URW EXPECTED COSTS	**11.9**	**13.0[4]**

Figures may not add up due to rounding.

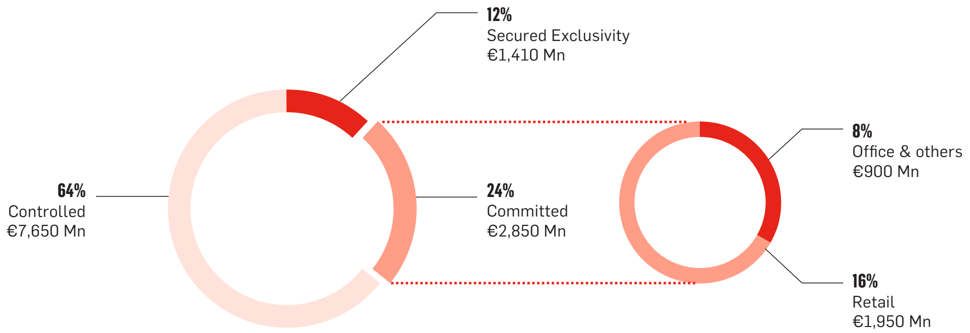
(1) *"Committed" projects: projects currently under construction, for which URW owns the land or building rights and has obtained all necessary administrative authorizations and permits.*

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

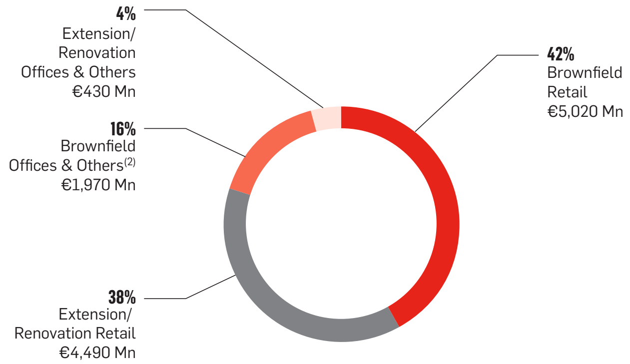
(3) *"Secured exclusivity" projects: projects for which URW has the exclusivity but where negotiations for building rights or project definition are still underway.*

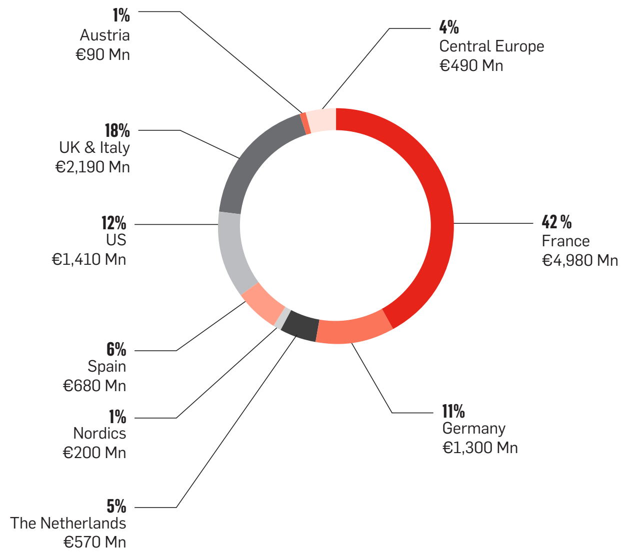
(4) *Proforma basis.*

DEVELOPMENT PIPELINE BY PROJECT PHASE[1]



DEVELOPMENT PIPELINE BY CATEGORY AND REGION[1]





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

(2) *Including residential and hotels units*

1.5 PORTFOLIO

1.5.1 FRANCE: SHOPPING CENTRES

Portfolio as at December 31, 2018	GLA of the whole complex *sqm*	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 *sqm*	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
SHOPPING CENTRES IN THE PARIS REGION												
Carré Sénart (Lieusaint) *Carrefour, Galeries Lafayette, Apple, 1 shopping park, 22 MSU, 175 retail units and a cinema*	149,200	7,700	2.3	15.5	1994/99	2002 (C) 2006/07 (C) 2012 (C) 2017	95.9%	123,100	100%	100%	123,100	FC
Les Quatre Temps (La Défense) *Auchan, Castorama, C&A, Toys'R'Us, Apple, 29 MSU, 199 retail units and a cinema*	141,200	5,400[1]	6.9	42.6	1992/95/99 2011 2016	1981 (R) 2006/08	98.9%	136,400	53%	100%	136,400	FC
Parly 2 (Le Chesnay) *Printemps, BHV, FNAC, Auchan Gourmet, Habitat, Decathlon, Apple, 15 MSU and 162 retail units*	120,300	4,250	6.1	11.3	2004 2012 2018	1969/87 (R) 2011 (R) 2015 (C) 2017	97.0%	102,100	50%	100%	102,100	FC
Rosny 2 (Rosny-sous-Bois) *Carrefour, Galeries Lafayette, FNAC, C&A, Apple, 21 MSU, 145 retail units and a cinema*	114,100	5,950	8.6	14.5	1994 2001 2010 2016 2018	1973 (R) 1997 (C) 2011 (R) 2015	97.9%	32,300 28,800 20,700	26% 100% 50%	n.a. 100% 100%	n.a. 28,800 20,700	EM-JV
Vélizy 2 (Vélizy-Villacoublay) *Auchan, Printemps, FNAC, C&A, Boulanger, Apple, Toys'R'Us, 14 MSU, 151 retail units and a cinema*	100,200	6,040	6.2	14.3	1994 2007	(R) 2005/07	99.8%	62,300	100%	100%	62,300	FC
Aéroville (Roissy-en-France) *Auchan, 19 MSU, 159 retail units and a cinema*	84,700	4,450	1.9	8.9		2013	94.7%	84,700	100%	100%	84,700	FC
Le Forum des Halles (Paris 1st) *FNAC, H&M, Monoprix, Go Sport, 17 MSU, 130 retail units, and a cinema*	75,500	1,120	6.8	48.8	1994 2010 2016	1979/86 (R) 1996 (C) 2016	97.6%	75,500	65%	100%	75,500	FC
So Ouest (Levallois-Perret) *Leclerc, Boulanger, Go Sport, H&M, 7 MSU, 86 retail units and a cinema*	57,100	1,700[1]	8.6	7.2	2006 2010	(C) 2012/2015	94.8%	52,200	100%	100%	52,200	FC
Ulis 2 (Les Ulis) *Carrefour, C&A, 7 MSU, 81 retail units and a cinema*	53,900	3,200[1]	2.5	5.9	1994	1973 (R) 1998/99	94.9%	25,100	100%	100%	25,100	FC
CNIT (La Défense) *FNAC, Decathlon, Monoprix, 3 MSU, 25 retail units and a restaurant area*	28,100	320[2]	6.9	13.9	1999	1989 (R) 2009	99.3%	28,100	100%	100%	28,100	FC
L'Usine Mode et Maison (Vélizy-Villacoublay) *3 MSU, 78 retail units*	20,500	1,270	6.2	0.8	2005	1986 (R) 2011	79.3%	20,500	100%	100%	20,500	FC
Boutiques Palais des Congrès (Paris 17th) *Galerie Gourmande, Palais Maillot, 3 MSU, 59 retail units and a cinema*	18,800	1,660[1]	8.8	5.9	2008		100.0%	18,800	50%	100%	18,800	FC
Galerie Gaité (Paris 15th) *Darty, 1 retail unit*	n.a.	2,030[3]	6.7	n.a.	1998	1976 (R) 2000/01	n.a.	n.a.	100%	100%	n.a.	FC
Carrousel du Louvre (Paris 1st) *Printemps, Bose, 1 MSU, 35 retail units and a food court*	13,500	670[1][4]	6.8	16.6	1999	1993 (R) 2009	97.0%	13,500	100%	100%	13,500	FC
Sub-total Shopping Centres in the Paris Region											**791,800**	

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

(1) Car Parks not owned by URW.
(2) Car parks are owned by CNIT C&E and are shared between CNIT C&E, CNIT Offices and CNIT Retail.
(3) Gaîté Montparnasse car parks are shared between Pullman hotel, Gaîté shopping gallery and offices.
(4) The Carrousel du Louvre car park is shared between the shopping centre and the exhibition space.

Portfolio as at December 31, 2018	GLA of the whole complex *sqm*	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 *sqm*	% URW's share	% of consolidation	Total space according to consolidation *sqm*	Consolidation method
SHOPPING CENTRES IN THE FRENCH PROVINCES												
La Part-Dieu (Lyon) *Carrefour, Galeries Lafayette, Décathlon, C&A, Primark, Monoprix, FNAC, 28 MSU, 189 retail units and a cinema*	127,400	1,730	1.5	31.1	2004 2016	1975 (R) 2001/02 (C) 2009/10 (R) 2011	98.5%	84,700	100%	100%	84,700	FC
La Toison d'Or (Dijon) *Primark, Carrefour, Cultura, Boulanger, Apple, 14 MSU and 137 retail units*	78,100	3,700	0.4	8.2	1994 2017	1990 (C) 2013	97.4%	48,600	100%	100%	48,600	FC
Polygone Riviera (Cagnes-sur-Mer) *Printemps, H&M, Zara, Primark, FNAC, 20 MSU, 94 retail units, a cinema and a casino*	74,900	3,500	0.9	7.0	2017	(C) 2015	97.2%	68,800	100%	100%	68,800	FC
Euralille (Lille) *Carrefour, Go Sport, Primark, 17 MSU and 110 retail units*	66,900	2,900(1)	2	16.5	1994 2010	1994 (R) 2015	99.2%	50,700	76%	100%	50,700	FC
Villeneuve 2 (Villeneuve-d'Ascq) *Auchan, C&A, Furet du Nord, 5 MSU and 127 retail units*	56,900	3,400(1)	1.8	11.5		1977 (R) 2004/06 (R) 2018	98.8%	32,400	100%	100%	32,400	FC
Lyon Confluence (Lyon) *Carrefour, JouéClub, Apple, 16 MSU, 75 retail units and a cinema*	53,200	1,430	1.6	9.8		2012	98.7%	53,200	100%	100%	53,200	FC
Rennes Alma (Rennes) *Carrefour, Printemps, 7 MSU and 103 retail units*	46,400	2,690	0.6	7.1	2005 2007	1971 (R) 1990 (C) 2013	98.6%	32,400	100%	100%	32,400	FC
La Valentine (Marseille) *Printemps, Darty, FNAC and 70 retail units*	39,500	1,650	1.4	n.a.	2007 2017 2018	1982 (R) 1999	100.0%	19,000	100%	100%	19,000	FC
Sub-total Shopping Centres in the French Provinces											389,800	

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

(1) Car parks not owned by URW.

Portfolio as at December 31, 2018	GLA of the whole complex *sqm*	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 *sqm*	% URW's share	% of consolidation	Total space according to consolidation *sqm*	Consolidation method
OTHER HOLDINGS												
Bel-Est (Bagnolet) *Auchan, 58 retail units*	48,800	2,000	3.8	n.a.	2010	1992	87.5%	500 5,000	100% 35%	100% 35%	500 1,800	FC
Aquaboulevard (Paris 15th) *Decathlon, Water park, Fitness center, cinema, event area, food court,* *4 retail units*	38,400	1,000	n.a.	n.a.	2006 2008	1990	100.0%	32,400	100%	100%	32,400	FC
Maine Montparnasse (Paris 15th) *1 Naf Naf store*	35,500	1,900	n.a.	n.a.	2007		100.0%	200	100%	100%	200	FC
Villabe (Corbeil) *Carrefour, Toys'R'Us, 3 MSU and 53 retail units*	35,300	2,400	1.3	n.a.	2010 2012 2013 2015	1992	76.6%	4,700 5,800	100% 49%	100% 49%	4,700 2,800	FC
Bobigny 2 (Bobigny) *Auchan, 5 MSU, 45 retail units and a cinema*	26,900	1,110	4	n.a.	2004	1974	55.2%	7,900	100%	100%	7,900	FC
Grigny 2 (Grigny) *1 MSU, 22 retail units*	10,700	1,200	n.a.	n.a.	2004	1973 (R) 2000	62.1%	1,600	100%	100%	1,600	FC
Go Sport (Saintes)	2,500	n.a.	n.a.	n.a.	2007		0.0%	2,500	100%	100%	2,500	FC
Sub-total Other holdings											54,400	
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**1,236,000**	

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

1.5.2 FRANCE: CONVENTION & EXHIBITION

Portfolio as at December 31, 2018	Total floor space *sqm*	Parking spaces	Year of acquisition	Construction (C) Refurbishment (R) date	% URW's share	% of consolidation	Total floor space according to consolidation *sqm*	Description	Consolidation method
PARIS REGION									
Property and Operation									
Paris Porte de Versailles (Paris 15th)	220,000	2,500(1)	2000	(C) Hall 5 in 2003 (C) Pavillon 7 in 2017	50%	100%	220,000	6 exhibition halls (from 19,000 to 70,000 m²), of which 1 convention centre with a 5,200 seat plenary room	FC
Paris Nord (Villepinte)	246,300	13,000	2008	Hall 7 in 2010	50%	100%	246,300	9 exhibition halls, 45 conference rooms of which 3 auditoriums	FC
CNIT (La Défense)	24,000	1,100(2)	1999	(R) 2007	100%	100%	24,000	Exhibition and convention space	FC
Espace Grande Arche (La Défense)	5,000	n.a.	2001	(R) 2003	50%	100%	5,000	Flexible space covering 5,000 m²	FC
Espace Champerret (Paris 17th)	8,500	1,100(3)	1989/1995	(R) 2008	50%	100%	8,500	Exhibition space (trade shows)	FC
Le Palais des Congrès de Paris (Paris 17th)	29,000	1,500(3)	2008	1993	50%	100%	29,000	82 meeting rooms, 18 conference rooms 4 auditoriums	FC
Carrousel du Louvre (Expos) (Paris 1st)	6,500	4,300(3)	1999	1993 (R) 2016	100%	100%	6,500	Exhibition space (trade and fashion shows, corporate events)	FC
Hilton CNIT (La Défense)	10,800	n.a.	1999	(R) 2008	100%	100%	10,800	Hotel	FC
Pullman Paris-Montparnasse Hotel (Paris 14th)	n.a.	2,000(4)	1998	(R) 2012(5)	100%	100%	n.a.	Hotel, conference centre and private parking lot(2)	FC
Operation									
Paris, Le Bourget	79,700	1,500(3)	2008	1952 2005	50%	100%	n.a.	5 exhibition halls, 7 conference rooms of which 1 auditorium	FC
Palais des Congrès d'Issy-les-Moulineaux	3,000	n.a.	2009	(R) 2007	48%	100%	n.a.	14 conference rooms of which 1 auditorium	FC
Hôtel Salomon de Rothschild (Paris 8th)	1,300	n.a.	2014	(R) 2007 (R) 2010 (R) 2016	50%	100%	n.a.	8 18th century rooms 1 reception room	FC
Palais des Sports (Paris 15th)	n.a.	n.a.	2002	1960	25%	25%	n.a.	Flexible entertainment or convention room from 2,000 to 4,200 seats	EM-JV
OUTSIDE PARIS									
Novotel (Lyon)	7,600	n.a.	2012	(C) 2012	100%	100%	7,600	Novotel 4 stars hotel, 150 rooms	FC
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**557,700**		

(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 C&E, CNIT Offices and CNIT retail.
(3) Car parks not owned by URW.
(4) Car parks shared between Pullman hotel, Gaîté shopping gallery and office.
(5) 382 rooms refurbished out of 957 in 2011 and 2012.

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1.5.3 FRANCE: OFFICES

Portfolio* as at December 31, 2018	Total floor space *sqm*	Parking spaces	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (EPRA definition)	Total floor space of the property owning companies *sqm*	% URW's share	% of consolidation	Total floor space according to consolidation *sqm*	Main tenants *(in terms of rental income)*	Consolidation method
PARIS CBD, PARIS AND WESTERN PARIS OUTSKIRTS											
Paris 15th											
Le Sextant	13,400	140	2009	(C) 1998	56.6%	13,400	100%	100%	13,400	Direct Energie, APEC, Alloresto Included in pipeline	FC
Paris 16th											
7, place du Chancelier-Adenauer	12,100	150	1999	(R) 2008	100.0%	12,100	100%	100%	12,100	Unibail-Rodamco-Westfield	FC
Sub-total "Paris CBD"									25,500		
Paris - La Défense											
Les Villages de l'Arche	41,900	1,550	1999	(R) 2006 (R) 2016(1)	96.0%	41,900	100%	100%	41,900	Orange, Orange Cyber Défense, Genegis, Louvre Hôtels, Ageas, Dalkia	FC
CNIT (Offices)	37,100	1,100(2)	1999	(R) 2008	98.3%	37,100	100%	100%	37,100	SNCF, ESSEC, IFSI, Châteauform	FC
Majunga	65,600	270		(C) 2014	100.0%	65,600	100%	100%	65,600	Axa Investment Managers, Deloitte	FC
Michelet-Galilée	33,100	130	1999	(R) 2010	99.8%	33,100	100%	100%	33,100	Alstom	FC
Sub-total "Paris - La Défense"									177,700		
Issy-les-Moulineaux											
Shift	n.a.	n.a.	1999	(R) 2012	n.a.	n.a.	100%	100%	n.a.	Nestle (pre-let)	FC
Sub-total "Issy"									n.a.		
Other office buildings in Paris and Western Paris region											
Gaîté-Montparnasse (Offices) (Paris 14)	n.a.	2,030(3)	1998	(C) 1974	n.a.	n.a.	100%	100%	n.a.		FC
29, rue du Port (Nanterre)	10,300	90	2010	(C) 1989	100%	10,300	100%	100%	10,300	Xylem Water Solutions France	FC
Le Blériot (Rueil Malmaison)	3,400	70	2016	(C) 1989	0%	3,400	100%	100%	3,400		FC
Sub-total of other office assets in Paris and Western Paris region									13,700		
OTHER											
Tour Rosny (Rosny-sous-bois)	13,100	207	2017 2018	(C) 1975	35.6%	13,100	100%	100%	13,100		FC
Sub-total Other									13,100		
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)									**230,000**		

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

1.5.4 CENTRAL EUROPE: SHOPPING CENTRES

Portfolio as at December 31, 2018	GLA of the whole complex *sqm*	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 *sqm*	% URW's share	% of consolidation	Total space according to consolidation *sqm*	Consolidation method
CZECH REPUBLIC												
Centrum Cerny Most (Prague) *Superdry, H&M, Nespresso, Aw Lab, Sinsay 175 units and a cinema complex*	107,700	3,722	1.7	12.3	2000	(C) 1997 (C) 2013	99.8%	107,700	100 %	100 %	107,700	FC
Centrum Chodov (Prague) *Armani Exchange, Hugo Boss, Zara, Vapiano, Douglas, 303 units and a cinema complex*	101,600	3,429	1.4	17.4	2005 2014	(C) 2005 (C+R) 2014 (C+R) 2017	96.1%	101,600	100 %	100 %	101,600	FC
Metropole Zlicin (Prague) *Gant, Reserved, Rituals, 125 units and a cinema complex*	54,100	1,800	1.5	7.8	2017	(C) 2002 (C) 2004	100.0%	54,100	50%	n.a.	n.a.	EM-JV
Sub-total Shopping Centres in Czech Republic											**209,300**	
POLAND												
Arkadia (Warsaw) *Uterque, Victora's Secret, H&M, Nespresso, Zara, 231 units and a cinema complex*	117,800	3,900	1.7	18.9	2010	(C) 2004 (C) 2017	99.0%	79,500	100%	100 %	79,500	FC
Wroclavia (Wroclaw) *H&M, Vapiano, Uterque, Zara, Reserved, Peek & Cloppenburg, 172 units and a cinema complex*	72,400	2,080	0.7	14.9		(C) 2017	99.2%	72,400	100%	100 %	72,400	FC
Galeria Mokotow (Warsaw) *&Other Stories, Dior, Uterque, Rolex, Peek & Cloppenburg, Kiehl's, 243 units and a cinema complex*	68,300	2,243	1.3	12.0	2003 2011	(C) 2000 (C) 2002 (C) 2006 (C) 2013	99.6%	68,300	100%	100 %	68,300	FC
Zlote Tarasy(1) (Warsaw) *H&M, Zara, Van Graaf, Douglas, Victoria's Secret, Reserved, 187 units and a cinema complex*	66,400	1,130	2.0	20.1	2007 2012 2013	(C) 2007	n.a.	66,400	100%	n.a.	n.a.	EM-A
CH Ursynow (Warsaw) *OBI, Auchan, Sephora, Reserved, 29 units*	46,600	1,900	1.5	5.2	2014	(C) 1998	n.a.	n.a.	50%	n.a.	n.a.	EM-JV
Wilenska (Warsaw) *Flying Tiger, Sephora, Sinsay, Stradivarius, 92 units*	39,900	1,100	1.7	15.0	2010	(C) 2002	99.4%	19,200	100%	100 %	19,200	FC
Sub-total Shopping Centres in Poland											**239,400**	
SLOVAK REPUBLIC												
Aupark (Bratislava) *Zara, H&M, Gant, Kiehl's, Tous, Peek & Cloppenburg, 220 units and a cinema complex*	60,300	2,220	0.7	11.8	2006 2011 2018	(C) 2001 (R) 2015	99.5%	60,300	100%	100 %	60,300	FC
Sub-total Shopping Centres in Slovak Republic											**60,300**	
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**509,000**	

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

(1) Not managed by URW.

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1.5.5 CENTRAL EUROPE: OFFICES

Portfolio as at December 31, 2018	Total floor space *sqm*	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies *sqm*	% URW's share	% of consolidation	Total floor space according to consolidation sqm	Consolidation method
Wilenska Offices (Warsaw)	13,400	2010	2002	4,800	100%	100 %	4,800	FC
Wroclavia Offices (Wroclaw)	8,600		(C) 2017	8,600	100%	100 %	8,600	FC
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**13,400**	

1.5.6 SPAIN: SHOPPING CENTRES

Portfolio as at December 31, 2018	GLA of the whole complex *sqm*	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 *sqm*	% URW's share	% of consolidation	Total space according to consolidation *sqm*	Consolidation method
SPAIN												
Parquesur (Madrid) *Primark, El Corte Ingles, Media Markt, Leroy Merlin, Zara, Five Guys, Lego, Wagamama, Blue Frog, Victoria's Secret, Hollister, Apple, H&M, Cinesa, Alcampo, 217 units*	151,200	5,900	5.6	20.0	1994	(C) 1989 (C) 2005	99.0%	125,200	100%	100 %	125,200	FC
Bonaire (Valencia) *Decathlon, H&M, Cortefiel, Zara, Xiaomi, FNAC, Victoria´s Secret, Primark, Hollister, C&A, Sfera, 151 units and a Retail Park*	135,000	5,700	1.8	10.9	2001	(C) 2001 (R) 2003 (R) 2012 (R) 2016	99.8%	55,600	100%	100 %	55,600	FC
La Maquinista (Barcelona) *Apple, Zara, SuperDry, Tous, Nike, Diesel, H&M, Hollister, Xiaomi, Media Markt, Cinesa, Nespresso, MAC, Carrefour, 220 units and a hypermarket*	95,000	5,500	4.5	17.5	2008	(C) 2000 (C) 2010 (R) 2012	99.5%	79,600	51%	100 %	79,600	FC
La Vaguada "Madrid 2" (Madrid) *Alcampo, El Corte Inglés, C&A, Disney, Zara, Mango, Hema, Adidas, Lego, Xiaomi, 242 units*	85,500	3,600	5.9	20.9	1995	(C) 1983 (R) 2003	98.9%	39,400	100%	100 %	39,400	FC
Glòries (Barcelona) *Carrefour, C&A, Uniqlo, Duet Sport, Sfera*, Desigual, Lefties, Bimba Y Lola, Xiaomi, FNAC, Adidas, Hema, H&M, 128 units	68,800	2,610[(1)]	4.5	14.0	1998	(C) 1995 (R) 2001 (R) 2014/15 (R) 2016 (R) 2017	97.2%	39,900	100%	100 %	39,900	FC
Splau (Barcelona) *Primark, Media Markt, Zara, H&M, A Loja do Gato Preto, C&A, Adidas, Xiaomi, 155 units*	55,500	2,800	4.1	9.8	2011	(C) 2010	99.4%	55,500	100%	100%	55,500	FC
Garbera (San Sebastian) *Eroski, Media Markt*, Forum, Aki, Zara, Cortefiel, 66 units	40,000	2,780	0.5	4.2	2002	(C) 1997 (R) 2002 (R) 2014	100.0%	25,400	100%	100 %	25,400	FC
Equinoccio (Madrid) *Decathlon, Ilusiona, Espacio Casa, Wagamama, Blue Frog, 42 retail units and a Retail Park*	36,800	1,410	5.0	3.4	1998	(C) 1998 (R) 2000/08 (C) 2012 (R) 2015	95.9%	33,900	100%	100 %	33,900	FC
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**454,500**	

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

(1) Car Parks partly owned by URW.

1.5.7 SPAIN: OFFICES

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

1.5.8 NORDICS: SHOPPING CENTRES

Portfolio as at December 31, 2018	GLA of the whole complex sqm	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 *sqm*	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
SWEDEN												
Mall of Scandinavia (Greater Stockholm) *H&M, Zara, Mango, & other Stories, LEGO, Victoria's Secret, 224 units and a cinema complex*	103,000	3,600	1.6	14.9		(C) 2015	98.4%	103,000	100%	100%	103,000	FC
Täby Centrum (Greater Stockholm) *H&M, G-Star, Apple, Mango, Rituals, Stadium, 260 units and a cinema complex*	84,000	2,670	1.6	12.7	1997	(C) 1968/1969 (R) 1975/1992/2015	95.8%	84,000	100%	100%	84,000	FC
Nacka Forum (Greater Stockholm) *H&M, Zara, Rituals, Media Markt, New Yorker, Ahléns, 142 units*	56,700	1,750	1.7	6.8	1996	(R) 1990/1997/2008	91.0%	56,700	100%	100%	56,700	FC
Solna Centrum (Greater Stockholm) *Stadium, H&M, Hemköp, Systembolaget, 120 units*	50,900	1,265	1.9	6.9	1985	(C) 1962/1965/1992 (R) 2012/2013	86.1%	50,900	100%	100%	50,900	FC
Sub-total Shopping Centres in Sweden											294,600	
DENMARK												
Fisketorvet (Copenhagen) *Fotex Hypermarket, Silvan, Bahne, Sport24, 119 units, a cinema complex and a gym*	58,800	1,600	1.8	8.1	2000	2000 (R) 2013	97.8%	58,800	100%	100 %	58,800	FC
Sub-total Shopping Centres in Denmark											58,800	
FINLAND												
Jumbo (Helsinki) *K- Citymarket, Prisma, Clas Ohlson, New Yorker, 125 units*	85,100	4,600	1.4	11.7	2005	1999 2005	99.8%	85,100	34%	34%	29,000	JO
Sub-total Shopping Centres in Finland											29,000	
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**382,400**	

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

1.5.9 NORDICS: OFFICES

Portfolio as at December 31, 2018	Total floor space *sqm*	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies *sqm*	% URW's share	% of consolidation	Total floor space according to consolidation sqm	Consolidation method
SWEDEN								
Solna Centrum (Greater Stockholm) *75 office units and 108 apartments*	29,900	1985	1962/1965/1992	29,900	100%	100%	29,900	FC
Täby Centrum (Greater Stockholm) *49 office units*	21,700	1997	1968/1969 1975/1992	21,700	100%	100%	21,700	FC
Nacka Forum (Greater Stockholm) *80 office units*	13,400	1996	1990/1997/2008	13,400	100%	100%	13,400	FC
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**65,000**	

1.5.10 AUSTRIA: SHOPPING CENTRES

Portfolio as at December 31, 2018	GLA of the whole complex *sqm*	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 *sqm*	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
AUSTRIA												
Shopping City Süd (SCS) (Vienna) *280 units, fitness centre and cinema complex*	200,400	9,770	2.1	16.5	2008	(C) 1976/ 2002/2012 (R) 2013	99.4%	137,700	100%	100%	137,700	FC
Donau Zentrum (Vienna) *255 units, fitness centre, cinema complex and a hotel*	124,700	3,000	1.7	18.5	2003	(C) 1975/2000/ 2006/2008/ 2010 (R) 2012	98.8%	124,700	100%	100%	124,700	FC
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**262,400**	

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

1.5.11 AUSTRIA: OFFICES

Portfolio as at December 31, 2018	Total floor space *sqm*	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies *sqm*	% URW's share	% of consolidation	Total floor space according to consolidation sqm	Consolidation method
AUSTRIA								
Donauzentrum (Vienna) *2 buildings*	9,600	2003	1975 1985	9,600	100%	100 %	9,600	FC
Shopping City Süd (SCS) (Vienna)	9,100	2008	1989	9,100	100%	100 %	9,100	FC
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**18,700**	

1.5.12 GERMANY: SHOPPING CENTRES

Portfolio as at December 31, 2018	GLA of the whole complex *sqm*	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 *sqm*	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
CentrO (Oberhausen) *Kaufhof, SinnLeffers, Saturn, P&C, H&M, C&A, Apple, Zara, Esprit, 38 MSU, 213 units, 1 cinema and leisure*	242,600	12,000	3.3	15.2	2014	(C) 1996	96.8%	235,700	45 %	n.a.	n.a.	EM-JV
Ruhr Park (Bochum) *Kaufland, SinnLeffers, MediaMarkt, H&M, New Yorker, 24 MSU,162 units and cinema*	117,400	4,416	3.8	10.6	2012	(C) 1964 (R) 2015	97.5%	108,800	65%	100%	108,800	FC
Paunsdorf Center (Leipzig) *Kaufland, MediaMarkt, Esprit, H&M, New Yorker, 24 MSU, 180 units and offices*	113,600	7,300	0.8	7.6	2012	(C) 1994 (R) 2012	90.6%	113,600	26%	n.a.	n.a.	EM-JV
Gropius Passagen (Berlin) *Kaufland, Karstadt, P&C, SpieleMax, H&M, 39 MSU, 151 units, 1 cinema and offices*	94,300	2,014	3.0	9.7	2012	(C) 1964 (R) 1997	95.9%	94,300	10%	n.a.	n.a.	EM-A
Höfe am Brühl (Leipzig) *MediaMarkt, Müller, H&M, New Yorker, Olymp&Hades, 11 MSU and 130 units*	51,300	820	1.1	13.5	2012	(C) 2012	94.2%	51,300	51%	100%	51,300	FC
Pasing Arcaden (Munich) *MediaMarkt, Müller, HIT, C&A, H&M, Aldi, 13 MSU and 153 units*	46,300	943	2.1	10.4	2012	(C) 2011 (C) 2013	99.3%	46,300	51%	100%	46,300	FC
Palais Vest (Recklinghausen) *Kaufland, MediaMarkt, Reserved, H&M, C&A, 13 MSU and 119 units*	45,900	970	2.3	8.9	2012	(C) 2014	92.4%	45,900	51%	100%	45,900	FC
Minto (Mönchengladbach) *Saturn, H&M, Reserved, Sportscheck, Müller, Aldi, 18 MSU and 107 units*	41,500	905	1.5	8.3		(C) 2015	97.7%	41,500	51%	100%	41,500	FC
Gera Arcaden (Gera) *Kaufland, Medimax, H&M, C&A, New Yorker, 12 MSU and 84 units*	33,400	1,309	0.3	6.8	2012	(C) 1998 (R) 2008	96.4%	33,400	51%	100%	33,400	FC
Ring-Center 1 (Berlin)(1) *Pandora, H&M, Orsay, Douglas, 89 units*	20,600	1,000[(2)]	0.7	5.1	1996	(C) 1997	n.a.	20,600	67%	n.a.	n.a.	EM-A
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**327,200**	

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

(1) Not managed by URW
(2) Car park not owned by URW.

1.

1.5.13 GERMANY: OFFICES

Portfolio as at December 31, 2018	Total floor space *sqm*	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies *sqm*	% URW's share	% of consolidation	Total floor space according to consolidation sqm	Consolidation method
GERMANY								
Pasing Arcaden (Munich)	6,800	2012		6,800	51%	100%	6,800	FC
Gera Arcaden (Gera)	5,000	2012		5,000	51%	100%	5,000	FC
Höfe am Brühl (Leipzig)	4,900	2012	(C) 2012	4,900	51%	100%	4,900	FC
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)							**16,700**	

1.5.14 NETHERLANDS: SHOPPING CENTRES

Portfolio as at December 31, 2018	GLA of the whole complex *sqm*	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 *sqm*	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
NETHERLANDS												
Stadshart Almere (Almere) *Media Markt, H&M, Mango, The Sting, HEMA, Zara, Hudson's Bay, Costes, New Yorker, 24 MSU and 117 units*	89,500	1,588[(1)]	1.1	9.2	2002	(C) 2002 (R) 2008	92.6%	87,500	100 %	100 %	87,500	FC
Stadshart Amstelveen (Amstelveen) *De Bijenkorf, H&M, Mango, HEMA, Albert Heijn, Zara,The Sting, Massimo Dutti, 20 MSU and 146 units*	81,300	2,780[(2)]	2.6	9.0	2005	(C) 1960 (R) 1998	98.1%	57,600	100 %	100 %	57,600	FC
Stadshart Zoetermeer (Zoetermeer) *Albert Heijn XL, H&M, Primark, HEMA, Media Markt, 17 MSU and 116 retail units*	75,500	3,270 [(2)]	2.4	10.0	1983	(C) 1983 (R) 2005	96.6%	52,800	100 %	100 %	52,800	FC
Leidsenhage (the Hague region)[(3)] *Albert Heijn, HEMA, Jumbo, 10 MSU and 82 units*	n.a.	1,180[(2)]	2.9	n.a.	1990	(C) 1971 (R) 2000	n.a.	n.a.	100%	100%	n.a.	FC
Sub-total Shopping Centres in the Netherlands											197,900	
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	FC
Kerkstraat (Hilversum) *1 unit*	12,200	70	n.a.	n.a.	1993	n.a.	n.a.	11,500	100%	100%	11,500	FC
In den Vijfhoek (Oldenzaal) *3 MSU (Albert Heijn) and 33 units*	8,100	340[(1)]	n.a.	n.a.	1980	(C) 1980	n.a.	8,000	100%	100%	8,000	FC
Zoetelaarpassage (Almere) *3 MSU (Lidl) and 17 units*	6,500	n.a.	n.a.	n.a.	1983	(C) 1983	n.a.	6,500	100%	100%	6,500	FC
Oosterdijk (Sneek) *1 MUS and 1 unit*	1,500	n.a.	n.a.	n.a.	1988	n.a.	n.a.	900	100%	100%	900	FC
Sub-total Other holdings in the Netherlands											28,100	
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**226,000**	

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

(1) *Car parks not owned by URW.*
(2) *Car parks partly owned by URW and are shared between retail and office.*
(3) *Undergoing a substantial extension and renovation in connection with the Mall of The Netherlands project.*

1.5.15 NETHERLANDS: OFFICES

Portfolio as at December 31, 2018	Total floor space *sqm*	Parking spaces	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies *sqm*	% URW's share	% of consolidation	Total floor space according to consolidation sqm	Consolidation method
NETHERLANDS									
Stadshart Zoetermeer (Zoetermeer)	11,500	3,330[1]	1983/2005	n.a.	10,600	100%	100%	10,600	FC
Stadshart Amstelveen (Amstelveen)	7,600	3,270[1]	2005/2016	(C) 1999	6,900	100%	100%	6,900	FC
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)								**17,500**	

(1) Car parks partly owned by URW and are shared between retail and office.

1.5.16 UNITED STATES: SHOPPING CENTRES

Portfolio as at December 31, 2018	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million of people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (GLA)	GLA of the property owning companies *sqm*	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
US FLAGSHIP												
Garden State Plaza (Paramus, New Jersey) *Neiman Marcus, Nordstrom, Macy's, Gucci, Louis Vuitton, Apple, Anthropologie, UNIQLO, H&M, Zara, 330 units*	186,400	10,831	1.3	18.8	1996	(C) 1957 (R) 1997, 2007, 2014	91.3%	98,000	50%	50%	n.a.	EM-JV
Topanga[1] (Canoga Park, California) *Nordstrom, Neiman Marcus, Macy's, H&M, Zara, Apple, Tesla, Gucci, Louis Vuitton, The Cheesecake Factory, Costco, 356 units and a gym*	184,900	8,803	0.8	19.3	1994	(C) 1964 (R) 1994, 2006, 2008	96.7%	103,300	55%	55%	n.a.	EM-JV
Southcenter (Seattle, Washington) *Macy's, Nordstrom, Apple, H&M, Sephora, UNIQLO, Coach, Din Tai Fung, The Cheesecake Factory, 257 units, a grocer, and a cinema complex*	157,000	6,701	1.3	14.5	2002	(C) 1968 (R) 2008, 2012	96.2%	76,000	55%	55%	n.a.	EM-JV
Old Orchard (Skokie, Illinois) *Nordstrom, Apple, Tiffany & Co., Cheesecake Factory, 148 units and a cinema complex*	149,000	7,840	1.1	12.1	2002	(C) 1956 (R) 2007, 2011, 2013	98.3%	70,600	100%	100%	70,600	FC
Santa Anita (Santa Anita, California) *Nordstrom, Macy's, Zara, Sephora, UNIQLO, Din Tai Fung, The Cheesecake Factory, 245 units, a Gold's Gym, and a cinema complex*	137,400	6,199	1.5	15.6	1998	(C) 1974 (R) 1994, 2004, 2009, 2012	97.9%	89,400	49%	49%	n.a.	EM-JV
UTC (San Diego, California) *Macy's, Nordstrom, Pirch, Tiffany & Co., Lululemon, Tesla, Apple, Javier's, Din Tai Fung, 202 units and a cinema complex*	130,800	4,714	0.9	n.a.	1998	(C) 1977 (R) 1998, 2007, 2012, 2017	98.9%[2]	84,700	50%	50%	n.a.	EM-JV
Annapolis (Annapolis, Maryland) *Nordstrom, Apple, Lululemon, Zara, 257 units and a cinema complex*	129,300	6,052	0.8	10.1	1994	(C) 1980 (R) 2007	95.9%	71,300	55%	55%	n.a.	EM-JV
Valley Fair (Santa Clara, California) *Nordrom, Macy's, Luis Vuitton, Prada, Cartier, Ferragamo, Balenciaga, Zara, Din Tai Fung, 241 units*	128,800	7,200	1.7	n.a.	1998	(C) 1986 (R) 2002, 2013, 2016	96.8%	60,500	50%	50%	n.a.	EM-JV
Century City (Los Angeles, California) *Macy's, Nordstrom, Bloomingdales, Eataly, Equinox, Gelson's, Javier's, Din Tai Fung, 214 units and a cinema complex*	124,000	4,900	1.4	13.1	2002	(C) 1964 (R) 2006, 2013, 2017	99.4%[2]	90,700	100%	100%	90,700	FC

Portfolio as at December 31, 2018	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million of people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (GLA)	GLA of the property owning companies *sqm*	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
Galleria at Roseville (Roseville, California) *Macy's, Nordstrom, Apple, Tesla, Restoration Hardware, Louis Vuitton, Gucci, 241 units*	122,700	6,312	0.9	12.3	2002	(C) 2002 (R) 2008, 2018	97.8%	62,100	100%	100%	62,100	FC
San Francisco Centre & Emporium (San Francisco, California) *Nordstrom, Bloomingdale's, Rolex, Burberry, Tiffany & Co., Bespoke, Zara, 190 units and a cinema complex*	111,200	-	2.0	13.9	2002	(C) 1988 (R) 2006	90.4%	50,700	50%	50%	n.a.	FC & EM-JV
Culver City (Culver City, California) *Macy's, Target, Nordstrom Rack, Best Buy, H&M, 188 units, a Gold's Gym, and a Trader Joe's*	99,100	4,280	1.7	11.6	1998	(C) 1975 (R) 2009, 2012	98.9%	63,400	55%	55%	n.a.	EM-JV
Montgomery (Bethesda, Maryland) *Nordstrom, Apple, Tesla, The Cheesecake Factory, 202 units, a bowling alley, and a cinema complex*	97,600	5,831	0.9	10.5	1994	(C) 1968 (R) 2001, 2014, 2016	94.3%	44,800	50%	50%	n.a.	EM-JV
Fashion Square (Sherman Oaks, California) *Macy's, Bloomingdale's, H&M, Apple, Sephora, Tesla, Coach, 151 units*	80,600	4,613	0.7	6.2	2002	(C) 1961 (R) 2012	95.5%	33,900	50%	50%	n.a.	EM-JV
World Trade Center (New York, New York) *Eataly, Apple, Hugo Boss, H&M, Victoria's Secret, 101 units*	26,800	0	7.9	n.a.	2012	(C) 2016	92.3%	26,800	100%	100%	26,800	FC
Sub-total Flagship Shopping Centres in the US											**250,200**	
US REGIONAL												
Wheaton (Wheaton, Maryland) *Costco, Target, Macy's, H&M, Gym, 182 units and a cinema complex*	139,700	6,053	0.8	12.0	1997	(C) 1960 (R) 2005, 2013, 2016	95.8%	67,700	53%	53%	n.a.	EM-JV
North County (Escondido, California) *Apple, Coach, H&M, Old Navy, Michael Kors, 193 units*	118,400	5,752	0.7	9.5	1994	(C) 1986 (R) 2006, 2012, 2014	95.1%	63,800	55%	55%	n.a.	EM-JV
Countryside (Clearwater, Florida) *Whole Foods, Nordstrom Rack, P.F. Changs, Bar Louie, 182 units and a cinema complex*	117,500	5,712	0.4	7.3	2002	(C) 1975 (R) 2009, 2012	96.3%	43,600	50%	50%	n.a.	EM-JV
Mission Valley (San Diego, California) *Nordstrom Rack, Bloomingdale's Outlet, Ulta, West Elm, 132 units and a cinema complex*	114,500	6,112	1.4	14.3	1994	(C) 1961 (R) 1997, 1998, 2004, 2007	91.8%	61,700	42%	42%	n.a.	EM-JV
Brandon (Brandon, Florida) *Apple, Sephora, Lego, Dick's Sporting Goods, The Cheesecake Factory, P.F. Changs, 210 units*	107,900	5,128	0.7	9.6	2002	(C) 1995 (R) 2007	97.2%	62,300	50%	50%	n.a.	EM-JV
Citrus Park (Tampa, Florida) *Abercrombie & Fitch, Sephora, BJ's Restaurant & Brewhouse, 154 units and a cinema complex*	106,000	5,610	0.5	5.4	2002	(C) 1999 (R) 2007	96.8%	46,900	50%	50%	n.a.	EM-JV
Trumbull (Trumbull, Connecticut) *Target, Macy's, Lord & Taylor, Apple, The Cheesecake Factory, Michael Kors, Ulta, H&M, Sephora, 172 units*	105,100	4,436	0.4	7.9	1996	(C) 1962 (R) 2008, 2010	98.7%	42,300	53%	53%	n.a.	EM-JV
Broward (Plantation, Florida) *Victoria's Secret, H&M, G by Guess, Brio, Hollister, 130 units and a cinema complex*	97,400	4,775	0.6	4.5	2007	(C) 1978 (R) 2014	96.3%	31,200	50%	50%	n.a.	EM-JV
Plaza Bonita (National City, California) *Nordstrom Rack, H&M, Disney Store, Hollister, M.A.C., 193 units and a cinema complex*	96,400	4,586	0.7	11.1	1994	(C) 1981 (R) 2008, 2011	95.5%	55,900	55%	55%	n.a.	EM-JV

Portfolio as at December 31, 2018	GLA of the whole complex sqm	Parking spaces	Catchment area *(in million of people)*	Number of visits *(in million)*	Year of acquisition	Construction (C) Refurbishment (R) date	Occupancy (GLA)	GLA of the property owning companies *sqm*	% URW's share	% of consolidation	Total space according to consolidation sqm	Consolidation method
Oakridge (San Jose, California) *Apple, H&M, Hollister, Nordstrom Rack, Sephora, 203 units and a cinema complex*	92,700	4,399	0.8	12.8	1998	(C) 1973 (R) 2003	94.9%	59,300	55%	55%	n.a.	EM-JV
South Shore (Bay Shore, New York) *Macy's, Lord & Taylor, Dick's Sporting Goods, The Cheesecake Factory, Michael Kors, Victoria's Secret, Ulta, Sephora, 132 units*	92,600	4,922	0.3	5.7	1996	(C) 1963 (R) 1998, 2013	95.1%	62,800	100%	100%	62,800	FC
Valencia (Valencia, California) *Macy's, Apple, H&M, Sephora, The The Cheesecake Factory, 218 units, Gold's Gym, and a cinema complex*	91,800	4,353	0.3	8.7	2005	(C) 1992 (R) 2010	95.8%	61,500	50%	50%	n.a.	EM-JV
Palm Desert (Palm Desert, California) *Barnes & Noble, Dick's Sporting Goods, H&M, Hollister, 152 units and a cinema complex*	91,400	4,326	0.4	7.6	1999	(C) 1983 (R) 2001, 2004, 2014	89.3%	46,400	53%	53%	n.a.	EM-JV
Meriden (Meriden, Connecticut) *Macy's, Boscov's, Dick's Sporting Goods, TJ Maxx, H&M, Ulta, Victoria's Secret, Old Navy, 119 units*	83,900	4,065	0.4	3.8	1994	(C) 1971 (R) 1999, 2015	90.2%	57,700	100%	100%	57,700	FC
Sub-total Regional Shopping Centre in the US											**120,500**	
OTHER ASSETS												
Sunrise (Massapequa, New York) *Macy's, Dick's Sporting Goods, Homegoods, H&M, Victoria's Secret, Dave & Busters, XSport Fitness, Bar Louie, 154 units*	109,400	6,064	0.4	n.a.	2005	(C) 1973 (R) 2015, 2017	88.9%	53,500	100%	100%	53,500	FC
Sarasota (Sarasota, Florida) *Costco, H&M, 112 units and a cinema complex*	94,900	4,500	0.3	n.a.	2003	(C) 1977 (R) 2007, 2012	70.1%	35,800	50%	50%	n.a.	EM-JV
Siesta Key (Sarasota, Florida) *Macy's, L.A. Fitness, 54 units and a cinema complex*	40,900	1,846	0.3	n.a.	2003	(C) 1956 (R) 2016	74.7%	26,800	50%	50%	n.a.	EM-JV
Sub-total Other Assets in the US											**53,500**	
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**424,200**	

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

(1) Including "The Village"

(2) Excluding non-commissioned space.

1.5.17 UNITED STATES: OFFICES

Portfolio as at December 31, 2018	Total floor space *sqm*	Year of acquisition	Construction (C) Refurbishment (R) date	Total floor space of the property owning companies *sqm*	% URW's share	% of consolidation	Total floor space according to consolidation sqm	Consolidation method
US								
San Francisco Centre (San Francisco, California)	32,200	1996 2002	(R) 2006	22,400 9,900	50% 100%	50% 100%	9,900	FC & EM-JV
Wheaton Office (Wheaton, Maryland)	19,800	1997		19,800	53%	53%	n.a.	EM-JV
Old Orchard Office (Skokie, Illinois)	7,400	2002	(C) 1956	7,400	100%	100%	7,400	FC
Corbin Office (New York, New York)	7,000	2014	2014	7,000	100%	100%	7,000	FC
Ownesmouth Office (Canoga Park, California)	3,900	1994	(C) 1978 (R) 1994	3,900	55%	55%	n.a.	EM-JV
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)	**70,300**			**70,300**			**24,300**	

1.5.18 UNITED KINGDOM: SHOPPING CENTRES

Portfolio as at December 31, 2018	GLA of the whole complex sqm	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 *sqm*	% URW's share	% of consoli-dation	Total space according to consoli-dation sqm	Consoli-dation method
UK												
Westfield London (London, Shepherds Bush) John Lewis, *Debenhams, House of Fraser, Kidzania, M&S, Next, Vue, Waitrose, , 467 units including a cinema complex*	249,300	5,200	3.3	30.2	2008	(C) 2008 (R) 2018	89.5%	249,300	50%	50%	124,700	JO
Westfield Stratford City (London, Stratford) *John Lewis, M&S, Waitrose, Vue, All Star Lanes, Aspers Casino, 340 units including a cinema complex*	184,100	4,700	5.3	51.6	2012	(C) 2012	96.7%	184,100	50%	50%	n.a.	EM-JV
Sub-total Shopping Centres in the UK											124,700	
OTHER HOLDINGS												
Centrale (Croydon) *Debenhams, House of Fraser, H&M, Zara, Next, 56 units*	74,100	954	1.9	n.a.	2013	(C) 1988 Drummond centres (R) 2004	n.a.	74,100	50%	50%	n.a.	EM-JV
Whitift (Croydon) *M&S, Sainsbury's, Boots, New Look, 164 units*	n.a.	397	1.9	n.a.	2013	(C) 1970	n.a.	n.a.	50%	50%	n.a.	EM-JV
Sub-total Other holdings in the UK											n.a.	
TOTAL (ACCORDING TO THE SCOPE OF CONSOLIDATION)											**124,700**	

Catchment area: calculated by CACI.

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

SCOPE OF INSTRUCTIONS

In accordance with your instructions we have undertaken valuations of the various freehold and leasehold property interests as at December 31, 2018 (the "valuation date") either held directly by Unibail-Rodamco-Westfield (the "Company") or held in a Joint Venture where the Company holds a share, as referred to in our valuation reports for each individual property. This Overview letter has been prepared for inclusion in the Company's accounts.

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

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

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

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

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

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

BASIS OF VALUATION AND ASSUMPTIONS

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

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

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

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

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

DATE OF VALUATION

The effective date of valuation is December 31, 2018.

INFORMATION

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

FLOOR AREAS

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

ENVIRONMENTAL INVESTIGATIONS AND GROUND CONDITIONS

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

PLANNING

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

TITLE AND TENANCIES

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

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

CONDITION

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

TAXATION

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

CONFIDENTIALITY AND PUBLICATION

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

Yours faithfully,

Christian Luft MRICS
Director
For and on behalf of JLL Limited

Geoffroy Schmitt
Partner
For and on behalf of PwC Corporate Finance

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

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

SCOPE OF INSTRUCTIONS

In accordance with your instructions we have undertaken valuations of the various freehold and leasehold property interests as at December 31, 2018 (the "valuation date") either held directly by Unibail-Rodamco-Westfield (the "Company") or held in a Joint Venture where the Company holds a share, as referred to in our valuation reports for each individual property. This Overview letter has been prepared for inclusion in the Company's accounts.

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

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

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

BASIS OF VALUATION AND ASSUMPTIONS

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

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

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

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

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

DATE OF VALUATION

The effective date of valuation is December 31, 2018.

INFORMATION

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

FLOOR AREAS

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

ENVIRONMENTAL INVESTIGATIONS AND GROUND CONDITIONS

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

PLANNING

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

TITLE AND TENANCIES

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

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

CONDITION

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

TAXATION

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

CONFIDENTIALITY AND PUBLICATION

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

Yours faithfully,

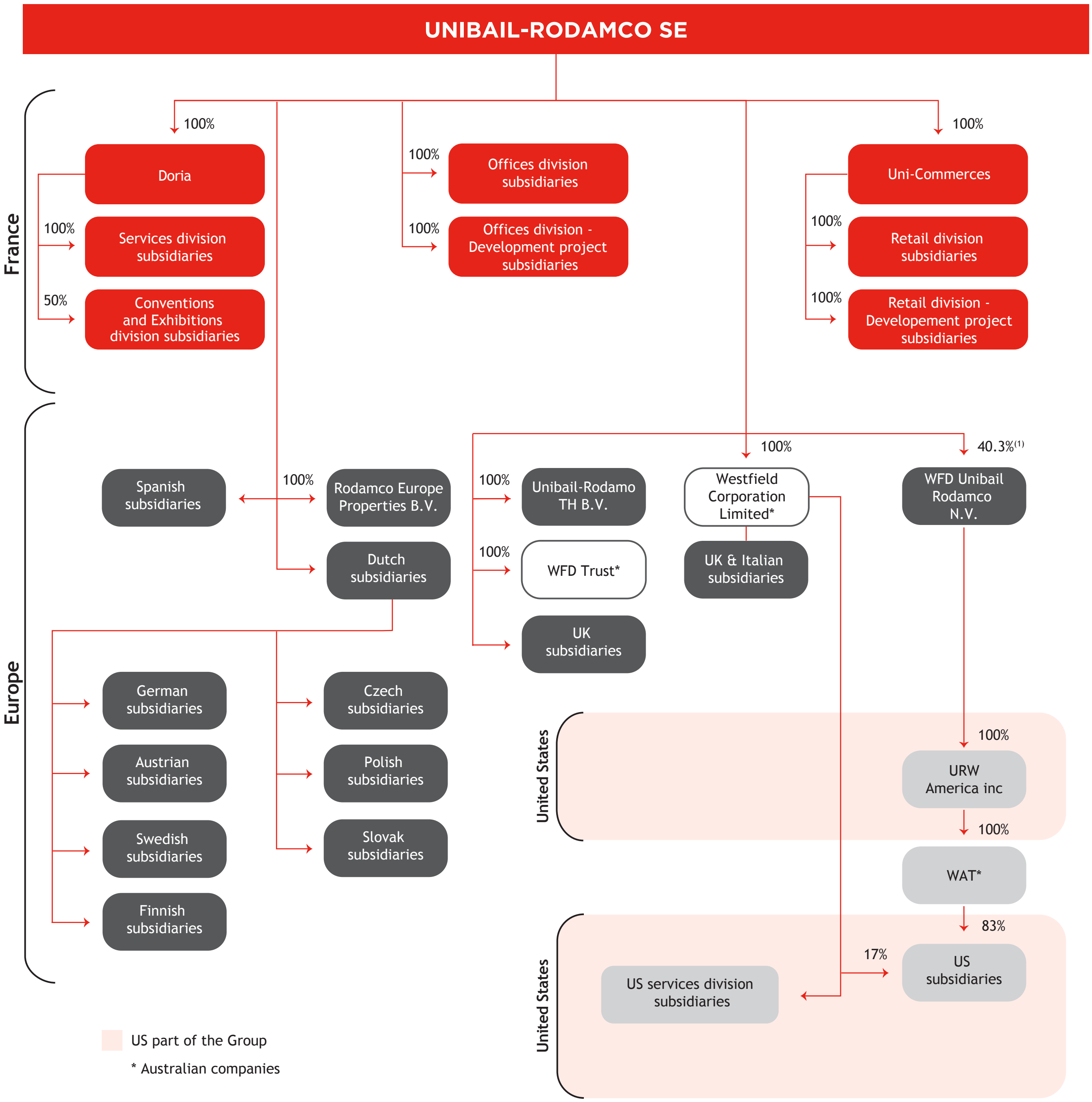
Robby Tandjung, MAI, CRE, FRICS
Executive Vice President
For and on behalf of Altus Group

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

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

1.8 SIMPLIFIED GROUP ORGANISATIONAL CHART

As at December 31, 2018 is as follows :



(1) *Remaining 59.7% of the shares are directly owned by shareholders of the Stapled Share.*

2.

CORPORATE SOCIAL RESPONSIBILITY

2.1 OUR SUSTAINABILITY STRATEGY

2.1.1 EDITORIAL

Corporate Social Responsibility (CSR) is at the very heart of Unibail Rodamco Westfield's strategy, as an accelerator of progress and innovation. In 2016, the Group launched its "Better places 2030" CSR programme, building on the objectives outlined in the Paris Climate Agreement and taking them one step further. "Better places 2030" combines both an ambitious objective to reduce the environmental footprint and increased social engagement, integrating CSR into the Group's entire value chain.

As the first listed real estate company to engage in such a comprehensive strategy, Unibail-Rodamco-Westfield is a leader of change. The Group's CSR ambition subscribes to a larger global vision, adapted to the challenges of the industry and to the various activities and locations in which it operates. The Group relies on both the quality of its assets and collective power of its teams to raise awareness, mobilise and provide practical solutions that will facilitate the transition towards a low carbon economy. Through its civic engagement and job creation initiatives, the Group is actively involved in the communities in which it operates.

2018 was a good year for Unibail-Rodamco-Westfield: many CSR objectives linked to the "Better Places 2030" programme in continental Europe were achieved (as presented in Section 2.1.5.2 Summary of the Goup's CSR performance), and the Group's industry leadership was acknowledged by rating agencies. Key steps in the implementation of "Better Places 2030" included the launch of major operational projects, such as the commissioning of phase 2 of the solar power plant on the roof of Topanga in the United States, and the extension of our Too Good to Go[1] partnership in 18 French shopping centres. Furthermore, the Group's commitment and the engagement of the teams has enabled the development of mobility action plans for almost 40 of the Group's assets, with the aim of reducing the carbon footprint of visitors. Finally, the Group's employees have dedicated a cumulative 1,200 days to social initiatives in the communities where it operates.

The Group's CSR strategy, which was updated in 2018 following the acquisition of Westfield to include the UK and US assets in its portfolio, has embraced the United Nations Sustainable Development Goals, particularly SDG 11: "Sustainable Cities and Communities". This new strategy confirms Unibail-Rodamco-Westfield's ambitious CSR objectives, and provides the roadmap to achieving them. The teams' daily engagement and ownership of environmental and social challenges now plays a more prominent role. For the first time, important topics such as sustainable consumption have been included in the global ambitions, in response to the constantly-changing expectations and needs expressed by the stakeholders of the Group's assets.

Thanks to the day to day engagement of all of the teams, Unibail-Rodamco-Westfield is regularly ranked amongst the most sustainable companies in the industry.

2.1.2 BUSINESS MODEL

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

2.1.3 CSR PRIORITIES AND OPPORTUNITIES

2.1.3.1 Materiality matrix

Between June and October 2018, Unibail-Rodamco-Westfield updated its materiality matrix to identify its main priorities and rank the importance of its objectives and associated action plans. An external advisory firm supported the Group in this process to ensure the robustness and neutrality of the methodology.

This work was done on the basis of a detailed analysis of the main CSR reporting standards[2], investor expectations[3], underlying market trends, industry practice, work already done by companies with a pioneering CSR approach and the opinions of NGOs and experts.

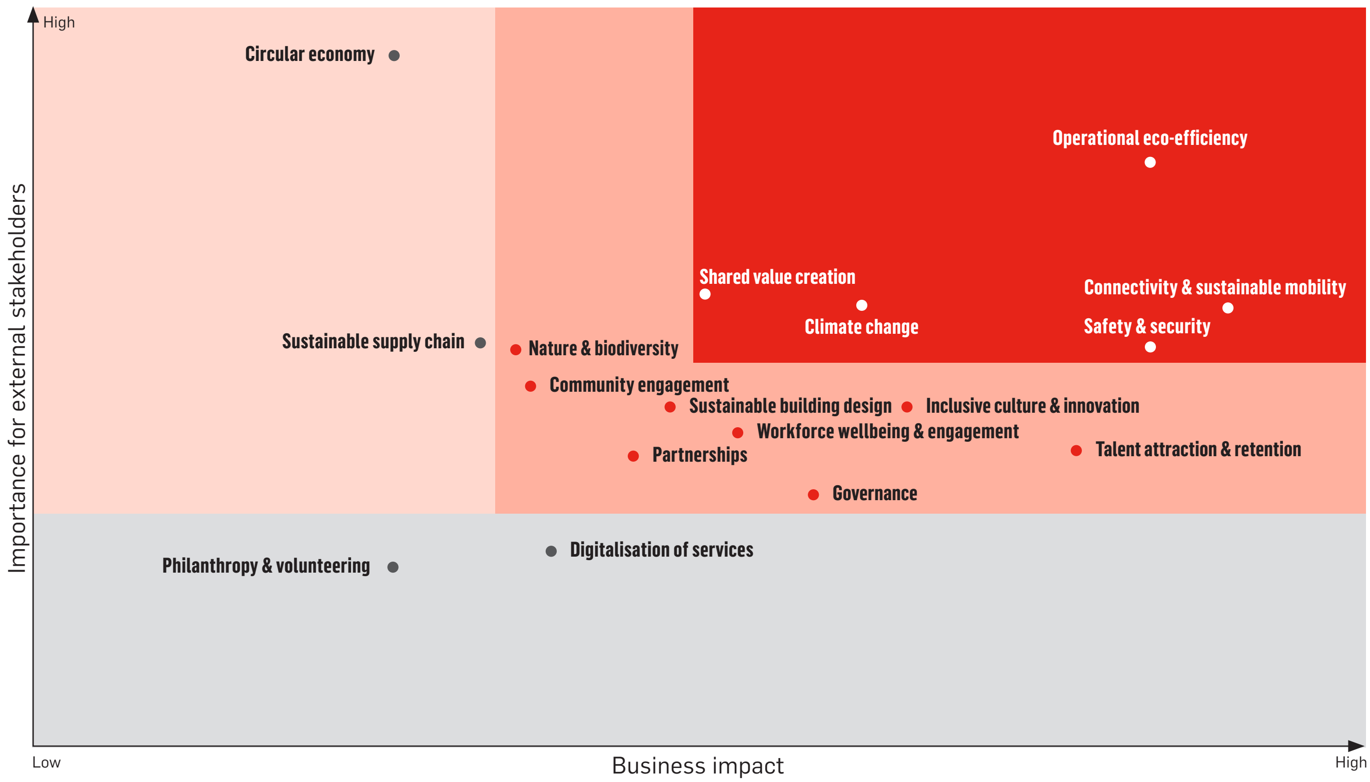
In total, over thirty external and internal stakeholders, representative of the Group's different regions and businesses, were consulted to rank the CSR topics, according to their level of expectation around these topics (for the external stakeholders) and the impact on the Unibail-Rodamco-Westfield business model (for the internal stakeholders). Discussions with external stakeholders highlighted the importance of the circular economy, biodiversity, the impact and sustainability of the value chain, diversity and local economic impact. This new materiality matrix was also shared with the representatives of the operational teams and the CSR referents of the countries.

This new matrix builds on previous years' work, most recently in 2015 in continental Europe, and in 2016 in the United States and the United Kingdom. In the course of these updates, new themes were introduced, such as sustainable consumption, and some matters, such as biodiversity, were given a higher priority.

The main priorities identified as being key, in line with market trends up to 2030 and the parallel work done on risks (see Section 2.1.3.2 CSR risks and opportunities), resulted in three new CSR focus areas being determined for the Group (see Section 2.1.4 Priorities of the CSR strategy).

(1) Too Good To Go is a start-up which works to prevent food waste, see Section 2.2.3.6 Waste management.
(2) Global Reporting Initiative Construction and Real Estate Supplement, Sustainability Accounting Standards Board.
(3) Dow Jones Sutainability Index, MSCI, Vigeo, Oekom, GRESB, FTSE4Good.

UNIBAIL-RODAMCO-WESTFIELD'S MATERIALITY MATRIX



Top priority issues
Operational efficiency
Connectivity and sustainable mobility
Shared value creation
Climate change
Safety of employees and Shopping Centres

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

Key issues for external stakeholders
Circular economy
Sustainable supply chain

Less material issues
Digitisation of services
Philanthropy and volunteering

2.1.3.2 CSR risks and opportunities

In 2018, in response to the new directive on the publication of non-financial information[1], Unibail-Rodamco-Westfield identified and assessed its main CSR risks, using the assessment methodology for the Group's risks and taking into account three impact criteria: financial, legal, and reputational. This analysis differed from the Group's methodology, in that it assessed gross risks (before the implementation of corrective measures) and not net risks.

The Scope of the CSR risk was defined on the basis of both the CSR priorities highlighted by the Group's new materiality analysis (see Section 2.1.3.1 Materiality matrix) and the scope of the sector-based CSR risk highlighted by the work done in 2018 in partnership with the French Council of Shopping Centres (CNCC).

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

The risk analysis and ranking work was undertaken jointly by the Group's CSR and Risk Department, with the involvement of the local risk teams. The results were shared with the Group's Senior Management teams responsible for Risk Management and CSR, notably the Chief Resources Officer.

The table below summarises the main CSR risks, and the opportunities, policies, action plans and performance indicators associated with their Management. In particular, the action plans described refer to the actions effective within the Group in 2018 and, as such, they do not yet cover the wide range of actions planned in response to some of the CSR Risks; some of these actions will be implemented as the Group's new CSR strategy is introduced. This applies to actions concerning the resilience of assets to climate change and the sustainability of our tenant mix (see Section 2.1.4 Priorities of the CSR strategy). The results of the performance indicators for each action plan are presented either directly within this table, either within the body of this report (see reference in the "Further information" column of the table).

(1) European directive of October 22, 2014 on the publication of non-financial information.

2.

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Business Ethics	**Improve the corporate image**	• **Corruption, agreements or fraud (business relationships, relationships with public officials)** • **Money laundering and financing of terrorism**	• Anti-corruption programme in compliance with Sapin II law (France), the Foreign Corrupt Practices Act "FCPA" (US) or the UK Bribery Act "UKBA" (UK); • Group Code of Ethics with compulsory yearly e-learning module; • Procedure for screening of business partners; • Whistleblowing procedure; • Appointment of Compliance Officers across the regions where the Group operates; • Insider Trading Rules procedure; • Focused in-person anti-corruption training conducted in the US and the UK.	• Number of sanctions imposed by regulators linked to corruption incidents: 0; • Percentage of employees trained to the Group Code of Ethics: 96%[(1)]; • Number of employees of most exposed departments trained on corruption during the year: 74.	6.2.2.10 Corruption, Money laundering & Fraud
		• **Non-transparency in the reporting of lobbying activities**	• Annual reporting of lobbying activities to the French High Authority for Transparency in Public Affairs; • Internal policy on Interest Representatives.	• Timely reporting of lobbying activities to the French High Authority for Transparency in Public Affairs: 3 reported actions (https://www.hatvp.fr/fiche-organisation/?organisation=414878389##).	6.2.2.10 Corruption, Money laundering & Fraud
		• **Breach of customers' personal data**	• Creation of a General Data Protection Regulation (GDPR) procedure; • Review of current legal scheme and requirements in all countries where the Group operates; • Follow-up of the Data Protection Authority requirements; • Cybersecurity awareness programme implemented, including a mandatory e-learning module on IT security awareness and mock-phishing campaigns; • IT Group Policy reviewed and harmonized at Group level (employee binding document with rules for using the Information System and sanctions for breaches); • Dedicated internal privacy counsel that consults and reviews on data privacy matter in the US.	• Share of employees that followed mandatory e-learning module on IT security awareness: 91%; • Share of employees that followed e-learning module on General Data Protection Regulation (GDPR) since May 2018: 57%.	6.2.2.12 Legal & Regulatory 6.2.2.7 IT System & Data: Continuity and integrity
		• **Non-compliance with anti-trust regulation**	• Part of the due-diligence process in case of acquisitions; • Close monitoring of Viparis activities in relation with the French General Directorate for Fair Trading, Consumer Affairs and Fraud Control (DGCCRF).	NA	6.2.2.10 Corruption, Money laundering & Fraud 6.2.2.12 Legal & Regulatory

(1) Figure as at 05/02/2019.

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Health & Safety, Security and Well-being of people in our properties	**Lead the industry in health, safety and security to reduce incident levels**	• **Threats or attacks on sites**	• Mastering and strict application of security regulations; • Strong relationships with police authorities, regional authorities and intelligence agencies; • Access guidelines for strategic areas and other non-public accesses; • External assessments of security efficiency when necessary and future integration of security topics in H&S audits, starting in 2019; • Training of Shopping Centre management teams on identifying and managing situations linked to terrorism; • Raising awareness of tenants on security framework and evacuation plans; • Crisis Management Procedure available in each managed asset of the Group; • Group Security Committee to manage and standardize group practices in line with local regulations (Continental Europe).	• Percentage of Shopping Centre Management teams trained on crisis management.	6.2.2.1 Terrorism & Major security Incident 2.2.3.7 Health & Safety and environmental risks and pollution
		• **Failure to provide a safe and healthy environment for employees, tenants, contractors and visitors/ occupants according to Health & Safety procedures and regional legislation (external or internal factors, operations and developments)**	Operations: • In Continental Europe, external audits on Health & safety risks (taking into account local regulations) are carried out every year on each asset owned and managed by Unibail-Rodamco-Westfield. Internal audits are performed every 2/3 years. An annual review is undertaken by the PMPS (Property Maintenance, Purchasing and Sustainability) team with each region on Health & Safety risks and environmental issues. External experts/building controllers in maintenance and security are identified on each site of the Group to help preventing any damage and to provide a quick answer in case of incident. Crisis management procedure is available in each managed asset of the Group; • In the US and in the UK, health and safety regulations are also reviewed, audited, and complied with. Appropriate security protocols including physical security guards and security cameras are in place. Compliance reviews with regulations related to Americans with Disabilities Act (ADA) are conducted every three years to confirm compliance and take any corrective actions to comply with new regulations. Developments: • Worksites are managed to avoid any risk to the health and safety of the workers and people living nearby: they are monitored by a Health and Safety Co-ordinator with whom all the data of such a nature as to have an impact on the worksite's hygiene and safety is examined. This principle is stated in the Considerate Construction Charter. A project is underway in the US to update the design and construction standards to better incorporate life safety considerations.	• Share of assets in operation that obtained an A or B annual score in their Health & Safety and Environmental third party risk assessment (% assets).	2.2.3.7 Health & Safety and environmental risks and pollution 2.2.2.1 Environmental Management Systems (EMS) - Sustainable construction

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Health & Safety, Security and Well-being of people in our properties	**Enhance resilience of buildings against climate change impacts**	• **Non-resilience of assets facing physical phenomena (acute and chronic climate events…)**	• Following the analysis of the impact of global warming on Unibail-Rodamco-Westfield potential losses, a mapping of the assets most exposed to natural disasters was completed in January 2016 (flooding, storm, earthquake) by PMPS (Property Maintenance, Purchasing and Sustainability) and Insurance departments for Continental Europe; • French and Spanish assets are covered for 100% of their insured values according to the local regulation (CATNAT for France and Consortio for Spain). Assets in other regions are covered in the limit of €100 Mn annually for natural disasters (specific sublimit of €25 Mn for flood damages in the Netherlands); • Compliance with regulatory requirements in each region regarding flooding risks, water management, and drainage systems for exceptionally heavy rainfall; • Due diligence process for acquisitions and new development projects also covers the risks associated with climate change; • Environmental certification policy for all assets in both development and operation phases: BREEAM and BREEAM In Use certifications schemes covering among others physical resilience and energy aspects; • In the US and in the UK, exposure to nature disasters of flood, earthquake, and hurricane is assessed annually. Centres located in these areas conduct appropriate emergency response exercises annually and have written emergency response and mitigation procedures. An analysis of the “probable maximum loss” on the perils of earthquake, hurricane, and flood is conducted annually and appropriate limits of insurance coverage are purchased. All Shopping Centres are stock emergency supplies to deal with a catastrophe; all centres have redundant communication capabilities including satellite phones.	• Share of retail and office assets BREEAM In Use certified (in GMV); • Retail and office floor area BREEAM certified (m^2 GLA); • Share of standing portfolio certified in development (in GMV); • Conditions of asset insurance for natural disasters.	2.2.1.3 Risk management and adaptation to climate change 2.2.2.2 Environmental certification of buildings under development 2.2.3.2 Environmental certification of buildings during the operation phase 6.3 Transferring risk to the insurance market
“Green”/ sustainable value of assets and of the Company	• **Obtain access to green financing instruments for asset development** • **Improve and demonstrate the environ-mental quality of assets (environ-mental certifi-cations, carbon footprint, accessi-bility, etc.)**	• **Loss of access to green financing instruments and low ESG ratings**	• Answering to the most recognized non financial rating agencies, Monitoring questionnaire evolutions and benchmarking of scores; • Organization of specific ESG roadshows and meetings with investors; Close direct dialogue on sustainability issues with investors by e-mail; • Formalized Use of Proceeds for green bond allocation; Formalized procedure for analysing, selecting and monitoring assets under the Green Bond instrument; Regular back-testing of asset eligibility to green bond criteria; Monitoring performance of green loan KPIs.	• Reporting on green bond allocation and amount of green bonds allocated (monetary value); • Scores of extra-financial ratings (GRESB, CDP, OEKOM, MSCI, Sustainalytics, FTSE4Good, Vigeo Eiris).	2.1.5.4 Green bonds and green loans 2.5.3 Supplementary information on green bonds 2.1.5.3 Results of non-financial evaluations and rankings 2.1.6.5 Relations with investors and professional organisations

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Responsible Supply chain	**Onboard stakeholders along the Group's value chain in its CSR strategy**	**• Contracting with service providers, suppliers or sub-contractors not complying with regulations and standards of their profession (e.g. fundamental human and labour rights) or having a negative CSR image/ performance**	• Global Group purchasing conditions and standard contracts including environmental and social terms, such as complying with ILO conventions and local labour laws (Continental Europe); • Procedure for screening of business partners (Continental Europe); • Supplier assessments for main service contracts (maintenance, safety, mechanical transportation, cleaning and waste management): management, quality of service, and respect of environmental terms (Continental Europe); • Collection of CSR information for contractors referenced in the purchasing database (Continental Europe); • Whistleblowing procedure made accessible to all contractors; • For development projects, the compliance of providers to professional standards is ensured through the tender process, the contract documents, and the monitoring of compliance by the operations supervisor. Non-compliance is sanctioned according to severity through formal notice, penalties or change of provider.	• Share of supplier contracts (operations) assessed on compliance with environmental rules, modes of management, and quality of service.	2.3.1.2 Supply chain management
		• Controversies linked with the activity of one or several tenants affecting the asset image	• Engagement to diversify the retailer mix (new Group CSR Strategy), commitment to promote national and local retailers; • Supporting entrepreneurship and local concepts; Organization of the grand Prix des Jeunes Créateurs de Commerce; • Participation in retail industry roundtables and conferences; Engagement in Better Retailer's Club; • Signing voluntary and contractual agreements on sustainability issues with tenants; Organizing sustainability meetings with tenants.	• Amount spent in the "Grand Prix des Jeunes Créateurs de Commerce"; • Number of voluntary agreements on LED signed with retailers; • Share of Green Lease V2 signed among new leases and active leases.	2.3.2.3 Engaging with tenants and visitors 2.3.3.2 An attractive, distinctive offering 2.2.3.3 Green leases and tenant commitments
Human Capital	**Engage employees in the Group's strategy**	**• Non-engagement of employees and employee turnover rate increase**	• Yearly 360° review of each employee (Group & country levels) in Continental Europe; • Development of internal mobility & career paths (Talent management programs, women@UR), Designed Carrier Paths by functions; • Engagement survey with action plan on the main improvements identified. Communicating follow-up every 6 months to all employees, including development of work life balance initiatives; • Structured and comprehensive benefits policy (stock-options and performance shares, company saving plan, health plans) in line with market practice; • More trainings on soft skills (management, feedback, empowerment), ongoing development of URW Academy (training department): new learning management system (LMS), new training contents performed by internal and external experts, URW fundamentals training for all newcomers; • More focus on international talent (culture, corporate centre, international mobility) to increase retention among international teams; • Systematic exit interview to identify causes of departure.	• Turnover rate; • Participation rate to the employee engagement survey (UR Experience Survey); • Share of employees that were promoted (on average); • Employee engagement rate in the Group volunteering programme UR Involved!	2.4.1.1 Talent management and engagement 2.4.3 Inspire our people 2.4.3.1 Employee commitments and CSR 2.4.1.2 Training and career development 2.4.3.2 Wellbeing 2.4.1.3 Compensation and benefits

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Human Capital	Attract the best talents for the Company	• Lack of attractiveness for employees/loss of critical competencies for the execution of the Group's strategy	• Yearly 360° review of each employee (Group & country levels) in Continental Europe, with identification of key experts, key managers and future talent; • Development of a leadership program for high potentials in different grades and soft skill trainings to managers; • Definition of business needs by operational teams reviewed by HR and management. Team sizing with comparable companies (banks, consulting, real estate,...) and internal benchmarks; • Development of the International Graduate Programme. Development of co-optation programs geared toward more senior talents. Market watch monitoring of key positions/talents/alumni. Use of external head-hunters for key or high qualified positions. Development of a new employer brand including campus presence; • Succession plan for the replacement of members of the Management Board, Senior Management Team and Top management in case of departure/accident (review by the CRO and the CEO); • Ongoing development of URW Academy (training department): new learning management system (LMS), new training contents performed by internal and external experts. "Train the trainers" program to facilitate the knowledge management and skills transfer at Group level.	• Average number of training hours per employee; • Recruitment: new employees by contract type; • Number of employees that conducted an international mobility.	2.4.1.2 Training and career development 2.4.1.1 Talent management and engagement 3.1.2.1 Supervisory Board composition and diversity - Succession Planning
	Diversify skills and competency profiles in the Company	• Lack of profile diversity (innovation, long-term management and decision-making)	• Equal opportunities project to promote diversity in the Talent management policy, Diversity Charter, Policy against discrimination, Women@URW network, Comprehensive unconscious bias training for all top managers across the Group; • Development of internal mobility & career paths (Talent management programs, women@URW); • More focus on international talent (culture, corporate centre, international mobility); • French action plan "Handicap et performance", All positions opened to people with disabilities.	• Share of women in headcount; • Share of positions at Principal grade and above held by women; • Number of disabled employees in France.	2.4. Embed sustainability in our organization and nurture responsible talent - Key figures 2.4.2.1 Diversity 2.4.2.2 Inclusion 2.4.1.2 Training and career development
Local acceptability	• Create local jobs • Foster local economic development • Create social link	• Slowing local economic development and destroying local jobs	• Extensive public consultations held for all development and extension projects; • Building long-term partnerships with the territory's stakeholders (residents, public authorities, and associations); • Frequent measurement of the social-economic impact of the Group assets (direct and direct employment) (Continental Europe); • UR for Jobs programme (Continental Europe); • Services offered to visitors, charities and places for experience (shopping, entertainment, events...); • In the US, the UK and Italy, a permitting and plan approval process for every municipality is part of any development project. Part of that process involves an assessment of the economic impact of the project.	• Number of initial placements linked with the UR for Jobs programme; • Share of Shopping Centres participating in the UR for Jobs programme; • Total hosted jobs (socio-economic footprint study).	2.3.2.1 Supporting the community 2.3.1.1 Socioeconomic impact 2.3 Contribute to the inclusive and sustainable growth of communities 2.3.2.2 Promoting social resilience 2.3.3.2 An attractive, distinctive offering

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Environmental pollution	**Contribute to optimizing the exploitation of material flows on assets when they are built/expanded and operated**	• **Water, soil and air pollution linked with the development and operation of assets**	• Soil remediation for works on development and existing sites; • Group Considerate Construction Charter applicable to all new development, renovation and extension projects in Continental Europe with requirements to minimize pollution for the contractors working on site, the neighbouring area and the natural environment; • Inspection and continuous improvement of existing buildings and technical equipment liable to have an impact on the environment or on personal safety (including air and water quality, soil and air pollution, and installations classified under the European Directive for Pollution Prevention and Control when applicable): monitoring conducted by on-site teams, internal reviews, and annual external audits on Health & safety and environmental risks (taking into account local regulations) carried out every year on each asset owned and managed by the Group.	• Monetary value of significant fines for environmental breaches (operations) *(€)*; • Total number of non-monetary sanctions for environmental breaches (operations); • Share of assets in operation that conducted a Health & Safety and environmental third party risk assessment.	2.2.3.7 Health & Safety and environmental risks and pollution 2.2.2.1 Environmental Management Systems (EMS) - Sustainable construction
		• **Not identifying/ controlling existing pollution in development projects (remediation costs and legal responsibility)**	• Pre-acquisition due diligence process including environmental risks and soil pollution; • Soil remediation for works on development and existing sites.	• Monetary expenses in site decontamination *(€)* and volumes concerned *(m^3)*.	2.2.2.1 Environmental Management Systems (EMS) - Pollution and environmental risk management 2.2.2.1. Environmental Management Systems (EMS) - Pollution Prevention
Energy and greenhouse gases	**Improve energy efficiency and develop renewable energy use**	• **Limited availability and increase in prices of fossil fuels**	• Energy efficiency targets, Environmental management systems to improve environmental performance of assets; • Investments in energy efficient equipment when replacing existing facilities; • Long-term contracts with energy suppliers; • Shift towards green electricity supply for all assets, Development of on-site renewable energy production; • Reduced weight of materials used in projects as well as of their carbon footprint (Continental Europe); • Energy performance contracts with suppliers, Engagement of tenants in energy/carbon reduction actions (Continental Europe).	• Energy intensity by visitor; • Energy intensity by square meter; • Carbon intensity by visitor (Scope 1 & 2); • Carbon intensity by square meter (Scope 1&2).	2.2.3.4 Energy management 2.2.1.2. Carbon assessment - focus on Scope 1 and 2 emissions from the operation of the buildings 2.2.3.3 Green leases and tenant commitments 2.2.3.1 Environmental Management Systems (EMS) - Sustainable Management Attitude : an EMS for existing assets 2.2.2.1 Environmental Management Systems (EMS) - notably Energy & Carbon 2.2.2.3 Construction materials

Themes	Opportunities	Risks	Summary of associated policies & actions plans	Associated main performance indicators	Further information
Energy and greenhouse gases	**Increase operational efficiency through improved energy efficiency**	• **Increased coercive regulation on building energy efficiency**	• Energy efficiency targets, environmental management systems to improve environmental performance of assets; • Investments in energy efficient equipment when replacing existing facilities; • Energy performance contracts with suppliers, engagement of tenants in energy/carbon reduction actions (continental Europe).	• Energy intensity by visitor; • Energy intensity by square meter; • Financial impact resulting from variations in energy consumption *(€)*; • OPEX energy costs *(€)*.	2.2.3.4 Energy management 2.2.3.3 Green leases and tenant commitments 2.3.1.2 Supply chain management 2.2.3.1 Environmental Management Systems (EMS) – Sustainable Management Attitude : an EMS for existing assets 2.2.2.1 Systèmes de management environnemental (SME) – notably Sustainable Design Attitude : an EMS for development projects
Governance	**Enhance our reputation as a trusted and responsible partner and seize CSR opportunities**	• **Lack of budget for managing CSR risks or lack of steering/poor organization for managing CSR topics**	• CSR agenda defined and carried at the highest governance level (CEO); • Integration of the CSR agenda in core business processes due diligence process, environmental management systems for both development projects and existing assets, CSR information integrated in asset budget reviews, CSR objectives set for all employees in the assessment process of individual performance, CSR training module rolled-out to all employees); • Alignment of initiatives, action plans and targets with the CSR program in all departments (leasing, HR, development, operations, etc.); • Dedicated CSR team responsible for overseeing and supporting the implementation of the Group CSR strategy; • Specific Group CSR governance with committees involving top management and operational managers in all business lines; • Effective implementation verified through external audits and certification schemes.	• Share of employees with CSR objectives in their annual objectives.	2.4.3 Inspire our people 2.1.6 Governance and CSR 2.1.5.6 External assurance 2.2.2.2 Environmental certification of buildings under development 2.2.3.2 Environmental certification of buildings during the operation phase

2.1.4 PRIORITIES OF THE CSR STRATEGY

"Better Places 2030[1]"

Since 2007, Unibail-Rodamco-Westfield has defined an ambitious Corporate Social Responsibility (CSR) strategy in continental Europe, which is based on transparent governance and strong representation of these topics in the businesses.

Between 2006 and 2015, Unibail-Rodamco-Westfield had already achieved a cumulative reduction of 33.8% of its energy intensity and 65.1% of its carbon intensity. In 2016, Unibail-Rodamco-Westfield decided to accelerate its CSR commitment by setting a new long-term ambition, "Better Places 2030". The roadmap for this is structured around the target of cutting the Group's carbon footprint by 50% by 2030 (relative to 2015 levels).

Unibail-Rodamco-Westfield is now the first listed commercial property group to have applied its objectives across its entire value chain, by entering into commitments to reduce its indirect greenhouse gas emissions, covering for example, visitor transport, energy consumption of retailers in its shopping centres and the construction of its greenfield/brownfield projects.

"Better Places 2030" meets the main challenges of the property industry: the transition to a low-carbon economy, anticipation of new modes of sustainable mobility and full integration of the Group's operations in their locations, in partnership with local communities.

To ensure the success of "Better Places 2030", clear governance has been introduced, at a strategic and operational level (presented in Section 2.1.6.2. Governance of CSR and the "Better Places 2030" programme).

This strategy is recognised by key non-financial rating agencies, which rank the Group among the most sustainable companies in commercial real estate (see Section 2.1.5.3 Results of non-financial evaluations and rankings).

The "Better Places 2030" targets and results are detailed in Section 2.1.5.2 Summary of the Group's CSR performance.

VIPARIS CSR STRATEGY – "BETTER EVENTS VIPARIS 2030"

With 10 million visitors annually, 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 by launching its "Better Events 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 was included in the Group CSR governance bodies as of the 1st of January 2018 (refer to Section 2.1.6.2 Governance of CSR and the "Better Places 2030" programme). The Viparis CSR policy is set out in a dedicated document, which can be viewed at the following link: https://www.viparis.com/en/developpement-durable.

New CSR strategy for the Unibail-Rodamco-Westfield Group

In 2018, the Group updated its CSR strategy to incorporate priorities linked to its new operational Scope following the acquisition of the Westfield Group in June. The Group's CSR Department held workshops in each region with representatives of the operational teams and the CSR referents of the countries to formulate this strategy, which was then approved by the Group's Management Board. The Group's new CSR strategy is based on Group-wide CSR progress, the conclusions of the materiality analysis, market trends to 2030 and the analysis of CSR risks in conjunction with the Risk Department. The strategy now has three focus areas, in keeping with "Better Places 2030". New medium- and long-term Group targets have been set, incorporating the US and UK operations, and the action plans will be rolled out or improved in the various countries in which Unibail-Rodamco-Westfield operates.

(1) *Unibail-Rodamco-Westfield in Continental Europe.*

SUMMARY OF THE COMMITMENTS OF THE GROUP'S NEW CSR STRATEGY

REDUCE CARBON EMISSIONS ACROSS OUR VALUE CHAIN BY BUILDING & OPERATING INNOVATIVE, CIRCULAR, EFFICIENT, AND CONNECTED SPACES	CONTRIBUTE TO THE INCLUSIVE AND SUSTAINABLE GROWTH OF COMMUNITIES	EMBED SUSTAINABILITY IN OUR ORGANIZATION AND NURTURE RESPONSIBLE TALENT
-50% carbon emissions across our value chain by 2030 (1)	**100% of owned & managed assets with a community resilience plan by 2025**	**100% Group employees have an individual CSR objective included in annual 360° reviews by 2020**
Design sustainable buildings Improve user wellbeing and minimize our places' environmental impact through innovative design and construction solutions	**Expand local economies** Foster sustainable local economic development by creating new professional opportunities	**Rethink the possible** Promote diversity and innovation throughout the organization
Improve eco-efficiency Collaborate with our tenants and contractors to reduce operating costs and ensure the sustainability of our operations through efficient resource use	**Engage with local communities** Collaborate with local partners and support local initiatives	**Empower talent** Develop and train responsible talents
Develop connectivity & sustainable mobility Ensure traffic by connecting our assets to collective transport and promoting sustainable mobility habits with customers	**Promote responsible consumption** Inspire behavioural change by promoting healthier and more responsible consumption	**Boost employee wellbeing** Design a positive work environment
Integrate nature & biodiversity Contribute to greener cities by protecting and enhancing biodiversity		**Inspire our people** Make sustainability essential to our corporate culture

Essential to the success of this strategy are good governance, partnerships with stakeholders, and the leveraging of technological transformations

(1) Compared to 2015

This new strategy, effective as of January 2019, will continue to be based on robust governance, partnerships with key stakeholders and suitable technology solutions. Further details of the targets of this new strategy will be provided in 2019. Results regarding attainment of these targets will be included in the 2019 Registration Document.

The new strategy contributes to the United Nations Sustainable Development Goals and especially to the following targets:

CONTRIBUTION OF THE GROUP'S NEW CSR STRATEGY TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Pillar	Aspirational goal	Ambition	SDG - Goals
1 - Better Buildings	**Reduce carbon emissions across our value chain by building innovative, circular, efficient, and connected spaces**	**Design sustainable buildings -** Minimise our places' environmental impact and improve user wellbeing through innovative design and construction solutions	9 Industry, innovation and infrastructure; 11 Sustainable cities and communities; 13 Climate action
		Improve operational eco-efficiency - Collaborate with our tenants and contractors to reduce operating costs and ensure the sustainability of our operations through efficient resource use	7 Affordable and clean energy; 9 Industry, innovation and infrastructure; 12 Responsible consumption and production; 13 Climate action
		Develop connectivity & sustainable mobility - Ensure accessibility by connecting our assets to collective transport and promoting sustainable mobility habits with customers	9 Industry, innovation and infrastructure; 11 Sustainable cities and communities
		Integrate nature & biodiversity - Contribute to greener cities by protecting and enhancing biodiversity	11 Sustainable cities and communities; 15 Life on land
2 - Better Communities	**Contribute to the growth of dynamic, strong, and conscious communities in and around all of our assets**	**Expand local economies -** Foster sustainable local economic development by creating new opportunities	8 Decent work and economic growth
		Engage with local stakeholders - Support thriving and inclusive communities by collaborating with local partners and supporting local initiatives	8 Decent work and economic growth
		Promote conscious consumption - Inspire behavioural change by promoting healthier and more responsible consumption	12 Responsible consumption and production
3 - Better Collective Power	**Embed sustainability in our organisation and nurture responsible talents**	**Rethink the possible -** Promote diversity and innovation throughout the organisation	9 Industry, innovation and infrastructure; 10 Reduced inequalities
		Empower talent - Develop and nurture responsible talents	4 Quality education
		Boost employee experience - Design positive work experiences	3 Good health and well-being; 8 Decent work and economic growth
		Inspire our people - Make sustainability essential to our corporate culture	12 Responsible consumption and production

In the rest of this document, the results and actions presented concern "Better Places 2030", the Unibail-Rodamco-Westfield CSR strategy effective in 2018 in continental Europe.

2.1.5 SUMMARY OF THE GROUP'S CSR ACHIEVEMENTS

2.1.5.1 Summary of the reporting methodology

The information presented in Section 2.1.5.2 Summary of the Group's CSR performance and in the following sections (2.2, 2.3, 2.4) only covers Unibail-Rodamco-Westfield in Continental Europe - unless it is explicitly stated that the indicators are consolidated at Group level ("Indicators consolidated across the whole Unibail-Rodamco-Westfield scope") as well as certain initiatives in the United States and United Kingdom presented in separate text boxes. The CSR information will be presented on a fully consolidated scope as of 2019, after a full year of operating under the new reporting scope.

All of the environmental, social and societal indicators monitored are reported in accordance with specific frameworks, which are the same for all countries within the scope, and regularly updated.

The environmental and societal indicators relating to operations cover a scope of assets owned and managed by the Group, over which the Group has operational control and for which the data can be measured and verified. By default, this information covers all of the Group's asset categories: Shopping Centres, Offices and Convention and Exhibition venues, unless it is explicitly stated that one or more asset category has been excluded. Most of this information is reported as of December 31 of the past year, on the scope of a calendar year. However, given the time constraints for publishing this Registration Document, some environmental data is reported on a "rolling year" basis, covering a period of 12 months including the first three quarters of the preceding year and the 4th quarter of the year before that: information on operational consumption of energy (and the associated greenhouse gas emissions) and water.

The environmental and societal indicators linked to operations published over a calendar year (environmental certifications, mobility and modal shares, health & safety and environmental and compliance audits, and all societal indicators) cover a Scope representing 93% of the total consolidated portfolio value in continental Europe as at December 31, 2018. Indicators consolidated over a rolling year (energy and water consumption, Scope 1 & 2 carbon emissions) cover a scope representing 92% of the total consolidated portfolio value in continental Europe as at December 31, 2018.

Human resource indicators cover all Group employees in Continental Europe, for the three asset types: Shopping Centres, Offices and Convention & Exhibition venues, from January 1 to December 31, 2018.

The detailed reporting methodology is presented in Section 2.5.1 Unibail-Rodamco-Westfield's reporting methodology for continental Europe. All indicators for the United States and the United Kingdom are presented in Section 2.5.2 Unibail-Rodamco-Westfield indicators for the non-Continental Europe scope: the United Kingdom and United States.

2.1.5.2 Summary of the Group's CSR performance

— CSR indicators consolidated across the entire Unibail-Rodamco-Westfield scope

Group(1) consolidated data at 12/31/2018:

Energy consumption (in MWh)	885,277
Production of renewable energy *(in MWh)*	5,946
Percentage of electricity used generated from renewable sources	56%
Greenhouse gas emissions (Scopes 1 & 2, tonnes CO_2eq) - Location Based Methodology(1)	174,005
Greenhouse gas emissions (Scopes 1 & 2, tonnes CO_2eq) - Market Based Methodology(1)	126,003
Water consumption *(in m³)*	7,719,556
Non-hazardous waste generated *(in tonnes)*	139,033
Percentage of non-hazardous waste valorised	70%
Investments in the community *(in Million Euros)*	5.42
Number of organisations supported via investments in the community	747
Number of employees involved in community initiatives	1,439
Total number of employees	3,639

(1) *Consolidated emissions with the "Location Based" and "Market Based" Methodologies exclude Viparis.*

— Monitoring of "Better Places 2030" key performance indicators

Note: this paragraph no longer includes historic targets prior to "Better Places 2030":

- attained in 2017 or earlier (see CSR section of the 2017 Registration Document);
- included in the "Better Places 2030" strategy;
- on waste management: two operational targets by 2020; the monitoring of these is directly included in Section 2.2.3.6 Waste management;
- on the management of health and safety risks: a permanent operational target; its monitoring is directly included in Section 2.2.3.7 Health, safety and environmental risks and pollution of the Registration Docume

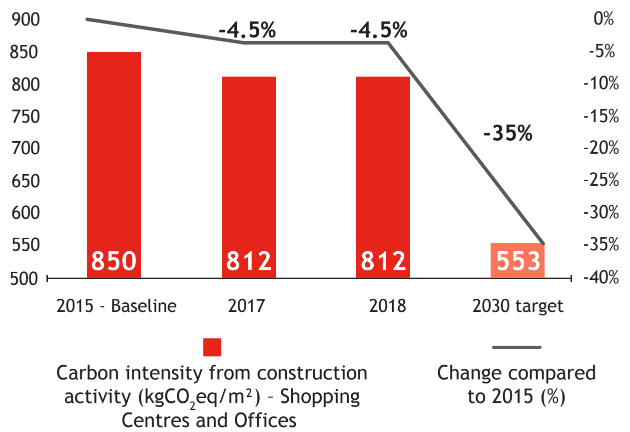
(1) The scope of US data excludes World Trade Center Shopping Centre.

MONITORING DASHBOARD FOR THE "BETTER PLACES 2030" OBJECTIVES: KEY PERFORMANCE INDICATORS

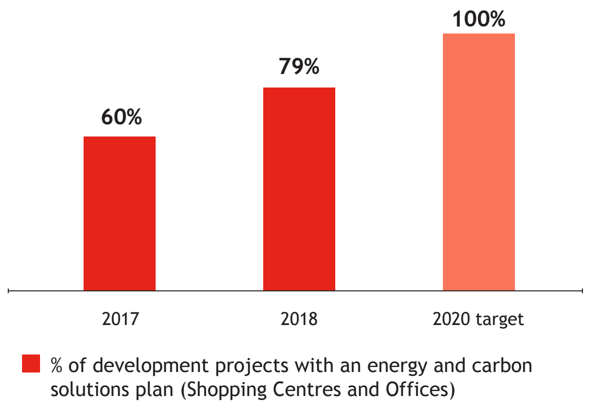
PILLAR 1: "BETTER BUILDINGS"

- **2017 targets achieved:**
  - define the Group methodology for measuring the carbon footprint of a construction project and train the development teams by 2017 (Shopping Centres and Offices);
  - define and include carbon performance indicators in the Group's decision-making processes by 2017 (Shopping Centres and Offices);
  - roll out the new version of the "green lease" incorporating mandatory use of LED lighting and electricity from renewable sources by 2017 (Shopping Centres);
  - sign 30 LED partnerships with international retailers by 2017 (Shopping Centres).
- **Targets in progress:**

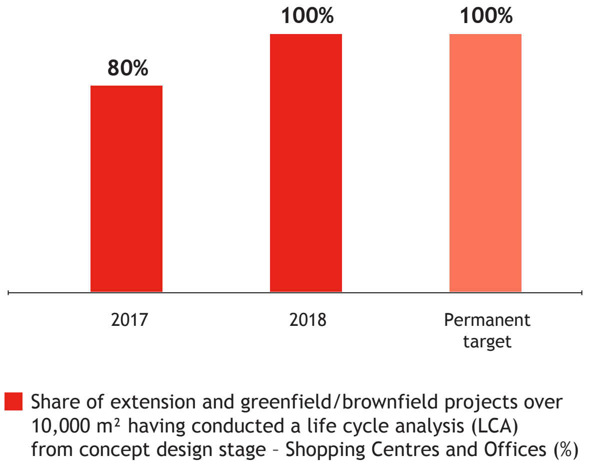
CHANGE IN CARBON INTENSITY FROM CONSTRUCTION ($KGCO_2EQ/M^2$)



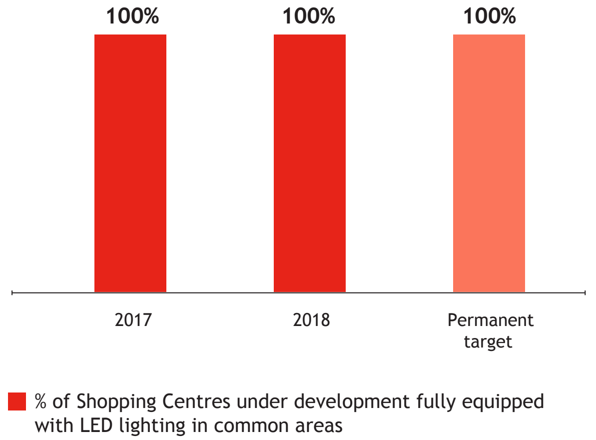
PERCENTAGE OF PROJECTS UNDER DEVELOPMENT WHICH USE LOW-CARBON SOLUTIONS (%)(1)



PERCENTAGE OF PROJECTS UNDER DEVELOPMENT FOR WHICH A LIFE CYCLE ANALYSIS (LCA) WAS PERFORMED FROM THE DESIGN PHASE ONWARDS (%)(1)



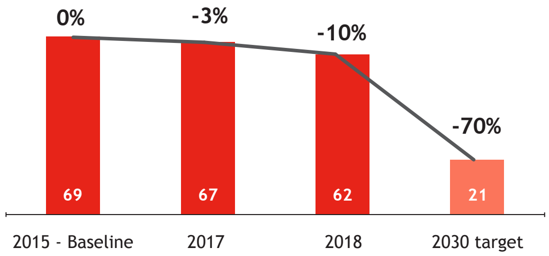
PERCENTAGE OF CONSTRUCTION PROJECTS FULLY EQUIPPED WITH LEDS IN COMMON AREAS (%)(1)



(1) For further details on the Scope of this indicator, please refer to Section 2.2.2 Designing sustainable buildings - Energy & carbon.

PROPORTION OF EXTENSION PROJECTS AND GREENFIELD/BROWNFIELD PROJECTS DELIVERED OVER 10,000 M2 WITH BREEAM CERTIFICATION OF AT LEAST "VERY GOOD" (FOR EXTENSIONS) AND "EXCELLENT" (FOR GREENFIELD/BROWNFIELD PROJECTS) (SHOPPING CENTRES AND OFFICES) (%)[1]

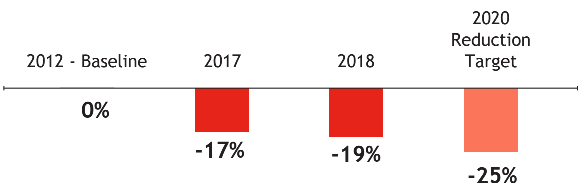
CHANGE IN CARBON INTENSITY FROM OPERATION (KGCO$_2$EQ/M^2)



Carbon intensity linked to energy consumption (managed and tenants) under operation (kg CO_2eq/m^2) - Shopping Centres and Offices

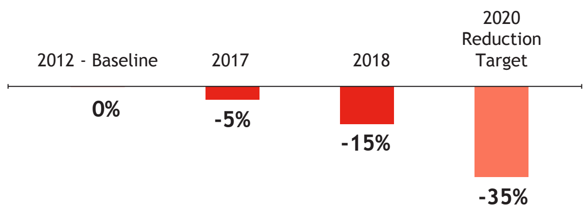
Change compared to 2015 (%)

CHANGE IN ENERGY INTENSITY COMPARED TO 2012 - SHOPPING CENTRES OWNED AND MANAGED (%)



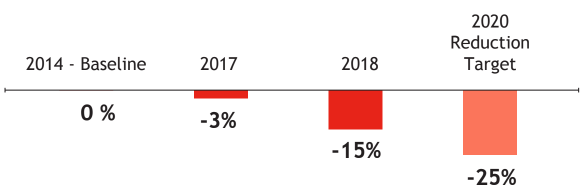
Cumulative reduction in energy intensity (kWh/visit) as a % compared to 2012

CHANGE IN ENERGY INTENSITY COMPARED TO 2012 - OFFICES OWNED AND MANAGED (%)



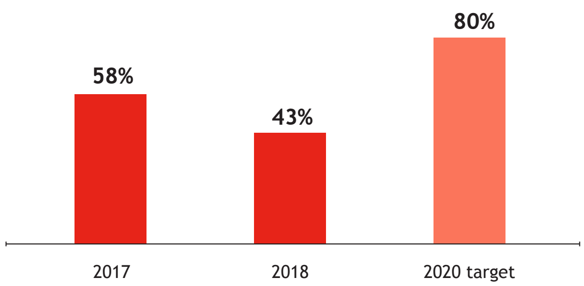
Cumulative reduction in energy intensity (kWh/occupant) as a % compared to 2012

CHANGE IN ENERGY INTENSITY COMPARED TO 2014 - CONVENTION & EXHIBITION VENUES (VIPARIS) OWNED AND MANAGED (%)



Cumulative reduction in energy intensity (kWh/m^2 DOC) as a % compared to 2014

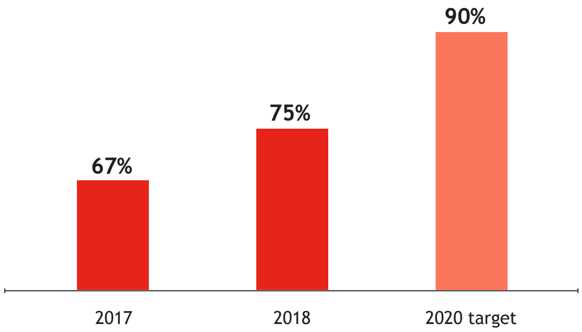
PERCENTAGE OF SHOPPING CENTRES WITH BREEAM IN-USE CERTIFICATION OF AT LEAST "OUTSTANDING" LEVEL (%)



% of owned and managed Shopping Centres which are BREEAM In-Use certified to at least "Outstanding" level for the "management" part (Part 2) in number of assets

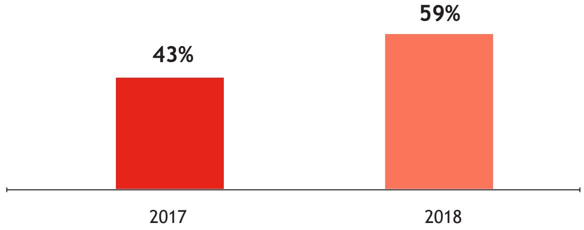
(1) Permanent target: obtain minimum "Very Good" BREEAM certification for extension projects and minimum "Excellent" for greenfield/brownfield projects (over 10,000 m^2).
(2) As the Group did not deliver any new projects in 2018, this figure corresponds to the 2017 figure: 4 projects delivered of which 1 pending BREEAM certificate.

PERCENTAGE OF OFFICES WITH BREEAM IN-USE CERTIFICATION OF AT LEAST "EXCELLENT" LEVEL (%)



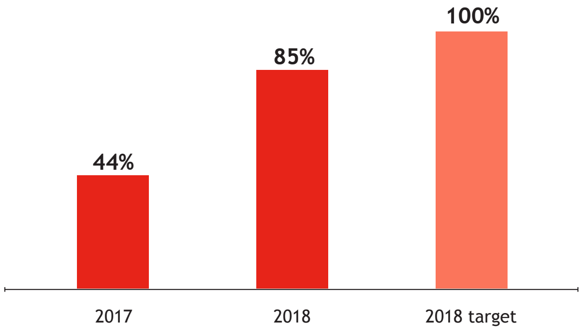
% of Offices owned and managed which are BREEAM In-Use certified to at least "Excellent" level for the "management" part (Part 2) in number of assets

PERCENTAGE OF DEPLOYMENT OF LED LIGHTING SOLUTIONS IN COMMON AREAS OF OWNED AND MANAGED SHOPPING CENTRES (%)(1)



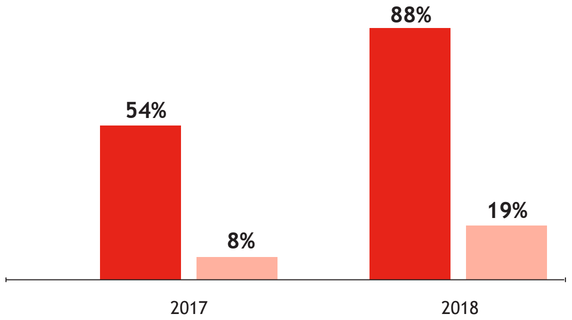
% deployment of LED lighting solutions in COMMON AREAS of owned and managed Shopping Centres

PERCENTAGE OF RENEWABLE ELECTRICITY PURCHASED BY OWNED AND MANAGED ASSETS (%)



% of electricity purchased by owned and managed assets (Shopping Centres, Offices and Convention and Exhibition venues) that is of renewable origin

PENETRATION RATE OF THE GROUP'S NEW GREEN LEASE (%)(2)



% penetration of leases version 2 among leases signed over the year in existing Shopping Centres and those under development

% penetration of the green lease version 2 among the active leases for existing Shopping Centres and those under development

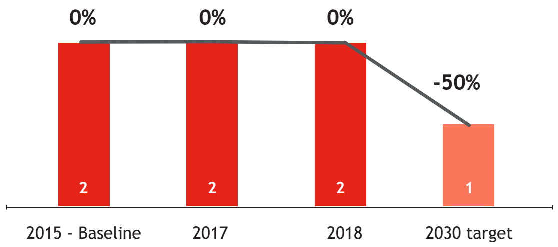
(1) Permanent target: systematically use LED lighting solutions in the common areas of Shopping Centres owned and managed by the Group.

(2) 2020 target: promote the installation of 100% LED lighting systems by retailers and the purchase of electricity from renewable sources by rolling out the Group's new green lease from 2017 (LED and green electricity mandatory from 2020).

PILLAR 2: "BETTER CONNECTIVITY"

- **2017 targets achieved:**
  - build partnerships with sustainable mobility and transport operators by 2020 (Shopping Centres and Offices).
- **Targets in progress:**
- **2017 – targets in progress:**
  - test at one site a pilot shared urban logistics solution for deliveries to retailers ("UR Delivery"), see Section 2.2.4. develop connectivity & sustainable mobility.

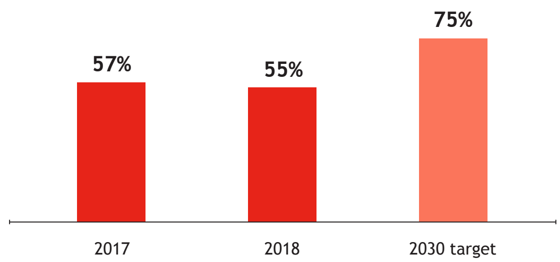
CHANGE IN THE CARBON INTENSITY RELATED TO VISITOR TRANSPORT ($KGCO_2EQ$/VISIT)



Carbon intensity associated with the travel of Shopping Centre visitors and employees ($kgCO_2eq$/visit)

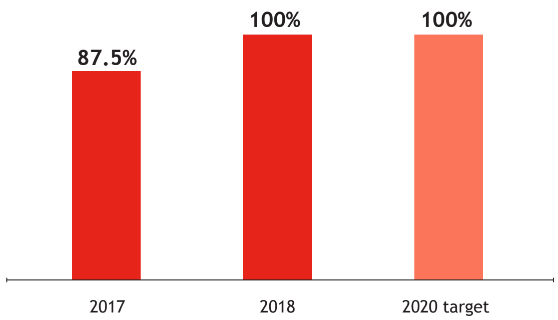
Change compared to 2015 (%)

PROPORTION OF VISITORS WHO USE A SUSTAINABLE MEANS OF TRANSPORT TO VISIT SHOPPING CENTRES (%)[1]



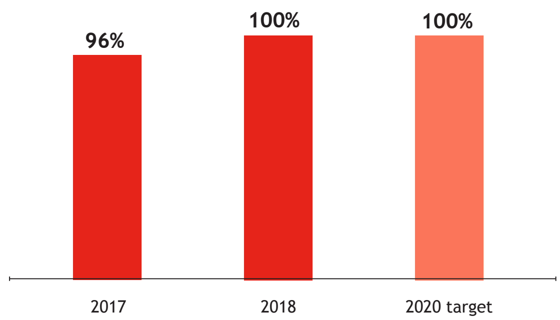
% of visitors who use a sustainable means of transport (public transport, bicycle, walking) to visit owned and managed Shopping Centres

PROPORTION OF PROJECTS UNDER DEVELOPMENT WITH CONNECTIONS TO MAJOR SUSTAINABLE TRANSPORT NETWORKS (%)



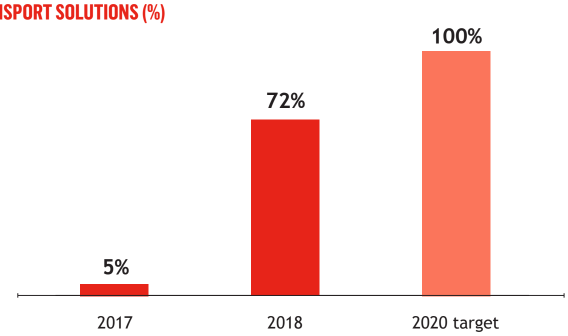
% of projects under development (Shopping Centres) connected to significant sustainable transport solutions (public transport)

PROPORTION OF SHOPPING CENTRES WITH CHARGING FACILITIES FOR ELECTRIC VEHICLES (%)



% of owned and managed Shopping Centre car parks with charging facilities for electric vehicles

PROPORTION OF SHOPPING CENTRES WITH AN ACTION PLAN TO STIMULATE USE OF SOFT TRANSPORT SOLUTIONS (%)



% of Shopping Centres with an action plan which encourages the deployment of "soft" transport solutions (carsharing, bicycle access, electric shuttles, etc.) - "Mobility action plan" or "MOBAP"

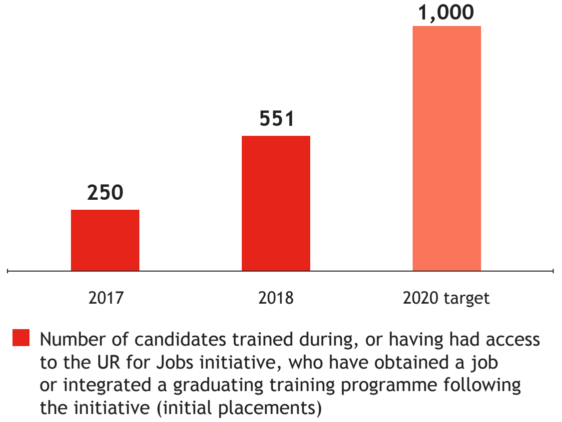
(1) This objective continues and extends the engagement taken prior to "Better Places 2030": "Transport connectivity & accessibility".

PILLAR 3: BETTER COMMUNITIES

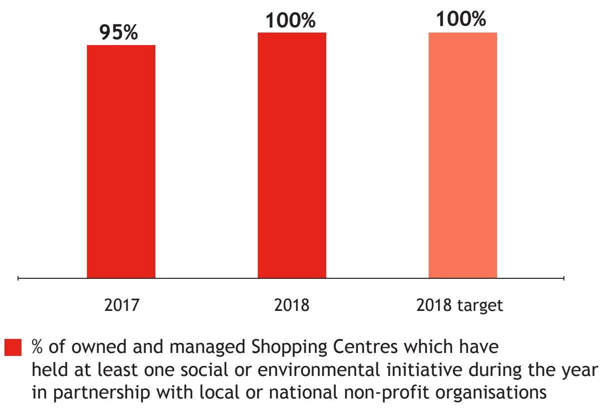
- **2017 targets achieved:**
  - roll-out the "UR for Jobs" programme in 15 shopping centres with the objective of providing a job or enabling the integration into a certifying training program for 225 young people in 2017;
  - roll-out the "Connect" application in 30 owned and managed shopping centres by 2017.
- **Targets in progress:**

PERCENTAGE OF SHOPPING CENTRES THAT HAVE IMPLEMENTED THE UR FOR JOBS PROGRAMME (%)

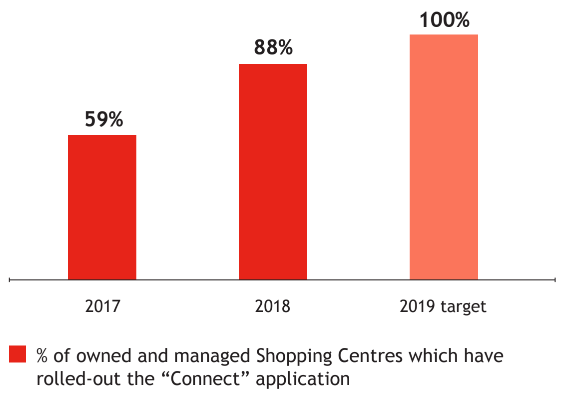
NUMBER OF CANDIDATES HIRED OR HAVING INTEGRATED A CERTIFYING TRAINING PROGRAMME FOLLOWING THE UR FOR JOBS PROGRAMME (NO.)



PERCENTAGE OF SHOPPING CENTRES THAT HAVE HELD AT LEAST ONE ANNUAL SOCIAL OR ENVIRONMENTAL EVENT INVOLVING LOCAL OR NATIONAL CHARITIES (%)



PERCENTAGE OF SHOPPING CENTRES THAT HAVE ROLLED OUT THE 'CONNECT' APPLICATION (%)

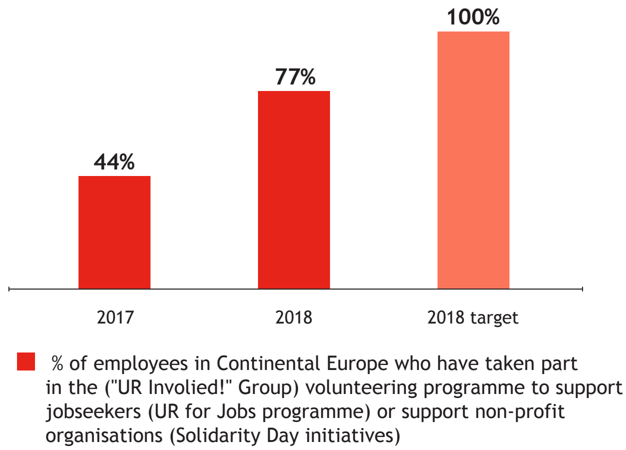


PILLAR 4: BETTER COLLECTIVE POWER

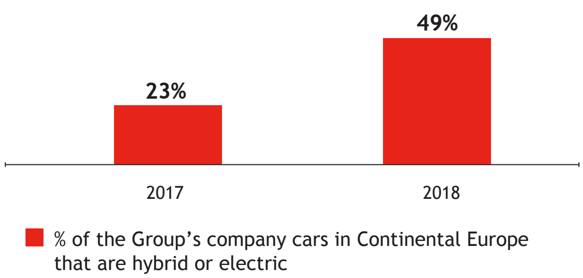
- **2017 Targets achieved:**
  - implement the new CSR governance (CSR Committee and referents) by 2017;
  - set precise, quantifiable CSR objectives for the Group’s Senior Management and management teams and for all regions in continental Europe by 2017;
  - involve 40% of employees in the launch of “UR Involved” in 2017;
  - continue the start-up incubation programme (“URW-Link”) and incubate at least 10 start-ups a year by 2017;
  - offset 100% of employee business travel (plane and train) through a carbon offset programme by 2017.
- **Targets in progress:**

PERCENTAGE OF GROUP EMPLOYEES WITH INDIVIDUAL CSR TARGETS (%)[1]

PERCENTAGE OF EMPLOYEES WHO HAVE TAKEN PART IN THE GROUP’S VOLUNTEER PROGRAMME “UR INVOLVED! (%)[1]



PERCENTAGE OF THE GROUP’S COMPANY CAR FLEET THAT IS HYBRID OR ELECTRIC (%)



PERCENTAGE OF REGIONS THAT HAVE INTRODUCED INITIATIVES TO PROMOTE ENVIRONMENTALLY RESPONSIBLE BEHAVIOUR ON A DAY-TO-DAY BASIS, THE MAIN AIM BEING TO REDUCE PAPER USE IN OFFICES (%)[2]

ECOSYSTEM OF INNOVATIVE PARTNERS[3]

The Group is developing an ecosystem of partners via **UR Link**, its open innovation platform, to identify innovative sustainability solutions via start-ups (for example: Phenix, Sous les fraises, Too Good To Go) and large Groups: Engie, and Via ID Mobility Club.

(1) For further details on the Scope of this indicator, please refer to Section 2.4.3 Inspire our people.
(2) 2020 Target: Reduce paper consumption by employees (annual processes digitised), Continental Europe.
(3) Permanent target: Develop partnerships with our stakeholders (large Groups, start-ups and research centres).

2.1.5.3 Results of non-financial evaluations and rankings

Unibail-Rodamco-Westfield features on recognised non-financial performance indices and evaluations, confirming its position as an industry leader in 2018.

— Non-financial evaluations

The Group's ESG assessments by extra-financial rating agencies have been updated in 2018:

- in June 2018, for its first post-closing ESG rating by ISS-Oekom as Unibail-Rodamco-Westfield, the combined Group was rated B-, the highest rating level achieved among the real estate companies assessed worldwide. Furthermore, Unibail-Rodamco-Westfield received again the Prime status awarded through this score;
- in June 2018, the Group Unibail-Rodamco-Westfield (Continental Europe) reached the first place in the real estate industry ranking of Sustainalytics (out of 316 companies);
- in the 2018 GRESB Assessment (Global Real Estate Sustainability Benchmark – the only sustainability benchmark dedicated to the real estate sector), Unibail-Rodamco-Westfield (Continental Europe) received a 'Green Star' rating for the eighth year in a row, with a rating of five stars (highest performance level), and ranked first among Global retail real estate companies and among listed European real estate companies;
- Unibail-Rodamco-Westfield (Continental Europe) was included in the A list 2018 of CDP rating, which recognizes corporate pioneers acting on climate change;
- in 2018 and for the fifth year in a row, Unibail-Rodamco-Westfield obtained a rating of AAA (on a scale of AAA-CCC) in the MSCI ESG ratings assessment;
- in the last Vigeo Eiris ESG rating performed in 2017, Unibail-Rodamco-Westfield (Continental Europe) ranked first among the Financial Services - Real Estate sector.

— Non-financial indices

In 2018, Unibail-Rodamco-Westfield (Continental Europe) again features in a number of renowned SRI indices, including:

- Euronext Vigeo indices: World 120, Eurozone 120, Europe 120 and France 20 (since 2013, reconfirmed in December 2018);
- the FTSE4Good Index series (since 2005, FTSE4Good Index Review in June 2018);
- the Ethibel Sustainability Index (ESI) Excellence Europe and the Ethibel Sustainability Index (ESI) Excellence Global (since 2011, and reconfirmed since 21/09/2018);
- the list of "Top 10 Performers" of the CAC 40® Governance index (since the creation of the index in 2017, renewed in December 2018);
- ECPI® indices (combined Group): ECPI Global Eco Real Estate & Building Liquid, ECPI World ESG Equity, ECPI Euro ESG Equity, ECPI Global Ethical Equity, ECPI EMU Ethical Equity, and ECPI Euro Ethical Equity.

2.1.5.4 Green bonds and green loans

— Green Bonds

The Unibail-Rodamco-Westfield CSR performance strategy has been recognised by the industry for many years now, and as part of its strategy to diversify its financing sources, the Group has decided to develop a stringent "Green Bond" framework in continental Europe to finance new development projects, and/or standing assets which meet all social and environmental criteria for the construction and operational phases defined in the "Use of Proceeds" procedure, and specified hereafter. Green bonds are only used to finance resilient "best in class" assets, in line with a clear procedure for allocating funds (asset analysis, selection and monitoring procedure under the "green bonds" system).

Unibail-Rodamco-Westfield (continental Europe) issued the industry's 1st green bond on the Euro market in February 2014, and was the 1st international non-Swedish corporate to issue a "green bond" on the SEK market in May 2014. In April 2015, the Group issued its second Green Bond on the Euro market. These issuances are testament to the success of the teamwork between the Group's departments: CSR, legal, finance and communications. In total, the three issuances raised €1.25 billion and 1.5 billion SEK.

GREEN BONDS ISSUED BY UNIBAIL-RODAMCO-WESTFIELD (CONTINENTAL EUROPE)(1)

	Green Bond I (EURO)	Green Bond II (SEK)	Green Bond III (EURO)
Issuer (legal entity name)	Unibail-Rodamco SE	Rodamco Sverige	Unibail-Rodamco SE
Date	February 19, 2014	May 23, 2014	April 8, 2015
Size	750 m	1.5 bn	500 m
Maturity	10 years	5 years	10 years
Coupon	2.5%	Stibor 3 million +78 bps	1%

— *Relevant and ambitious social and environmental criteria*

The social and environmental criteria associated with the green bonds were developed and approved by Vigeo. They are aligned with (i) the "Green Bond Principles" (GBP) updated in March 2015 and (ii) fit in with the Group's sustainable development policy. The funds raised from green bond issuances are used to finance (via loan or investment) construction work and/or development projects. The environmental and social performance requirements for the assets apply to both the construction and operation phases. The following criteria are used to define "eligible assets":

- i. Greenfield/Brownfield project or projects under construction (redevelopment and/or extension/renovation project) and/or standing asset managed by Unibail-Rodamco SE or its subsidiaries which:

(1) *Green bond issuances and the allocation of funds are approved by the Group's ALM Committee (see Section 6.2.1.2 Risks associated with access to capital and financial market disruption), using a specific procedure formalised internally.*

- a. achieved BREEAM certification[1] (or any other equivalent certification) at a level of "Very Good" or higher in the design phase,
- b. and have been or will be awarded "BREEAM In-Use" (or any other equivalent certification) for the intrinsic part ("Part 1") and the building operations part ("Part 2") according to the BREEAM evaluation framework, at a level of "Very Good" or above within a reasonable time after the start of operation;

- ii. in addition to the certification (which is a prerequisite), eligible assets must meet additional criteria structured into five domains: respect for human rights, contribution to local development, monitoring of environmental impacts, promotion of sustainable relations with tenants and visitors, and consideration of social and environmental factors by suppliers/service providers. In total, 17 sub-criteria are analysed for the construction aspect, and 13 sub-criteria are analysed for the operation aspect.

Additional criteria and indicators to be monitored for eligible assets are published on the issuer's website at the following link: https://www.urw.com/Website-o-content/Document/Document-o-data/HomepageDocument/INVESTORS/Financial-Information/Press-Releases/Green-o-Bonds/Green-o-bond-o--o-2014

— *Current allocation of Green Bond proceeds*

In line with the Group's internal green bond analysis, selection and monitoring procedure, the funds generated by green bonds issuances are allocated to the selected assets based on the previously-defined list of "eligible assets" (criteria presented in the previous paragraph). In the case of an asset disposal during the funding period (i.e. prior to the bond issue maturity), the proceeds initially allocated to the disposed asset shall be reallocated to another "eligible asset" held by the Group, based on the same process. This was the case in 2017: on October 2, 2017, the Group disposed of the So Ouest Plaza asset, to which 24% of the Green Bond III proceeds had been allocated for a funding period lasting until 2025. Therefore, the partner proceeds were reallocated to the extension of Carré Sénart.

2.

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

	GB I €750 Mn			GB II SEK 1.5 Bn	GB III €500 Mn	
	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
Proceeds allocated to projects[1]	20%	40%	40%	100%	68%	8% +24%
GLA Scope of consolidation (m^2)	53,200	52,200	84,700	103,000	65,600	31,310
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.

— *Audited criteria*

Unibail-Rodamco-Westfield engaged an independent auditor to verify that the assets financed meet the eligibility criteria. The reporting on these criteria and the independent auditor's reasonable assurance report are presented in Section 2.5.3 Supplementary information on green bonds.

— Green Loans

In April 2017, Unibail-Rodamco-Westfield (continental Europe) 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. This approach also entails an obligation of transparency for the Group, as monitoring indicators for these green commitments must be reviewed by an independent verifier. In May 2018, and in accordance with the same principles, the Group took out a new €400 million "green" revolving credit facility, bringing the Group's total green loans to €1.05 billion.

2.1.5.5 Alignment with CSR reporting standards and frameworks

Since 2012, Unibail-Rodamco-Westfield has complied 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. The transposition into French law of the European directive of October 22, 2014 on the publication of non-financial information (via order no. 2017-1180 of July 19, 2017 and decree no. 2017-1265 of August 9, 2017) determines the content and scope of application of the new CSR reporting system in place of the Grenelle 2 system: statement on non-financial performance. In accordance with this new regulation, in 2018 the Group published its statement on non-financial performance (French *Déclaration de Performance extra-financière* - DPEF) for the first time. It consists mainly of this "Corporate Social Responsibility" section of the Registration Document, completed with elements in chapters 1 and 6 (business model and business ethics policies). Detailed components of the DPEF are presented in a correspondence table in chapter 8.6 Cross-references table of the present Registration Document (Cross reference table of the management report).

(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).

In June 2013, the Group adopted the CNCC's sector-specific guidelines for reporting under the terms of "Article 225" in the Shopping Centre industry. In 2018, the guide was updated by the French Council of Shopping Centres, to ensure that the reporting done by commercial real estate companies complied with the statement on non-financial performance: the Group continues to ensure its alignment with this new industry practice.

The 2018 Unibail-Rodamco-Westfield Registration Document also complies with the Best Practices Recommendations on Sustainability Reporting established by EPRA, which were updated in September 2017. For the seventh time in a row, Unibail-Rodamco-Westfield received the EPRA Gold Award in 2018 for completing its 2017 reporting (continental Europe) in accordance with the EPRA Sustainability BPR.

Unibail-Rodamco-Westfield, 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 (continental Europe) began to comply with the new GRI Standards, which were published in October 2016.

The Group's new strategy is also aligned with the United Nations Sustainable Development Goals (see Section 2.1.4 Priorities of the CSR strategy).

Cross-references tables with EPRA and GRI indicators are available on the Group's website using the following link: https://www.urw.com/en/sustainability/csr-documents

2.1.5.6 External assurance

In line with the transposition of the requirements of the new European directive on the publication of non-financial information, the data and key performance indicators of the Group's statement on non-financial performance are audited by an independent verifier: see assurance report at 2.5.4 Independent verifier's report on the consolidated statement on non-financial performance presented in the management report.

In 2018, the audit on the information included a comprehensive on-site review of the data reported by seven of the Group's main assets: CNIT (including offices), the Palais des Congrès (including the retail units), Rosny 2, Parquesur, Equinoccio, Topanga and Culver City. The consolidated Unibail-Rodamco-Westfield indicators were audited on the Group scope, while the historic indicators were audited on the Continental Europe scope for Unibail-Rodamco-Westfield. The indicators were audited with a limited level of assurance. A list of the indicators audited can be found in the auditor's report (Section 2.5.4 Independent verifier's report on consolidated non-financial statement presented in the management report).

The auditor was also commissioned to carry out an audit on the annual reporting for the green bonds issued in 2014 and 2015. This audit consists of verifying compliance of funded assets with a set of eligibility criteria. It includes a review of the evidence for each domain and criterion, for each asset concerned every year (for both the construction and operation phase). In 2018, the audit covered: Aéroville, Lyon Confluence, So Ouest, Mall of Scandinavia, Carré Sénart extension and Majunga (see Section 2.5.3 Supplementary information on green bonds).

2.1.6 GOVERNANCE AND CSR

2.1.6.1 Ethics and integrity

Unibail-Rodamco-Westfield's corporate governance, ethical conduct and risk management policies provide the necessary stability and reliability required for sustainable growth and performance. The goal of the UN Global Compact is to promote corporate social responsibility. As a signatory to the Compact since 2004, the Group is committed to adopting, upholding and enacting within its sphere of influence the ten universally recognised principles relating to human rights, labour laws, environmental protection and anti-corruption. Unibail-Rodamco-Westfield's governance structure and Compliance Book are presented in Chapter 3. Corporate governance and remuneration. The Unibail-Rodamco-Westfield Code of Ethics is presented in Chapter 6. Risk factors and internal control.

2.1.6.2 Governance of CSR and the "Better Places 2030" programme

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

- monitoring CSR performance by ensuring that the new objectives of the "Better Places 2030" programme are fully integrated into the Group's business and decision-making processes;
- 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 and supporting the implementation of the Group's CSR 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 Senior Management Team and Group Chief Resources Officer.

During integration of the Westfield Group, a Group CSR Integration Committee was set up to coordinate the materiality work, update the Group's CSR strategy and define the governance to implement to implement this strategy in 2019.

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

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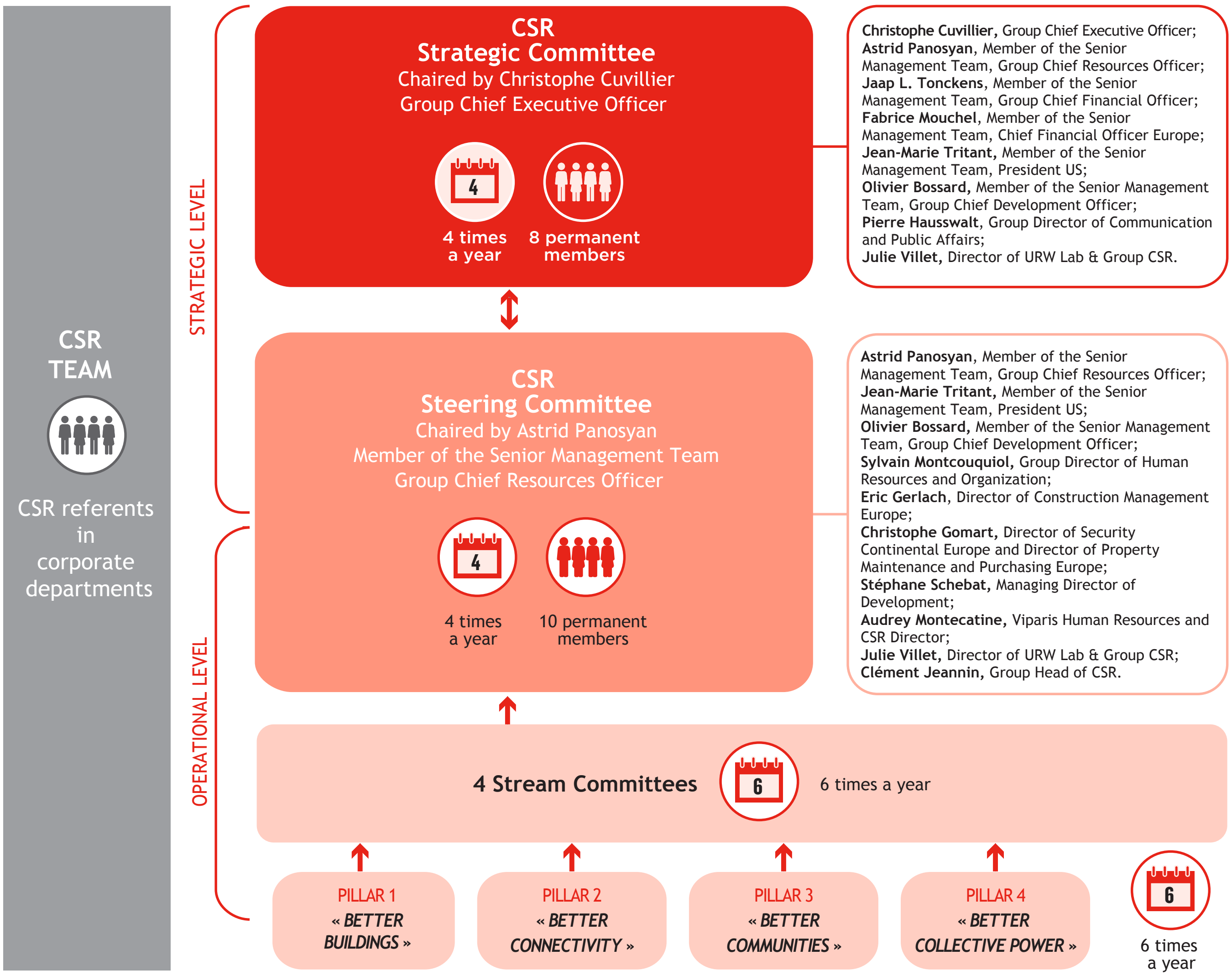
OVERVIEW OF UNIBAIL-RODAMCO-WESTFIELD CSR GOVERNANCE IN 2018



The CSR Strategic Committee defines the strategy, sets targets, arbitrates and monitors the implementation of the CSR programme. Composed of eight members, including all the Senior Management Team 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 CSR Steering Committee oversees implementation of the CSR programme, defines the strategic directions and key priorities of the CSR programme and approves and prepares the decisions which require arbitration from the CSR Strategic Committee. It is made up of 10 members, three of whom are also members of the Senior Management Team. It meets four times a year and reports on its progress and results to the Senior Management Team each quarter at the Unibail-Rodamco-Westfield CSR Strategic Committee (continental Europe) meetings. This committee is chaired by Astrid Panosyan, Member of the Senior Management Team and Group Chief Resources Officer.

The Stream Committees, with the support of the 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.

Guest members of the CSR Strategic Committee are:

- employees involved in a project associated with the key actions of the pillars;
- the CSR referents appointed in 2018 in each of the Group's regions in continental Europe, responsible for coordinating the implementation of the CSR strategy within their region.

2.1.6.3 Integration within core processes and activities

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

- the Unibail-Rodamco-Westfield due diligence process for asset acquisitions includes a complete audit of technical, regulatory, environmental and health and safety risks, including soil contamination;
- 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 in accordance with the rules set by Unibail-Rodamco-Westfield within each business unit. 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 Unibail-Rodamco-Westfield employees with the skills and opportunities required to build attractive careers;
- 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 and sustainable mobility.

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

2.1.6.4 CSR commitment and awareness

When setting the 2018 targets, like in 2017, quantifiable CSR targets were included in the short term variable Remuneration Policy of members of the Group's Senior Management Team and Group top management teams and those of the countries in which Unibail-Rodamco-Westfield operates in continental Europe. These CSR targets were set using specific CSR criteria, as stated in Section 3.2.3. Remuneration Report for 2018 Financial Year – Say on Pay. The relevant member of the Senior Management Team is fully responsible for reaching the CSR objectives and delegates that responsibility to the Managing Director of each region of Unibail-Rodamco-Westfield, who in turn ensures the smooth integration of the tools and processes required in the operations of the regional teams. The Supervisory Board also decided upon recommendation from the Remunerations Committee to introduce CSR in the Long Term Incentives of top management and employees starting with 2018 allocations.

Appropriate initiatives and targets aligned with "Better Places 2030" are being identified and implemented in close cooperation with each department within the Group: Investment, Development, Finance, Operations, Technical Management, Marketing, Leasing, Legal and Human Resources. The new CSR targets for Unibail-Rodamco-Westfield employees in continental Europe are presented in Section 2.4.3 Inspire our people of this Registration Document.

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 Unibail-Rodamco-Westfield's "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.

To ensure the Group's CSR strategy and processes are being correctly applied, regular training sessions are held; an overview can be found in Section 2.4.3 Inspire our people of this Registration Document.

2.1.6.5 Relations with investors and professional organisations

— Relations with investors

Unibail-Rodamco-Westfield reports to investors on its Environmental, Social and Governance (ESG) strategy and achievements via regular publications to its institutional and SRI[1] investors (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 by holding and taking part in dedicated meetings or exchanges on sustainable development (SRI meetings, one-to-one meetings, SRI roadshows and Investor Days). In 2018, Unibail-Rodamco-Westfield took part in meetings with investors focusing on ESG matters, essentially on a face-to-face basis during conferences or direct discussions. The main concerns mentioned by investors over the year were IT security, climate change and the circular economy. These meetings also enable Unibail-Rodamco-Westfield to learn more about the vision of sustainability of investors and to improve its yearly ratings in the different SRI indexes. The Group's position in the various ESG indices and evaluations is outlined in Section 2.1.5.3 Results of non-financial evaluations and rankings of this 2018 Registration Document.

(1) Socially-Responsible Investment.

— Relations with professional organisations

As one of the leading listed commercial real estate companies worldwide, Unibail-Rodamco-Westfield has the responsibility to encourage the industry as a whole to adopt more sustainable operating practices. Within the European Public Real Estate Association (EPRA), Unibail-Rodamco-Westfield has made a significant contribution to the definition and the update of consistent, shared KPIs for the industry. Christophe Cuvillier, Chairman of the Management Board, is a member of the EPRA Board of Directors in 2018, after having chaired it for two years. Unibail-Rodamco-Westfield is also a member of the EU Public Affairs Committee (EPAC) and the sustainability group of the International Council of Shopping Centers (ICSC). In France, Unibail-Rodamco- Westfield is a member of the sustainability group of the French Council of Shopping Centres (CNCC), with which it worked in 2018 to update the industry CSR reporting guide, which sets out the requirements of the new European non-financial directive. Unibail-Rodamco-Westfield is also a member of the French Association of Private Businesses (AFEP).

2.2 REDUCE CARBON EMISSIONS ACROSS OUR VALUE CHAIN BY BUILDING & OPERATING INNOVATIVE, CIRCULAR, EFFICIENT, AND CONNECTED SPACES

As a reminder, the performance indicators and policies presented in this Chapter (2.2, 2.3, and 2.4) only cover Unibail-Rodamco-Westfield in continental Europe, unless explicitly stated otherwise (certain policies and initiatives presented for the United States and the United Kingdom in the form of text boxes). The CSR information will be presented on a consolidated Group Scope as of 2019, after a full year under the new scope.

2.2.1 RESPONDING TO CLIMATE CHANGE

2.2.1.1 2°C initiative

As part of its 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 the most proactive commitment of its programme, with 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.

The Group's objective covers not only the emissions from common energies that it purchases to power its real estate complexes (Scopes 1 and 2), but particularly Scope 3 emissions, which account for the majority of corporate greenhouse gas emissions, particularly the following key items (see Section 2.2.1.2 Carbon assessment - "Results: Group carbon footprint" below):

- 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, in particular, 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 greenfield/brownfield 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.

In 2018, with the support of independent experts, the Group was able to verify that its strategy to reduce greenhouse gas emissions is in line with the global initiatives necessary to keep global warming below 2°C. This modelling work is based on the Sectorial Decarbonisation Approach, and also includes a scenario-based approach which takes into account changes in the various contextual parameters (such as changes to markets and government policies) but also parameters inherent to the Group's action. This study mainly used IEA[1] modelling scenarios.

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

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

(1) *International Energy Agency.*

Reducing by 35% the carbon footprint from the construction of greenfield/brownfield development projects

Unibail-Rodamco-Westfield is the first company in commercial real estate to commit to significantly shrinking its carbon emissions from construction on a broad scope. In concrete terms, reducing its carbon intensity by 35% means dropping from an average of 850 kg CO_2eq/m² [1] constructed in 2015 to less than 552.5 kg CO_2eq/m² on average by the end of 2030. The carbon intensity of greenfield/brownfield projects for 2015 was refined in 2017 due to carbon assessments being conducted on several of the Group's greenfield/brownfield projects under construction or delivered between 2012 and 2015: Trinity (France), Wroclavia (Poland), Aéroville (France), Majunga (France), Mall of Scandinavia (Sweden).

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.

For 2016, 2017 and 2018, the Wroclavia shopping centre in Poland and the Trinity office tower in France are the new projects included in the reporting scope. For 2018, the carbon intensity of these projects was 812 kg CO_2eq/m², which corresponds to a 4% reduction compared to 2015.

These projects were already under construction when the "Better Places 2030" strategy was announced. As such, their carbon management options are limited. Notwithstanding, the Trinity project employs as of now low-carbon cement for its foundations and floors.

Changes in carbon performance with regard to the targets is presented in a progress graph in Section 2.1.5.2 Summary of the Group's CSR performance.

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;
- completing a fast transition to lower-carbon or carbon-free energies. Concerning low-carbon energy, Unibail-Rodamco-Westfield is committed to using 100% electricity from renewable sources (100% green electricity), both for the consumption of its assets (used in shared areas and facilities), starting in 2018, and for the private electricity consumption of its tenants, starting in 2020.

Meeting this reduction target requires heavy involvement of tenants, given the scale of their electricity use (73% of the carbon footprint from asset operation for the "Better Places 2030" benchmark year, 2015). 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-Westfield 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.

In 2018, the carbon intensity from energy use by assets in operation was 62 kg CO^2eq/m², corresponding to a reduction of 10% since 2015. This reduction is driven primarily by an improvement in energy mix (steady increase in the proportion of electricity generated from renewable sources), this affects both managed[2] and tenants' energy. Was taken into incount the fact that some tenants are already committed to supplying their stores with 100% renewable energy (as formulated through their own CSR strategies).

Changes in carbon performance with regard to the targets is presented in a progress graph in Section 2.1.5.2 Summary of the Group's CSR performance.

Cut the carbon intensity from shopping centre visitors' transportation by 50%.

The Group's greenhouse gas emissions from the transportation of visitors or occupants are markedly higher than emissions from the operation of the buildings themselves (see Section 2.2.1.2 Carbon footprint - "Results: Group Carbon footprint" part). Unibail-Rodamco-Westfield is committed to improving sustainable mobility and has set itself an ambitious target to cut its carbon footprint from visitor transport by 50%.

This reduction target is supported by the availability and promotion of sustainable mobility solutions for users of standing assets and the good public transport connections of greenfield/brownfield projects under development (see Section 2.2.4 Develop connectivity and sustainable mobility).

In 2018, the carbon intensity from shopping centre visitors' transportation was 2.1 kgCO_2eq/visit.

(1) m² constructed corresponds to gross floor area (excluding gross floor area from parkings and lift shafts).
(2) See Section 2.2.3.4 Energy Management.

In 2018 the marketing survey methodology which informs the visitor modal transport figures for shopping centres has changed. The new data does not provide an accurate picture of changing trends when compared to the baseline. After correcting high deviations with baseline data, the variation measured in carbon emissions for transport between 2017 and 2018 remained stable. In 2019 the focus will lie on modifying the 2015 baseline to account for UK and US assets, as well as fine tuning the methodology to track consistently visitors' mode of transport and lead targeted actions.

Regarding visitors, global footfall remained stable between 2017 and 2018 leading to a flat evolution in carbon intensity of transport.

Changes in carbon performance with regard to the targets is presented in a progress graph in Section 2.1.5.2 Summary of the Group's CSR performance.

2.2.1.2 Carbon assessment

The carbon footprint facilitates better measurement of the entire Scope of emissions linked with the Group activities and to identify the responsibilities of the different players and the levers to enhance the Group's carbon impact. As part of the "Better Places 2030" programme, the Group updated its carbon footprint measurements for 2015 (benchmark year), 2017 and 2018.

— Methodology

The method used for quantifying emissions is based on the ISO 14064-1 standard, the GHG Protocol guidelines and the Bilan Carbone® methodology of ADEME (*Agence de l'Environnement et de la Maîtrise de l'Énergie*, or French Environment and Energy Management Agency), and is subject to specific methodological guidelines (see Section 2.5.1 Unibail-Rodamco-Westfield's reporting methodology in continental Europe).

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

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

SCOPES 1 & 2 (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-Westfield's operational control	Emissions from energy production not included in Scopes 1 and 2 (extraction, production and transport of fuel, electricity, hot and cold steam): transport and upstream distribution of energy consumed 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-Westfield employees' transportation from home to work
	Business travel: Unibail-Rodamco-Westfield employees' business travel by plane, train and taxi
	Greenfield/brownfield 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, either because they do not apply to the Group's business, or because the Group cannot influence them significantly: direct emissions from processes excluding energy; biomass emissions (soil and forests); upstream transport of goods; upstream leased assets; downstream transport of goods; use of sold products; end of life of sold products; downstream franchised assets; and other indirect emissions.

— Results: Group carbon footprint

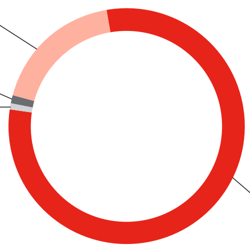
Greenhouse gas emissions are preferably expressed according to the "Market-Based" approach (suppliers' emissions factors) in order to highlight the efforts made in selecting the Group's energy suppliers. However, to take into account the expectations of various stakeholders, results are also expressed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

The carbon footprint for 2015 is the point of reference for the "Better Places 2030" strategy. The latter is presented in detail in the Group's 2017 Registration Document.

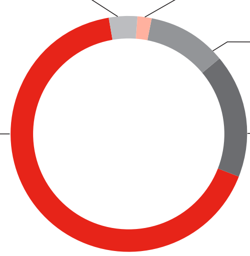
2018 GROUP CARBON FOOTPRINT FOLLOWING "MARKET-BASED" AND "LOCATION-BASED" METHODS

	Carbon footprint (TCO_2eq)	
	"Market-Based" method	"Location-Based" method
Scope 1	12,033	12,033
Scope 2	25,867	92,838
Scope 3 Managed - Operational control by the Group	363,675	363,774
Scope 3 Related - Stakeholders' responsibility	1,617,146	1,594,620
TOTAL	**2,018,721**	**2,063,264**

SPLIT OF THE GROUP'S 2018 CARBON FOOTPRINT BY SCOPE



SPLIT OF THE GROUP'S 2018 CARBON FOOTPRINT BY ACTIVITY



GROUP CARBON FOOTPRINT: 2018 CHANGE COMPARED TO 2015 (1)

	2018	2015	2018 comparable to 2015 (1)	Change in 2018 comparable to 2015 (1) vs. 2015
			Thousands TCO_2eq	%
Total energy (managed energy + tenant energy)	317	308	277	-10%
Construction	283	324	310	-4%
Visitor and staff transportation	1,349	1,300	1,300	0%
Others	70	62	62	0%
TOTAL	**2,019**	**1,994**	**1,949**	**-2%**

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 key Scope 3 carbon priorities.

— Focus on Scope 1 and 2 emissions from the operation of the buildings

As part of its proactive policy on efficient building operation, building on its long-standing commitments in this field and in line with its "Better Places 2030" programme, the Group is monitoring greenhouse gas (GHG) emissions from the downstream energy consumption of shared areas and facilities of its owned and managed buildings.

To manage the carbon performance of its operational activities, the Group has set indicators for the intensity of greenhouse gas emissions per visit for each centre operated. This makes it possible to analyse a building's overall carbon efficiency on a like-for-like basis depending on its purpose and scope. These indicators trace the combined performance of the following main components:

- energy efficiency of the building (i.e. less consumption) (kWh/m^2);
- carbon dependency of the primary energy mix (changes in greenhouse gas emissions rates, in CO_2eq/kWh);
- and the intensity of usage of the building (increased footfall expressed as visit/m^2).

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 (41% cumulative reduction between 2012 and 2016), in 2018, the carbon intensity of the Group's shopping centres portfolio (CO_2eq/visit) continued to decrease significantly: -47% compared to 2017 on a like-for like basis. This strong performance was due to:

- the accomplished transition towards electricity from renewable sources under the "Better Places 2030" programme, which largely contributed to this decline: starting in 2018, shopping centres, offices and convention and exhibition centres in France are 100% powered by electricity from renewable sources over a full calendar year, as for the 2 last shopping centres in Central Europe that were not yet fully supplied with renewable electricity in 2017;
- a continued improvement in the energy efficiency level of the owned and managed assets portfolio between 2017 and 2018: -2% in energy consumptions on a like-for-like basis from 2017 to 2018;
- the improvement of 26% of the emission factors of various energy suppliers (heating & cooling district networks) from 2017 to 2018, 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 relatively stable from 2017 to 2018 on a like-for-like basis, visits did not have an impact on the carbon intensity indicator this year.

2.

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

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

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
2018 Total	**49/49**	**32,588**	**6/6**	**2,097**	**5/6 (1)**	**4,537**
of which direct emissions - Scope 1	*49/49*	*8,628*	*6/6*	*211*	*5/6 (1)*	*2,592*
of which indirect emissions - Scope 2	*49/49*	*23,959*	*6/6*	*1,887*	*5/6 (1)*	*1,945*
2017 Like-for-like	42/43 (2)	41,753	5/5	740	4/5 (2)	5,118
2018 Like-for-like	42/43 (2)	23,423	5/5	1,002	4/5 (2)	3,718
2018/2017 change *(%)*	42/43 (2)	-44%	5/5	-22%	4/5 (2)	-27%
2018/2015 CUMULATIVE CHANGE *(%)*		**-62%**		**-77%**		**-46%**

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).
(2) Like-for-like scope excludes Ulis 2 (metering incomplete for district heating consumption in 2017) and Espace Grande Arche.

The Group policy regarding renewable electricity purchase enables it to reduce its operations carbon footprint year over year. It also allows the Group to encourage producers to invest in the development of clean technologies by increasing market demand for these energy sources. 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 101,669 tonnes of CO_2eq for 2018[2] (Scopes 1 & 2), which is 2.9 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).

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

(2) Scope: owned and managed Sopping Centres and Offices.

CARBON INTENSITY LINKED TO THE ENERGY CONSUMPTION OF STANDING ASSETS (SCOPES 1 & 2) BY USAGE[1] FOR SHOPPING CENTRES (gCO_2EQ/VISIT/YEAR), FOR OFFICES (gCO_2EQ/OCCUPANT/YEAR), AND FOR CONVENTION & EXHIBITION VENUES (gCO_2EQ/M^2 DOP/YEAR)

	Shopping Centres (gCO_2eq/Visit)		Office (gCO_2eq/occupant)		Convention & Exhibition venues (gCO_2eq/m^2DOP)	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
2018 TOTAL	**49/49**	**50**	**6/6**	**136,198**	**5/6 (1)**	**168**
2017 Like-for-like	36/43 (3)(2)	87	5/5	184,789	4/5 (2)	344
2018 Like-for-like	36/43 (3)(2)	46	5/5	119,776	4/5 (2)	265
2018/2017 CHANGE *(%)*	**36/43 (3)(2)**	**-47%**	**5/5**	**-35%**	**4/5 (2)**	**-23%**

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).
(2) Like-for-Like excludes Espace Grande Arche and Ulis 2 (metering incomplete for district heating consumption in 2017).
(3) Excluding Fisketorvet, Galeria Mokotów, La Part Dieu, Cour Oxygène, Pasing Arcaden, Höfe am Brühl and Palais Vest (erroneous footfall count in 2017).

CARBON INTENSITY FROM THE ENERGY CONSUMPTION OF STANDING ASSETS (SCOPES 1 & 2) BY FLOOR AREA[1] (KG OF CO_2EQ/M^2/YEAR)

	Shopping Centres		Office	
	Scope	Total (Europe)	Scope	Total (France)
2018 Total	**49/49**	**10**	**6/6**	**8**
2017 Like-for-like	42/43 (1)	17	5/5	11
2018 Like-for-like	42/43 (1)	9	5/5	8
2018/2017 CHANGE *(%)*	**42/43 (1)**	**-48%**	**5/5**	**-22%**

(1) Like-for-Like scope excludes Ulis 2 (metering incomplete for district heating consumption in 2017).

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.

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

2018	Total Shopping Centres (Europe)
Refrigerants' emissions	2,329

2.2.1.3 Risk management and adaptation to climate change

The Group's risk management framework is presented in Section 6. Risk factors and internal control.

CSR risks were analysed at Group level (see Section 2.1.3.2 CSR risks and opportunities); this section presents a detailed analysis of the climate change risks.

As well as gearing 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".

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

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-Westfield's strategic focus on major cities, there is a low likelihood that the Group's activities in continental Europe will be affected by tidal flooding, extreme temperature variations, aridity, population displacement, etc., given the low exposure of these locations to those risks. In 2012, a specific study was commissioned in order to assess the Group's exposure (continental Europe) to flood and earthquake risks. It was concluded that very few assets are located in areas exposed to such risks.

In 2016, the Group commissioned a new study of the potential impacts of global warming on insurance losses by its assets in continental Europe. This study mapped the assets with the greatest exposure to three main climate risks: flooding and marine submersion, storms and drought. In particular, it assesses the potential financial impact of global warming on these assets, so that they have the proper level of insurance cover.

(1) See Reporting Methodology, Section 2.5.1.1 Definitions and reporting values.

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-Westfield's due diligence process for acquisitions and greenfield/brownfield development projects covers the analysis of risks and opportunities related to financial and operational issues.

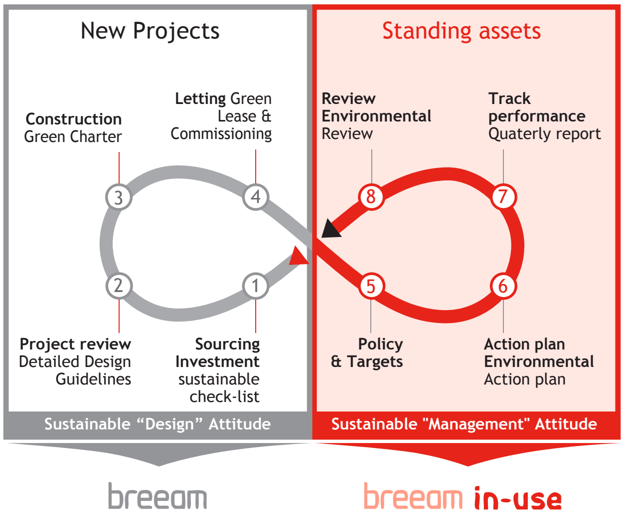
For example, the process includes a complete audit of technical, regulatory, environmental, and health & safety performance. The potential financial impact of identified risks is taken into account during the due diligence phase. Issues covered include risks associated with climate change, soil pollution, protection of wetlands, asbestos, legionella and electromagnetic radiation.

2.2.2 DESIGNING SUSTAINABLE BUILDINGS

2.2.2.1 Environmental Management Systems (EMS)

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-Westfield'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). Best practices from the Sustainable Design Attitude are leveraged to improve the Sustainable Management Attitude and vice versa.

TWO COMBINED ENVIRONMENTAL MANAGEMENT SYSTEMS TO ENSURE THE HIGHEST PERFORMANCE AND CERTIFICATIONS



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 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.

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

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

— Sustainable Design Attitude: an EMS for development projects

The Sustainable Design Attitude ensures that all development projects, whatever their size or type, are designed in the most sustainable way in 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 greenfield/brownfield 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:

- acquisition audit: 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. In addition, a Life Cycle Assessment (LCA) is systematically conducted on projects, right from the design phase, to identify levers for reducing their carbon footprint;

- construction: the contractor agrees to abide by the Group's Considerate Construction Charter, which is designed to limit the social and environmental effects of the construction process;
- commissioning: a commissioning process is followed to ensure that 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.

— *Flagship Centres – Design and Operational Requirements (DOR)*

The key objective of the DOR project was to define a set of 'End User' requirements for all future Flagship centres, to be included in the development 'Client Brief Basic Scope' to the Design & Construction teams. 68 category headings were compiled including environmental and technical specificities from 'Access Equipment' through to 'Wind & Thermal Management' and subject expert 'Champions' were identified from all areas of the business to assist in compiling the data. Each category includes an introduction, with best practice and lessons learnt where applicable, space requirements, technical & equipment requirements, risk management & operational requirements, service & maintenance requirements and innovation & future systems/technology requirements. Each requirement was then categorised as a 'Must Have' base build requirement, or a 'Should Have' for innovation and future proofing requirements.

The DOR has been included in the 'Client Brief' for Milano, Westfield Stratford City Phase 2 and Croydon, and a gap analysis has been produced for each development project, to ascertain any omitted items to be included for scoping and costing.

In terms of business benefits, the implementation of the DOR will ensure that we deliver real value to the Development, Design & Construction and Centre Management Operational processes, and provide the platform to drive continuous improvements.

— Project design and review stage

Since 2009 the Group's "Design Guidelines" have been applied to all greenfield/brownfield 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 regularly 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.

— *Energy & carbon*

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

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, 100% of development projects[1] had conducted a Life Cycle Assessment analysis in the design phase as at end 2018.

(1) Controlled development projects as at 01/01/2018 over 10,000 m2 GLA, excluding renovations with no floor area extension.

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).

It is an approach that 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 2018, 79% of development projects[1] 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 2018, 100% of shopping centres[2] in development are entirely equipped with LEDs in the common areas.

The Sisters project is a natural extension of the Group's ambitious environmental performance goals, guaranteed by Exceptional HQE, Outstanding BREEAM, and Effinergie + certifications and labels. This project has also been selected by ADEME to participate in the E+C- (Energy + Carbon -) pilot study to provide credible answers to the question of how high-rise buildings can transition to carbon neutrality. The E+C- framework is a precursor to future energy regulation, the aim being to design buildings that will be both positive energy and low carbon.

— *Water and Waste*

The Group's development projects are built in line with in-house Design Guidelines, the Considerate Construction Charter and BREEAM certification water and waste management requirements.

In particular, these recommendations include:

- good practice and clear technical steps on how to achieve water efficiency right from the design stage, in particular, in the choice of equipment installed (toilets, urinals, fire extinguishers, sprinkler systems, cooling systems, etc.);
- the production of waste management plans and project-specific reduction/reuse/recycling targets as standard practice;
- waste recycling targets and financial incentives for construction contractors defined in the Unibail-Rodamco-Westfield Considerate Construction Charter. Signing the charter is a pre-requisite for companies signing construction contracts. It should be noted that Unibail-Rodamco-Westfield works with large, reputable construction firms, which also apply their own certified construction and demolition waste management schemes.

— *Pollution and environmental risk management*

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

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

There is no provision for environmental risk in the Group's accounting in 2018.

— Sustainable construction

Since 2011, the Group's Considerate Construction Charter is applied to all greenfield/brownfield construction, 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 construction contractors are obliged to adhere to the Group's Considerate Construction Charter when signing any contracts with Unibail-Rodamco-Westfield in every region where the Group operates.

The Considerate Construction Charter includes the following requirements:

- providing information to people living nearby and limiting traffic disruptions;
- training and informing employees of construction companies;
- ensuring a proper management of risk and of hazardous 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.

(1) Committed and controlled development projects as at 01/01/2018 over 10,000 m² GLA, excluding renovations with no floor area extension.
(2) Committed development projects as at 01/01/2018 over 10,000 m² GLA, shopping centres only.

— *Pollution Prevention*

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

SOIL POLLUTION AND SITE REMEDIATION

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

	2017	2018
Monetary expenses in decontamination *(k€)*	9,275	8,267
Volumes concerned *(m^3)*	214,438	267,629

The volume of soil decontamination undertaken for development projects in 2018 has increased slightly with respect to last year, primarily driven by the continuation of groundworks from ongoing projects (Porte de Versailles Hall 6 and Hamburg), as well as works started in 2018 at Benidorm. On balance soil remediation works per m^3 have been cheaper than in 2017.

— *Health and Safety on work sites*

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

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

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

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

2.2.2.2 Environmental certification of buildings under development

Unibail-Rodamco-Westfield targets a BREEAM certification for all of its new European greenfield/brownfield construction and extension projects of more than 10,000 m^2. BREEAM is the most widely used environmental building certification framework in Europe. Unibail-Rodamco-Westfield has aimed to achieve a ranking of “Excellent”, or better, for greenfield/brownfield projects delivered, and a ranking of “Very Good” for extension projects, since 2016.

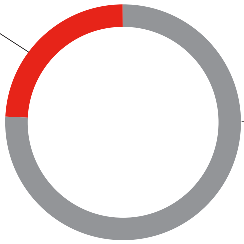
BREEAM certification acknowledges the project's environmental efforts, the proactive nature of the policy implemented and the contractor's technical ability. Right from the design stage, this framework can guide and manage efforts across a series of environmental initiatives relating to energy, resource management, health and wellbeing, water management, pollution control, transport, waste, innovation and the management of the global environmental impact via the use of life cycle assessment tools.

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.

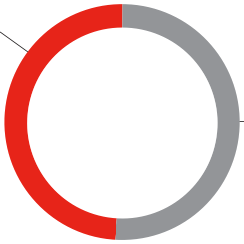
The Docks 76 project was the first shopping centre in Europe to receive the BREEAM certification. Since, the Group has continued to set the benchmark within the sector in Europe. In 2018 notably, the Group confirmed its leading position in terms of environmental certification by obtaining the following certificates:

- four BREEAM certifications with an “Excellent” rating for the design phase: two for the Gaité Montparnasse project (one for the offices and one for the shopping centre), one for the Trinity project and one for Versailles Chantier;
- one final BREEAM certification with an “Excellent” rating for the Mall of Scandinavia.

ENVIRONMENTAL CERTIFICATION PENETRATION RATE UNDER DEVELOPMENT WITHIN THE TOTAL SHOPPING CENTRE PROTFOLIO IN VALUE [(1)] (%)



ENVIRONMENTAL CERTIFICATION PENETRATION RATE UNDER DEVELOPMENT WITHIN THE TOTAL OFFICE PORTFOLIO IN VALUE[(1)] (%)



KPI: BREEAM ENVIRONMENTAL CERTIFICATION OF NEW DEVELOPMENTS – SHOPPING CENTRES

In 2018, 100% of the projects over 10,000 m² that were delivered or under construction were in a BREEAM certification process.

Project type	Certified projects	m² certified (2018 consolidated GLA)	Group's average[(1)] score	
New development	7	465,748	Excellent	71%
Extension	9	461,800	Very Good	62%
TOTAL	**16**	**927,548**	**VERY GOOD**	**66%**

(1) Average of scores obtained for each certificate weighted per floor area certified.

KPI: BREEAM ENVIRONMENTAL CERTIFICATION OF NEW DEVELOPMENTS - OFFICES

In 2018, 100% of the projects over 10,000 m² that were delivered or under construction were in a "BREEAM" and/or HQE certification process.

Project type	Certified projects	m² certified (2018 consolidated GLA)	Group's average[(1)] score	
New development	4	139,286	Excellent	76%
Refurbishment	4	37,024	Very Good	66%
TOTAL	**8**	**176,310**	**EXCELLENT**	**74%**

(1) Average of scores obtained for each certificate weighted per floor area certified.

HQE ENVIRONMENTAL CERTIFICATION OF NEW DEVELOPMENTS – OFFICES

Project type	Certified projects	m² certified (2018 consolidated GLA)	Group's average level
New development	3	126,389	Outstanding Passport
Refurbishment	1	44,566	Outstanding Passport
TOTAL	**4**	**170,955**	**OUTSTANDING PASSPORT**

Concerning the 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 of floor area. Palais des Congrès in Paris has obtained a BREEAM in use "Excellent" certification, corresponding to 29,000 m² of floor area.

— *Development certifications on the US Scope*

In the United States, two development projects were certified according to the LEED standard: Westfield Century City (Gold) and Westfield UTC (Gold). Leadership in Energy and Environmental Design (LEED) is the North American system for certifying high environmental quality buildings, created by the US Green Building Council. The LEED assessment system encourages sustainable construction by taking a comprehensive approach to sustainability which acknowledges performance across 8 areas with positive environmental (site ecology, energy, water management, materials, air quality) and social (location, regional priority) impacts.

(1) In terms of Gross Market Values as at December 31 2018, excluding values of shares in assets accounted for using the equity method, except for CentrO and Paunsdorf (included in the reporting scope).

2.2.2.3 Construction materials

— Reducing carbon impact of construction materials

As part of its pioneering commitment to reducing its construction carbon footprint by 35% between 2015 and 2030, the Group focusses on the choice and use of the materials 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 particularly in order to promote the use of optimal materials with a view to moving towards a smaller carbon footprint for each project (see Section 2.2.2.1 Environmental Management Systems (EMS), Energy and Carbon section).

This policy ensures that materials are matching the carbon goals, that reuse of existing structures and materials is examined, and that preference is 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 (around 50%). This is followed by technical equipment (12.5%), earthwork and road systems (9%) and building insulation (facade and waterproofing, 7.5%). 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, notably in the foundations of the Trinity office project, covering infrastructure of Avenue de la Division Leclerc, and composite floors of the office spaces. The applicability of this type of low carbon cement incorporating industrial by-products is currently being studied for other development projects.

On the greenfield/brownfield mixed use project, Ateliers Gaité, Unibail-Rodamco-Westfield is working closely with Hoffman Green Cement Technologies to incorporate an innovative cement which could result in a carbon footprint reduction of more than 50% compared with traditional concrete. The project will also include a residential property utilising timber construction, using bio-sourced materials to reduce indirect construction-related emissions.

The Group is also interested in circular economy initiatives, and measures to reuse materials and recycle site waste.

— A responsible supply chain

In line with BREEAM certification requirements, the Group's materials policy specifies that at least 80% of timber used in development, extension and renovation projects must be from certified, sustainably managed forests with FSC or PEFC for example.

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 timbers, etc.).

2.2.2.4 Comfort, health, well-being and productivity for users of our buildings

Comfort and well-being issues are a determining factor in our technical and architectural choices for development, refurbishment and extension projects (e.g. 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 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 avoids glare, while providing improved insulation and high levels of natural daylight. Workspace comfort is also a consideration when designing Office projects which incorporate systems enabling occupants 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.

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

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.

In subscribing to the WELL certification process, the sisters tower project centres its design around the health, comfort and well-being of its occupants. WELL is the first construction certification in the world to base its rankings exclusively on the health and well-being of office staff and incorporates themes such as air quality, food, physical activity and the comfort and physical well-being of its occupants.

2.2.3 IMPROVING IN-USE ENVIRONMENTAL EFFICIENCY

2.2.3.1 Environmental Management Systems (EMS)

— 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-Westfield's continuous improvement policy for each area covered by the Group's CSR policy, including climate change, resource use and stakeholders. It supplements the Sustainable Design Attitude, the development project EMS, as part of the overall policy of managing the environmental quality of the Group's assets throughout their life cycle (see Section 2.2.2.1 Environmental Management Systems (EMS) - Sustainable Design Attitude: an EMS for development projects).

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, greenhouse gas emissions, water, waste, transport and stakeholders is implemented and challenged for each managed site;
- quarterly report and Registration Document: performance is measured and assessed on a quarterly basis at the site, region and Group levels. A corrective action plan is implemented in case of deviation;
- review: 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 sets itself ambitious targets in terms of asset certification under this standard (see Section 2.2.3.2 Environmental certification of buildings during the operation phase). This international standard was applied to the Group's assets in 2011 to promote the quality of their environmental management and related performances in terms of visitors, tenants and local communities. 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*

In order to demonstrate the environmental performance of its assets, Unibail-Rodamco-Westfield commissioned an independent verifier 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.

Furthermore, all 8 of the assets that are owned and managed by the Group in Spain, including the headquarters, were ISO 14001 certified until July 31, 2018.

— *ISO 14 001 Certifications in the United Kingdom*

The two London shopping centres, Westfield Stratford City and Westfield London Centre, have both been certified under the ISO 14001 environmental management standard since 2013 and 2015, respectively.

— ***ISO 20121 Process – Convention & Exhibition (Viparis Group)***

The Viparis Group is engaged in the ISO 20121 certification process which recognises Social and Environmental Responsibility management systems for events businesses. Viparis' ISO 20121 certification, 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.

2.2.3.2 Environmental certification of buildings during the operation phase

Unibail-Rodamco-Westfield aims to obtain BREEAM "In-Use" certification for all its new owned and managed assets in Europe and has 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 its portfolio of Shopping Centres (number of assets owned & managed), 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 its portfolio of offices (number of assets owned & managed). Progress with these targets is shown in Section 2.1.5.2 "Summary of the Group's CSR performance".

At the end of 2018, the Group had 51 assets certified under the management section (Part 2) of BREEAM In-Use certification (47 Shopping Centres and 4 Office buildings) accounting for a certified area of over 3.4 million m^2.

— Retail

2018 was a particularly active year in terms of BREEAM "In-Use" certification with 16 Shopping Centres obtaining re-certification. This concerned the following assets certified in 2015 for which the certificates expired in 2018: Les Quatre Temps, Aéroville, Almere, Amstelveen, Arkadia, Centrum Chodov, Cnit, Donauzentrum, Euralille, La Maquinista, Palais Vest, Parly 2, Parquesur, Part-Dieu, Splau and Zoetermeer.

The Group has performed highly, and established local market benchmarks in a number of countries. 8 out of the 16 centers certified in 2018 have achieved an "Outstanding" rating for building management (part 2). Of these, Aéroville and Centrum Chodov also obtained an "Outstanding" certification for both the intrinsic quality (part 1) and the building management (part 2).

Centrum Chodov achieved the highest score in the portfolio of standing commercial centers for building management (part 2), making it the commercial center with the highest overall score in the Tczech Republic as per the BREEAM In-Use international 2015 criteria. Aéroville Shopping Centre in France achieved the highest level double "outstanding" certification, making it the 7th Shopping Centre within the Group's portfolio to do so.

As at December 31, 2018, the Group had 47 owned and managed Shopping Centres certified under BREEAM "In-Use" in Europe, of which 22 were rated "Outstanding". Certified Shopping Centres account for over 3.3 million m^2 consolidated GLA and correspond to 90% of the owned and managed Shopping Centres portfolio (in terms of certified assets' value).

47% of the BREEAM "In-Use" certificates awarded to the Group's Shopping Centres achieved the "Outstanding" level for the "Building Management" (part 2) component, compared to an average of just 11% 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.

KPI: BREEAM IN-USE ENVIRONMENTAL CERTIFICATION FOR STANDING ASSETS – SHOPPING CENTRES (GROUP TOTAL IN CONTINENTAL EUROPE)

	2018	Cumulated (as at December 31, 2018)
Number of owned & managed assets certified[(1)]	16	47
Floor area certified[(1)] *(m^2 GLA)*	1,296,600	3,286,400
Average[(2)] score "Asset" (Part 1)	76.90% - Excellent	75.90% - Excellent
Average[(2)] score "Building Management" (Part 2)	83.25% - Excellent	81.68% - Excellent

(1) A single Breeam In Use certification covering the entire asset Scope is accredited to the Cnit asset, which has both office and retail space. Cnit office space is excluded from the certified floor area presented in this table and accounted for in the next table "KPI: Breeam in-use environmental certification for standing assets - Offices".

(2) Arithmetic average of scores obtained for each certificate.

(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 31,2018 - 371 retail assets certified under BREEAM In-Use International 2015 (Part 2).

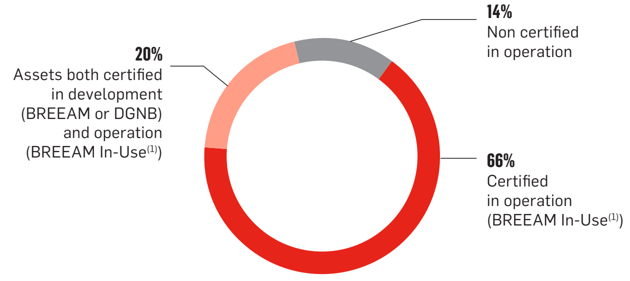
RATE OF BREEAM IN-USE ENVIRONMENTAL CERTIFICATION FOR SHOPPING CENTRES BY NUMBER OF ASSETS AND FLOOR AREA (GROUP TOTAL IN CONTINENTAL EUROPE)

Shopping Centres (Europe)	Owned and managed porfolio[2]	Total 2017 consolidated m² GLA in 2017[1]	Assets Certified[2]	Certification coverage % *(in number)*	Certification coverage % *(in m² GLA)*
TOTAL	**51**	**3,570,700**	**47**	**92%**	**92%**

(1) Total GLA consolidated (owned and managed assets).
(2) In number of owned and managed assets.

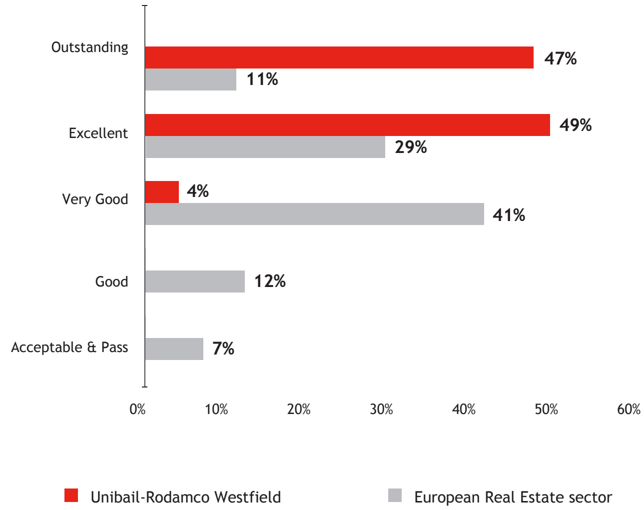
2.

ENVIRONMENTAL CERTIFICATION RATE IN OPERATION PHASE WITHIN THE TOTAL STANDING SHOPPING CENTRE PORTFOLIO IN VALUE [1] (%)



(1) Part 2: Building Management

BREAKDOWN OF BREEAM IN-USE SHOPPING CENTRE CERTIFICATIONS BY SCORE[2] (IN NUMBER OF ASSETS)[3] IN COMPARISON WITH THE EUROPEAN RETAIL REAL ESTATE SECTOR[4]



— Office

7 Adenauer, Unibail-Rodamco-Westfield's corporate 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 2018 the office section of Cnit was recertified under BREEAM In-Use International 2015 criteria. It achieved an "Excellent" rating for both the asset component (part 1), and the building management component (part 2).

As at December 31, 2018, 100% of the owned and managed Office portfolio was certified.

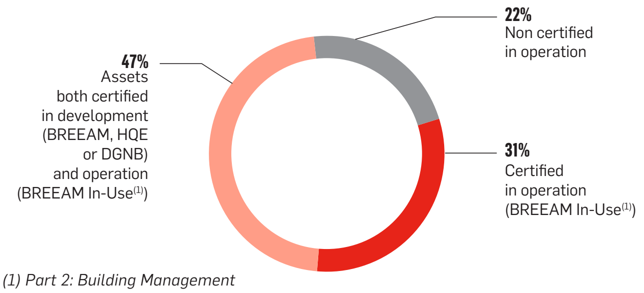
KPI: BREEAM IN-USE ENVIRONMENTAL CERTIFICATION FOR STANDING ASSETS – OFFICES (GROUP TOTAL IN CONTINENTAL EUROPE)

	2018	Cumulated (as at December 31, 2018)
Number of owned & managed assets certified[1]	-	4
Floor area certified[1] *(m² GLA)*	37,100	170,300
Average[2] score "Asset" (Part 1)	76.20% - Very Good	65.15% - Very Good
Average[2] score "Building Management" (Part 2)	75.80% - Excellent	71.33% - Excellent

(1) The Cnit asset, which contains both retail and office space has received a single Breeam In Use certification covering the entire asset scope. To avoid duplication with the retail count, Cnit is excluded from the certified asset count above, being already accounted for in the table "KPI: Breeam In-Use environmental certification for standing assets - Shopping Centres", but it is included to determine certified GLA and average accreditation scores in this table.
(2) Arithmetic average of scores obtained for each certificate.

(1) In terms of Gross Market Values as at December 31 2018, excluding values of shares in assets accounted for using the equity method except for CentrO and Paunsdorf (included in the reporting scope).
(2) Score of retail assets in Building Management (Part 2).
(3) 51 owned and managed Shopping Centres as at December 31, 2018.
(4) 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 31,2018 - 371 retail assets certified under BREEAM In-Use International 2015 (Part 2).

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



(1) Part 2: Building Management

2.2.3.3 Green leases and tenant commitments

Since the end of 2009, the Group has been committed to an active policy of promoting "green leases". 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 increased constraints (regulatory, availability, etc.) on resource management.

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. These first versions of "green leases" cover those aspects that are most likely to improve tenants' environmental behaviours and performances, such as, commitment to sharing energy consumption data, technical specifications for fitting-out projects (especially maximum power for private lighting), and various measures to save energy and water and sort waste.

As part of the "Better Places 2030" commitments, this environmental appendix on leases has been strengthened in 2017 to reflect the Group's new ambitions in terms of environmental performance and contributions to the community. Clauses have been added to the first version and include in particular the obligation to install LED lighting solutions in any new private tenant space from 2020 onwards and the obligation 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), systematically offered to tenants since May 1, 2017, has a penetration rate of 88% among all leases signed in both existing and pipeline shopping centres in 2018.

KPI: NUMBER AND PERCENTAGE OF GREEN LEASES V2 AMONG SIGNED AND ACTIVE LEASES (SHOPPING CENTRES)

Year	2018
Number of green leases version 2 signed during the year	1,128
% of green leases version 2 signed during the year	88%
% of green leases version 2 signed vs total active leases in the Group	19%

Version 2 Green Leases are since the start of 2018 applied to Offices as well as Shopping Centres. For this reason Version 1 Green Leases still make up 72%[2] of all active leases for Offices at the end of 2018.

— LED and "green" electricity partnerships

Implemented 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. At the end of 2018, the Group had already committed 254 Group retailers to signing these voluntary agreements.

KPI: NUMBER AND PERCENTAGE OF GREEN LEASES V2 AMONG SIGNED AND ACTIVE LEASES (OFFICES)

Year	2018
Number of green leases version 2 signed during the year	5
% of green leases version 2 signed during the year	83%
% of green leases version 2 signed vs total active leases in the Group	13%

(1) In terms of Gross Market Values as at December 31 2018, excluding values of shares in assets accounted for using the equity method except for CentrO and Paunsdorf (included in the reporting scope).

(2) Excluding leases that were signed by other parties for Rosny 2 lots prior acquisition (lots not owned at signature date).

2.2.3.4 Energy management

— Energy consumption

As part of its operational environmental performance management process, the Group is continuing to measure improvements in its energy efficiency by segment against its historical 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^2 JOOC) for Conference and exhibition venues compared with 2014 levels (see Section 2.1.5.2 Summary of the Group's CSR performance).

In 2018, Shopping Centres owned & managed by the Group achieved a 2% reduction in absolute energy consumption (MWh) on a like-for-like basis, compared with 2017. Energy efficiency efforts deployed since 2012 have led to a cumulative reduction of 19% (kWh/visit) since 2012 and of 7% 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.

At December 31, 2018, four assets owned and managed by the Group (both Shopping Centres and Offices) had an Energy Performance Contract (EPC) and two additional EPCs were being rolled out. These EPCs are a contractual arrangement between Unibail-Rodamco-Westfield 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 in terms of improving energy efficiency as well as longer-term actions aimed at feeding into investment plans for assets. An energy audit had already been conducted on the bulk of the portfolio by the end of 2018 and these assessments will be updated on an ongoing basis for as long as is necessary.

— *Energy efficiency of UK assets*

The Group's UK assets implemented several of these levers, such as the introduction, in 2015, of a programme to curtail energy consumption, reducing electricity consumption at peak times and making cost savings. An energy management contract was also introduced at Westfield London in 2017, with a real-time management system including the target of reducing annual electricity consumption in the shopping centre's common areas by 6%.

In terms of the upgrading technical equipment, the Group is systematically outfitting its assets with Building Management Systems (BMS), so on-site teams can easily monitor and manage energy 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. Energy audits on certain sites resulted in the identification and implementation of good practices to significantly improve energy efficiency, such as refurbishing old air conditioning units to limit loss and ensuring that new air flow is tailored to measured footfall, particularly for a number of assets in Germany and Sweden.

In line with the objectives of its new "Better Places 2030" CSR programme, in 2018 the Group continued to implement LED lighting technology across its existing portfolio (common and private areas). Two actions continued in this respect in 2018:

- budgets were set aside in the Group assets' 2018 action plans to support the gradual replacement of existing light sources with LED (common areas, including car parks);
- retailers have been 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 2.2.3.3 Green leases and tenant commitments.

According to the LED mapping performed in 2018 in the common areas of the Group's owned and managed shopping centres, the LED equipment rate amounts to 59% in these areas. The Group also conducted a survey for the second time in 2018, to determine the progress of LED rollout in private areas in 100% of the owned and managed Shopping Centres.

Targets for implementing LED lighting in the Group's assets took the energy saving process a step further by updating lighting studies to optimise the number of lighting units, their zoning, brightness, management and timer programming. In-house technical guidelines were also introduced in 2018 to guarantee users an equivalent level of comfort (brightness, colour, glare, diffusion area, etc.) when lighting units are replaced by LEDs.

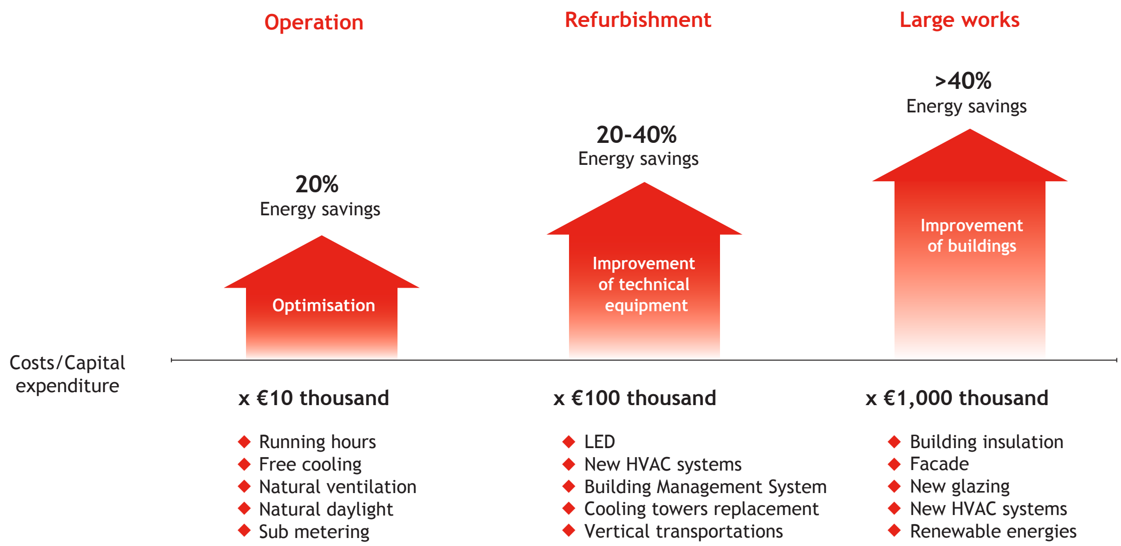
— *Plan to roll out LED lighting in the United States*

In the United States, improving lighting units' energy efficiency is considered a major lever for reducing indirect energy consumption (Scope 2). The roll-out of LED lighting in US shopping centres continues, in order to improve the performance of lighting units both in malls as well as in external spaces and back rooms. In 2018, 5 LED lighting projects were successfully completed, with estimated related energy savings of 3,400 MWh per year. 37 new projects to implement LED lighting, which will unlock savings of more than 14,000 MWh of electricity a year are being looked into for future years. This does not include greenfield/brownfield construction and major development projects in which LED lighting will be used as standard.

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 (see Section 2.2.2.1 Environmental Management Systems (EMS)).

Through increased energy efficiency together with its work with retailers, Unibail-Rodamco-Westfield 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



ENERGY CONSUMPTION (MWH)

Final energy purchased by site mangers for use in common areas and common equipment, and provided to tenants for heating and/or cooling. Electricity purchased by tenants is not included.

Energy consumption includes direct and indirect energy. 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 from various energy sources by and purchased from a third party in the form of electricity or fluids (heating and cooling networks).

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
2018 TOTAL	**49/49**	**498,069**	**6/6**	**38,158**	**5/6 (1)**	**98,950**
of which direct energy (Scope 1)	*49/49*	*46,678*	*6/6*	*1,140*	*5/6 (1)*	*14,024*
of which indirect energy (Scope 2)	*49/49*	*451,391*	*6/6*	*37,018*	*5/6 (1)*	*84,926*
2017 Like-for-like	42/43 (2)	403,992	5/5	31,570	4/5 (2)	68,980
2018 Like-for-like	42/43 (2)	395,950	5/5	34,263	4/5 (2)	65,493
2018/2017 CHANGE (%)	**42/43 (2)**	**-2%**	**5/5**	**11%**	**4/5 (2)**	**-19%**

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).
(2) Like-for-Like scope excludes Ulis 2 (metering incomplete for district heating consumption in 2017) and Espace Grande Arche.

KPI: TENANTS' PRIVATE ELECTRICITY CONSUMPTION (MWH)

Electricity purchased by the site manager and distributed to private parts for the personal use of tenants in the case of owned and managed shopping centres that distribute electricity to tenants and bill them for it.

	Shopping Centres(1)			
2018	Landlord: managed common electricity consumption *(MWh)*	Tenants: private electricity consumption *(MWh)*	Number of tenants	Floor area (GLA)
Split of electricity consumptions	65,904	80,977	1,140	532,000

(1) Scope: 5 Shopping Centres.

FINANCIAL IMPACT RESULTING FROM CHANGES IN ENERGY CONSUMPTION (€)

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

	Retail	
	Scope	Total (Europe)
2018/2017 change in energy consumption *(MWh)*	42/43(1)	-8,042
Financial savings 2018/2017 *(€)*	42/43(1)	-875,929

(1) On a Like-for-Like Scope basis, excluding Ulis 2 (metering incomplete for district heating consumption in 2017).

KPI: ENERGY EFFICIENCY PER USAGE(1) FOR SHOPPING CENTRES (KWH/VISIT/YEAR), FOR OFFICES (KWH/OCCUPANT/YEAR), AND FOR CONVENTION & EXHIBITION CENTRES (KWH/M² DOP/YEAR)

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
2018 Total	**49/49**	**0.77**	**6/6**	**2,502**	**5/6 (1)**	**3,66**
2017 Like-for-like	36/43 (2)(3)	0.77	5/5	2,734	4/5 (2)	4,63
2018 Like-for-like	36/43 (2)(3)	0.75	5/5	2,458	4/5 (2)	4,67
2018/2017 CHANGE *(%)*	**36/43 (2)(3)**	**-3%**	**5/5**	**-10%**	**4/5 (2)**	**1%**

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).
(2) Like-for-Like scope excludes Ulis 2 (metering incomplete for district heating consumption in 2017) and Espace Grande Arche.
(3) Excluding Fisketorvet, Galeria Mokotów, La Part Dieu, Cour Oxygène, Pasing Arcaden, Höfe am Brühl and Palais Vest (erroneous footfall count in 2017).

(1) See Reporting Methodology, Section 2.5.1.1 Definitions and Reporting values.

ENERGY EFFICIENCY BY FLOOR AREA[1] (KWH/M²/YEAR)

	Shopping Centres		Office	
	Scope	Total (Europe)	Scope	Total (France)
2018 Total	**49/49**	**151**	**6/6**	**158**
2017 Like-for-like	42/43[1]	163	5/5	158
2018 Like-for-like	42/43[1]	149	5/5	171
2018/2017 CHANGE *(%)*	**42/43[1]**	**-9%**	**5/5**	**4%**

(1) Like-for-Like scope excludes Ulis 2 (metering incomplete for district heating consumption in 2017).

KPI: INSTALLATION OF LED LIGHTING IN COMMON AREAS OF EXISTING SHOPPING CENTRES (%)

	Scope (in number of shopping centres)	Percentage of LED units in common areas of the Group's standing Shopping Centres *(%)*
2017	53/55	43%
2018	**51/51**	**59%**

INSTALLATION OF LED LIGHTING IN PRIVATE AREAS OF EXISTING SHOPPING CENTRES (%)

	Scope *(in number of shopping centres)*	Share of private areas fully fitted with LEDs *(%)*
2017		
In number of retail units	*53/55*	*24%*
In gross lettable floor area	*53/55*	*22%*
2018		
In number of retail units	*51/51*	*35%*
In gross lettable floor area	*51/51*	*33%*

— Energy mix

Unibail-Rodamco-Westfield works at reducing the environmental impact of the energy it consumes by purchasing low-carbon or renewable energy from suppliers and generating low-carbon/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 be sourced from solar, wind, oceanic, hydroelectric, biomass or geothermic resources.

Within its "Better Places 2030" strategy, the Group has in particular accelerated its transition towards sourcing its electricity from renewable sources ("green electricity") in order to meet its target of having in 2018 all of its owned and managed assets in continental Europe (shopping centres, offices and conference and exhibition centres) run on green electricity. Thus, in 2018, "green" electricity contracts in place in 2017 were maintained by the Group, Central Europe extended the coverage of its renewable electricity supply to all of its Shopping Centres, and, from January 1, 2018, France joined the list of countries in which all of the Group's assets (Shopping Centres, Offices and Convention & Exhibition Centres) are running entirely on electricity from renewable sources, thus leading to all seven regions and 100% Group assets in Continental Europe running entirely on electricity from renewable sources in 2018.

The energy mix is a key focus. For example, the Group chooses district systems rather than natural gas to heat its buildings wherever possible. 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 renewable electricity in the stores in its centres by signing targeted partnership agreements with leading international retailers since 2016 (refer to Section 2.2.3.3 Green leases and tenant commitments).

(1) See Reporting Methodology, Section 2.5.1.1 Definitions and Reporting values.

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 10 assets in France, Spain, Austria, Poland and the Netherlands and a wind turbine installed in Carré Sénart Shopping centre in France produce renewable electricity for sale to the national grid. Furthermore, In France, Aéroville uses geothermal energy to meet its heating and cooling needs.

The current total installed renewable energy capacity of the Group's shopping centres in continental Europe is 870 kW.

— *Solar Programme in the US and in the UK*

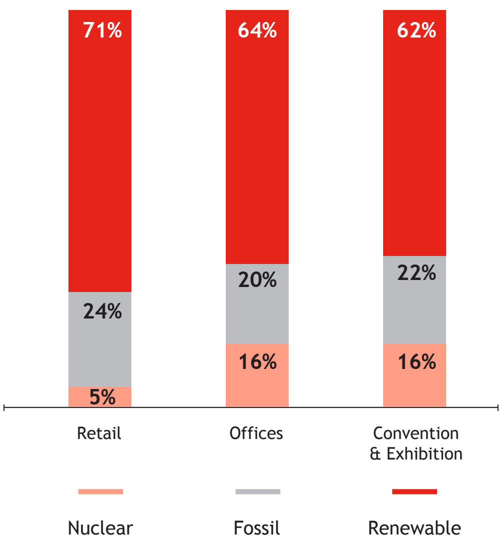
Since 2010, the Group has been rolling out a photovoltaic installation programme across its UK and US sites to generate onsite solar electricity. Thanks to a strong commitment from top management coupled with the benefits of reduced and stabilised billing, the installed capacity of the Group's systems has increased continuously since the rollout began, improving costs savings whilst also acting as a point of difference between the Group and market peers. In the year 2018, an additional 3.7 MW of photovoltaic solar capacity has been installed across Topanga, Valley Fair, bringing the total capacity up to 7 MW. In 2019, the US plans to install an additional 3.8 MW at Valley Fair, Garden State Plaza, and UTC. Additionally, there are ongoing feasibility studies at the two UK centres, which could add a further? 1 MW of capacity. With the clear commercial and sustainability benefits of the systems, there are plans to continue the rollout of this solar programme over the coming years.

CARBON WEIGHT OF ENERGY MIX OF STANDING ASSETS (gCO_2EQ/KWH)

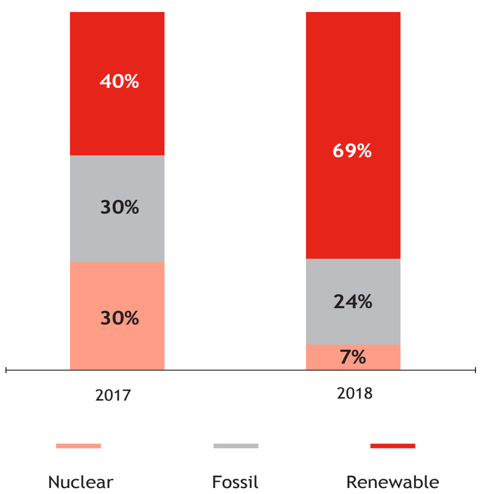
	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
2018 TOTAL	**49/49**	**65**	**6/6**	**55**	**5/6 (1)**	**46**
2018/2017 CHANGE *(%)*	**42/43 (2)**	**-37%**	**5/5**	**12%**	**4/5 (2)**	**-19%**

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).
(2) Like-for-Like excludes Ulis 2 (metering incomplete for district heating consumption in 2017) and Espace Grande Arche.

2018 ENERGY MIX (ALL OWNED AND MANAGED ASSETS)



CHANGE IN ENERGY MIX OF OWNED AND MANAGED ASSETS



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 24% in 2018.

KPI: ELECTRICITY FROM RENEWABLE SOURCES AS A PROPORTION OF TOTAL ELECTRICITY CONSUMPTION OF COMMON AREAS AND INSTALLATIONS OF ASSETS MANAGED BY THE GROUP (%)

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
Total electricity consumption 2017 *(MWh)*	58/58	275,708	13/13	21,370	9/9	76,683
of which green electricity purchase 2017 *(%)*	58/58	59%	13/13	0%	9/9	0%
Total electricity consumption 2018 *(MWh)*	49/49	285,540	6/6	21,347	5/6 (1)	72,350
of which green electricity purchase 2018 *(MWh)*	***49/49***	***253,115***	***6/6***	***16,442***	***5/6*** (1)	***52,399***
of which green electricity purchase 2018 *(%)*	49/49	89% (2)	6/6	77% (2)	5/6 (1)	72% (2)

(1) 2018 Total excludes Espace Grande Arche (metering incomplete for electricity consumption).

(2) Rates below 100% due to a reporting on a rolling year basis including the last quarter of 2017 (see section 2.1.5.1 Summary of the reporting methodology). In 2018 (calendar year), 100% of the Group assets (shopping centres, offices and convention and exhibition centres) in continental Europe are fully supplied in electricity from renewable sources.

ENERGY FROM RENEWABLE SOURCES AS A PROPORTION OF TOTAL CONSUMPTION FROM HEATING AND COOLING NETWORKS OF ASSETS MANAGED BY THE GROUP (%)

	Retail		Office		Convention & Exhibition	
2018	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
Consumption of energy from district heating and cooling networks *(kWh)*	49/49	165,851	6/6	15,671	5/6 (1)	12,059
of which share generated by renewable sources (kWh)	***49/49***	***60,405***	***6/6***	***819***	***5/6*** (1)	***0***
of which share generated by renewable sources *(%)*	49/49	36%	6/6	5%	5/6 (1)	0%

(1) 2018 Total Excludes Espace Grande Arche (metering incomplete for electricity consumption).

ENERGY FROM RENEWABLE SOURCES AS A PROPORTION OF TOTAL DIRECT ENERGY CONSUMPTION OF ASSETS MANAGED BY THE GROUP (%)

Energy from renewable sources as a share of the energy mix of direct energy purchased and consumed by sites (natural gas, fuel oil) was negligible in 2018 owing to high prices and the low penetration rate of these types of energy in this segment.

RENEWABLE ELECTRICITY PRODUCED (MWH) AND GREENHOUSE GAS EMISSIONS AVOIDED (TCO_2EQ)

Electricity output from photovoltaic plants installed at ten shopping centres in France, 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 mean that the electricity supplier does not have to produce this amount of electricity and therefore the equivalent CO_2 emissions are indirectly saved.

	2016	2017	2018
Renewable energies produced on site *(MWh)*	1,027	1,092	831
Corresponding greenhouse gas emissions avoided *(TCO_2eq)*	248	264	230

2.2.3.5 Water management

The non-financial risk assessment pointed out that water is not a key environmental issue for Unibail-Rodamco-Westfield. Indeed, the assets of the Group’s portfolio, as the ones of the market, are not considered as being significant water consumers. Moreover, the location of the Group’s assets in Continental Europe 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 continental Europe. In 2015, the analysis was updated according to the “Mean Annual Relative Water Stress Index” and showed that 85% of the Group’s assets located in continental Europe 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.

At existing assets, the Group relies on a close cooperation with tenants to reduce water consumption. “Green leases” and tenants’ on-site Sustainability Committees are used to help raise awareness amongst the various stakeholders and to get them on Board with water management.

In 2018, water efficiency in litres/visit at owned and managed Shopping Centres increased by 2% compared with 2017 on a like-for-like basis. This nevertheless accounts for a cumulative reduction of 19% 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.

To optimise the use of resources and cost savings, Unibail-Rodamco-Westfield prioritises the use of reused water wherever possible. In 2018, the shopping centres Donau Zentrum, Centrum Čěrný Most, Centrum Chodov, Stadshart Almere and La Maquinista collected 98,114 m^3 of rainwater and ground water on site, which were re-used for cleaning and watering green spaces.

Closed-circuit systems are being favoured to reuse water during the testing of sprinkler equipment. 22 Shopping Centres across the Group collect and re-use water from regulatory sprinkler tests.

— *The Hydropoint Watercompass™ system*

This specific piece of leak and flow monitoring equipment was installed for the first time in 2017 on two of the Group's assets in the United States (Garden Sate Plaza and Valley Fair) to monitor all aspects of its buildings' water consumption and to improve water management. This tool provides detailed data and consumption analyses and alerts operators to leaks. As a result, a number of leaks from pipes, valves and sanitary equipment were identified and repaired. Due to the water and money saved, and the ability to proactively maintain equipment for tenants and shared facilities, the Group intends to continue rolling out this system to other assets in the near future.

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

Water purchased from the district network for use in common and private areas. Water consumption in tenants' premises is indicated as a percentage when consumption can be measured.

	Retail		Office		Convention & Exhibition	
Consumption of water from the district network	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
2018 TOTAL	**49/49**	**3,014,120**	**6/6**	**107,830**	**6/6**	**311,348**
of which tenant consumption 2018 (%)	*49/49*	*49*	*6/6*	*/*	*6/6*	*/*
2017 Like-for-like	43/43	2,512,576	5/5	80,231	5/5	197,173
2018 Like-for-like	43/43	2,558,054	5/5	97,532	5/5	167,711
2018/2017 CHANGE *(%)*	**43/43**	**2%**	**5/5**	**22%**	**5/5**	**-15%**

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 2018 (m^3)	Scope	Shopping Centres(1)
Rainwater	49/49	98,114
Groundwater (water table)	49/49	3,273
Other sources(2)	49/49	314,493
Total water withdrawals other than water purchased from the local network	49/49	415,880

(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.*

FINANCIAL IMPACT DUE TO CHANGES IN WATER CONSUMPTION (€)

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

	Retail	
	Scope	Total (Europe)
2018/2017 change in water consumption *(m^3)*	43/43	237
FINANCIAL SAVINGS 2018/2017 *(K€)*	**43/43**	**(81)**

WATER INTENSITY PER USAGE[1] FOR SHOPPING CENTRES (LITRE/VISIT/YEAR), FOR OFFICES (LITRE/OCCUPANT/YEAR), AND FOR CONVENTION & EXHIBITION CENTRES (LITRE/M²DOP/YEAR)

	Shopping Centres *(litre/visit)*		Office *(litre/occupant)*		Convention & Exhibition venues *(litre/m^2DOP)*	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
2018 TOTAL	**49/49**	**4.65**	**6/6**	**7,107**	**6/6**	**11.38**
2017 Like-for-like	37/43 [1]	4,91	5/5	6,955	5/5	13
2018 Like-for-like	37/43 [1]	5.02	5/5	7,002	5/5	11.68
2018/2017 CHANGE *(%)*	**37/43 [1]**	**2%**	**5/5**	**1%**	**5/5**	**-10%**

(1) Excluding Fisketorvet, Galeria Mokotów, La Part Dieu, Cour Oxygène, Pasing Arcaden, Höfe am Brühl and Palais Vest (erroneous footfall count in 2017).

WATER CONSUMPTION BY FLOOR AREA[1] (LITRE/M²/YEAR)

	Shopping Centres		Office	
	Scope	Total (Europe)	Scope	Total (France)
2018 Total	**49/49**	**844**	**6/6**	**447**
2017 Like-for-like	43/43	860	5/5	401
2018 Like-for-like	43/43	876	5/5	488
2018/2017 CHANGE *(%)*	**43/43**	**2%**	**5/5**	**22%**

2.2.3.6 Waste management

Unibail-Rodamco-Westfield's waste management approach is designed to maximise recycling and minimise disposal to landfill.

The Group has set itself the target of sending no waste to landfill by 2020 and to recycle at least 80% of waste, thanks to waste sorting and individual re-invoicing of retailers.

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.

Suitable waste segregation facilities are in place in all assets. Tenants are regularly informed and made aware of local on-site waste management policies and processes and of the importance of sorting waste, via for example, the development of waste sorting guidelines reminding tenants of what to do with different types of waste. Both supplier purchasing contracts and tenant "green leases" establish the minimum requirements to be met for waste-sorting and recycling. Waste management service providers must monitor and submit a monthly progress report with details of tonnages collected, by type of waste, and recycling percentages achieved, as well as submitting a waste management improvement plan to site management every six months. Shopping centre technical managers meet with service providers on a monthly basis to monitor progress and performance. All the Group's shopping centres also hold yearly meetings with their shareholders (tenants and treatment providers) with a detailed account of the site's waste management outcomes.

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. This encourages better waste sorting, enabling tenants to reduce the tonnage 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.

In 2018, 40% of waste was valorised through reuse, recycling, composting, or methanisation and 50% were valorised through energy recovery. In total, 90% of the waste generated in the Group's managed Shopping Centres is recycled, reused or valorised, compared to only 61% in 2012.

(1) See Reporting Methodology, Section 2.5.1.1 Definitions and Reporting values.

— *Zero waste to landfill in the UK*

Since 2012, the two London centres have outsourced waste management to a specialist onsite contractor, who have consistently delivered positive results and maintained a total recycling rate that is well above industry average. Performance is monitored through KPIs against each waste stream. The waste solution provider's remit extends beyond just management and reporting however, focusing heavily on tenant engagement and communications also. Close relationships are maintained with all tenants to maximise the recycling process and optimise separation, whilst educational sessions with retailers are also held regularly via the waste contractor's 'Green Academy' programme. The two UK sites have been zero waste to landfill since 2012, with all non-recycled waste being sent for energy recovery. Innovative solutions help the centres increase the amount of onsite recycling/recovery, and the installation of an onsite EcoDigester is a recent example of this, as it converts food waste into inert greywater which can then be flushed into a standard drain. The performance of the UK centres has been recognised throughout the industry, with most recently a shortlist for an Edie award in the 'Waste Management and Resource Efficiency' category.

To continually increase the percentage of waste produced by its assets that is recycled, and as part of its start-up support programme, the Group developed two innovative corporate partnerships to work on optimising waste recovery.

The first partnership, initiated in 2017 with Phénix, saw the introduction of two pilot projects to identify and create new functions in order to recycle waste from shopping centres that would otherwise be destined for disposal: a full waste management audit of one shopping centre to understand recycling levers and the introduction of a partnership with retailers to recycle organic waste. Following on from the success of these pilot projects, in 2018, the Group signed a contract with Phenix which had been selected, via a tender process, as the new waste management provider for Rosny 2 from early 2019. The aim for the future is to be able to recycle all the waste produced. Phenix draws on its waste recycling expertise and implements a performance-related remuneration system which rewards effective waste processing.

The Group launched the second partnership in April 2018 with the Too Good To Go start-up, which offers a means of recycling unsold food and preventing waste by putting consumers in touch with retailers offering baskets of unsold products at reduced prices at the end of the day. After the success of an initial pilot project launched at the Euralille shopping centre, involving 8 restaurant chains and saving nearly 2,000 meals, or 1.2 tonnes of waste, in just 4 months, in the last quarter of 2018, the Group launched the large-scale roll out of this partnership across all its French shopping centres. By inviting restaurateurs to reduce their food waste, the Group aims to save 50,000 meals in 2019. Expansion of the project to other countries where the Group operates are under discussion.

In December 2017, the Group also entered into a partnership with the Paris&Co Circular Economy platform. Under this partnership, teams can access dedicated start-up sourcing and innovative solutions for all circular economy issues, including biomethanisation. This enables the Group to stay current and to benefit from the latest related technological advancements on the market.

The Group's waste management responsibilities and reporting scopes are guided by specific national requirements. At some assets, local authorities are responsible for waste management: in this case the Group does not control the final destination of the waste produced at these assets. The disposal of most hazardous waste is managed directly by the maintenance contractors who are responsible for it, using the appropriate disposal route. Offices and Convention & Exhibition business units are excluded from the Scope of waste indicators. At Convention & Exhibition venues (business operated by the Viparis subsidiary), waste is 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. Separate data tracking for the Group is therefore not yet available.

— *The circular economy at Viparis*

As part of its "Better Events - Viparis 2030" strategy, Viparis has created a new dynamic in the events industry by focusing on the circular economy. These joint discussions with various events operators, events organisers, standholders and cleaning services, led to three tests at three different-sized exhibitions at the Paris Nord Villepinte site. The initial results of these tests were encouraging, with as much as 65% waste sorting for one of the exhibitions tested. In addition to flow management, issues relating to recycling functions, eco-design and waste figures were discussed. This circular economy work will continue in 2019 with the aim of identifying practical solutions.

KPI: TOTAL WASTE GENERATED (TONNES), AND SHARE OF RECYCLED AND VALORISED WASTE [1] (%)

Non-hazardous and hazardous waste[2] collected on site (common areas and tenants).

	Retail	
	Scope	Total (Europe)
2017 Total	56/57	70,832
of which recycled waste 2017 (%)	*56/57*	*37%*
of which valued waste 2017 (%)	*56/57*	*40%*
2018 TOTAL	**48/49 (1)(2)**	**70,139**
of which recycled waste 2018 (%)	*48/49 (1)(2)*	*36%*
of which valued waste 2018 (%)	*48/49 (1)(2)*	*54%*

(1) Stadshart Almere Shopping Centre is excluded from the scope of this indicator because its waste is directly managed by the municipality.
(2) The waste from the Shopping Centre Galeria Mokotów is reported over a 7 months period and a part of the waste from Shopping Parc Carré Sénart Shopping Centre, which is managed by the local authority, is not included.

KPI: BREAKDOWN OF TOTAL WASTE BY DISPOSAL ROUTE (%)

2018	Total retail
TOTAL WASTE *(IN TONNES)* **(1)(2)**	**70,139**
Recycling/Reuse/Compost/Methanisation *(%)*	40%
Incineration with Energy recovery *(%)*	36%
Incineration without Energy recovery *(%)*	2%
Landfill with energy recovery *(%)*	14%
Landfill without energy recovery *(%)*	6%
Managed by local authority (3) *(%)*	0%
Other *(%)*	2%

(1) Stadshart Almere Shopping Centre is excluded from the scope of this indicator because its waste is directly managed by the municipality.
(2) The waste from the Shopping Centre Galeria Mokotów is reported over a 7 months period and a part of the waste from Shopping Parc Carré Sénart, Shopping Centre, which is managed by the local authority, is not included.
(3) Information on how local authorities manage the waste they collect is not available.

2.2.3.7 Health & Safety and environmental risks and pollution

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

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

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

(1) Recycled waste includes compost, methanisation, incineration with energy recovery and landfill with energy recovery of biogas.
(2) Hazardous waste collected on site as part of standard operations managed by the asset property manager (e.g. batteries and waste from electrical and electronic equipment (WEEE)).

An independent third-party audit was carried out in 2018, as it is every year, to assess HSE risks for visitors to, and occupants of, all buildings (shopping centres, offices, convention & exhibition centres) and countries in which the Group operates in continental Europe, based on a framework that incorporates Group regulations and policies. This audit awards the site one of four overall scores which reflect the extent to which health, safety and environmental are being controlled:

A. satisfactory risk management and control;

B. satisfactory risk management and control, with improvements still needed for certain indicators;

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

D. unsatisfactory risk management and control.

The Group's target is to obtain at least a "B" ranking for all its owned and managed assets for the assessment of these risks. In 2018, 97% of scores obtained by audited sites were improved or remained stable compared with 2017. 92% of audited sites obtained an "A" level (best rating). No asset obtained a "C" rating. No "D rating has been given for the last seven years.

KPI: ANNUAL HEALTH, SAFETY, AND ENVIRONMENTAL RISK MANAGEMENT ASSESSMENT

2018	Group total (Continental Europe)	Shopping Centres (Europe)	France: Offices	Convention & Exhibition (France)
HSE ASSESSMENT COVERAGE *(%)*	**100%**	**100%**	**100%**	**100%**
% of audited sites in improvement or stable regarding 2017	97%	96%	100%	100%
% of audited sites obtaining an A or B annual score	100%	100%	100%	100%

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

Internally, every year the Security & PMPS (Property Maintenance, Purchasing and Sustainability) department holds reviews across all the Groups regions in continental Europe. 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 arising from assessments carried out in the current year and to be carried out in the year to come and setting out the related budget. 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.

One of the keystones of the Group's risk prevention approach is staff training. As such, all new employees of the Group's Purchasing, Maintenance, Property & Sustainability Department attend an introductory two-day course on risk control policies and tools. On-site teams are trained in first aid techniques and maintain close relationships with local emergency services (fire brigade, paramedics and police) as well as with the relevant administrative departments. Defibrillators made available for security staff have been installed in all Shopping Centres across Europe.

This HSE risk control policy was supplemented, in 2018, with a section on the management of security risk, in particular, terrorist risk, which ramps up existing procedures applied by local teams. This security section sets out, in addition to close collaboration with local authorities, police and information services, the reinforcement of on-site security teams and the training and education of shopping centre management teams and tenants as well as alignment with Group procedures on HSE risk management. In 2018, all Group assets assessed their exposure to security risk according to a pre-established grid, and set out annual actions plans which were built into their budgets. In 2018, the issue was included in internal health and safety risk control reviews. From 2019, security risk assessments will form part of the annual HSE assessments conducted by external third parties.

This HSE and Security management system enables the Group to monitor and assess its risk performance on a day-to-day basis, and maintains a strong risk management culture embedded within operating and shopping centre management teams.

FINES FOR ENVIRONMENTAL BREACHES

Penalties for non-compliance with environmental legislation and regulations.

	2017	2018
Monetary value of significant fines *(€)*	2,660	4,085
Total number of non-monetary sanctions	11	3

2.2.4 DEVELOP CONNECTIVITY & SUSTAINABLE MOBILITY

As part of the "Better Places 2030" programme, Unibail-Rodamco-Westfield is driving sustainable transport solutions in the regions where the Group operates. By committing to transport and working to both anticipate changes in the transportation used by visitors and by actively encouraging new sustainable transport solutions, the Group seeks to enhance the attractiveness and improve accessibility of its properties. These are long term success criteria. This approach also covers two major transport-related emissions and nuisance factors: visitor travel and the logistical activity of retailers.

Today, the Group's greenhouse gas emissions from the transportation of visitors or occupants are markedly higher than the emissions from the operation of the buildings themselves (see Section 2.2.1.2 Carbon assessment). On average 43% of visitors travel by car to the Group's shopping centres. Unibail-Rodamco-Westfield is committed to developing sustainable mobility and has set itself the challenging target of, by 2030, having all visitors use sustainable transport methods to come to its centres. This is reflected in the objective of reducing visitors' transport-related carbon footprint by 50%.

This requirement applies to 100% of greenfield/brownfield 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 standing assets, Unibail-Rodamco-Westfield is committed to systematically providing its visitors, retailers and employees with an extended offer of sustainable transportation: 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-Westfield 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 external partnerships to offer innovative and sustainable transport solutions for visitors.

2.2.4.1 Connectivity to transport links

The Group is focusing on assets that are well connected to public transport networks and are located within major European cities. All of the Group's assets in Continental Europe are connected to the public transport network. 62% of the Group's owned and managed assets are accessible via a cycle lane. The Offices portfolio is also well connected to the main transport networks.

KPI: PUBLIC TRANSPORT LINKS: ASSETS WITH AN EXCELLENT SERVICE (%)

	Retail		Office		Convention & Exhibition	
	Scope	Total (Europe)	Scope	Total (France)	Scope	Total (France)
Percentage of assets located less than 200 metres from a public transport connection	49/49	80%	6/6	27%	6/6	80%
Percentage of assets served at least every 15 minutes [1]	49/49	80%	6/6	100%	6/6	100%

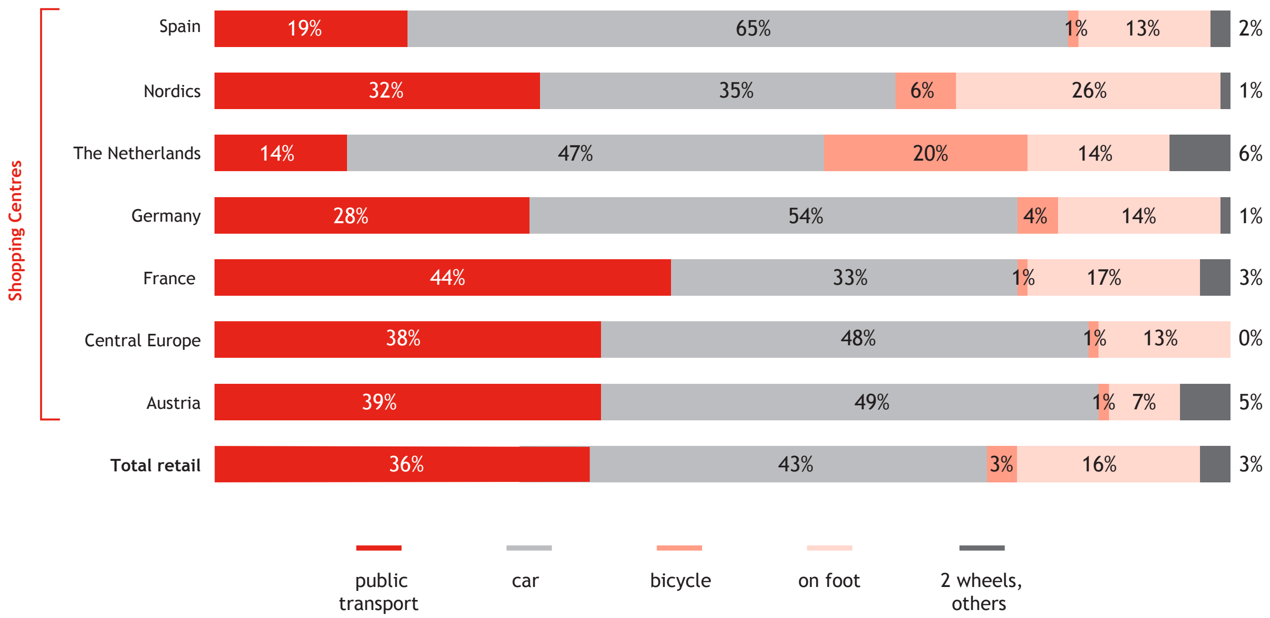
(1) During weekdays and office hours.

Since 2006, in close conjunction with local authorities, a growing number of Unibail-Rodamco-Westfield assets have benefited from having a direct link to tram services (Carré Sénart, La Part-Dieu, Lyon Confluence, Toison d'Or, Vélizy 2, Porte de Versailles, Mall of Scandinavia). Wroclaw, which opened in October 2017, is located close to Wroclaw train station, 13 tram lines and to 15 bus routes. The centre has 400 bicycle parking spaces. Moreover, as at the end of 2018, 100% of development projects are connected to significant sustainable transport solutions (public transport).

The marketing surveys conducted on a regular basis on the Group's shopping centres indicate that around 55% of customers travelled on foot, by public transport, or by bike to the Group's shopping centres in 2018.

KPI: BREAKDOWN OF SHOPPING CENTRES' VISITS BY TRANSPORT MEANS (%)

In 2018, the methodology of the marketing surveys changed and the new data does not allow yet to provide an accurate picture of the modal shares for all Centres. The following graph is hence based on 2017 modal shares data but adjusted using the 2018 footfall. 100% of the owned and managed Shopping Centres in Continental Europe are included.



The Group is determined to improve every aspect of its customers' Mobility experience (time taken, cost, environmental impact, etc.). In 2018, it used two main tools to achieve this end:

- the Group developed an internal tool for working on all its shopping centres' transport issues: the Mobility Action Plan or MOBAP. 36 centres in Europe, or 72% of shopping centres owned and managed by the Group, successfully implemented their Mobility Action Plan in 2018. This 360° tool aims to improve the accessibility of the shopping centres managed by the Group by conducting an exhaustive assessment of the methods of transport on offer and used by the asset's visitors (car, public transport, on-foot, bicycle), which then enabled centre management teams to devise a practical and detailed action plan to improve their centres' connectivity in the years to come. Some short/medium-term actions that can be directly implemented by the Group were identified, such as modifying the circulation of internal car park traffic or adding dynamic signage on shopping centre approaches to improve traffic management, as well as more long-term measures mainly involving relations and partnerships with local authorities, such as, for example, guaranteeing that the centre has excellent links to planned cycle lanes;
- just under half of our visitors used their car to visit the Group's shopping centres in continental Europe in 2018. Shopping centre car parks and the way in which their accessibility, their internal traffic flow and even their scenography are handled has a big impact on customer experience during this mobility phase. In 2018, the Group circulated a comprehensive overview of these issues entitled Car Park Guidelines – Strategy & Design, to direct the design and management of these spaces, both for its development projects and its standing assets, so as to optimise use of the Group's car parks.

2.2.4.2 Innovative sustainable transport solutions

— Promotion of electric transport

As part of the green transport commitment in its CSR strategy, the Group is encouraging the use of electric vehicles by installing recharging stations at its shopping centres throughout Europe. The Group's "Better Places 2030" programme on electric transport issues was put into practice in 2018 with the launch of the three-year plan to introduce electric vehicle charging stations. In 2018, nearly 200 (184) charging stations were installed or modernised in Continental Europe.

KPIS: PROPORTION OF EXISTING SHOPPING CENTRES AND SHOPPING CENTRES IN DEVELOPMENT EQUIPPED WITH CHARGING FACILITIES FOR ELECTRIC VEHICLES

Proportion of owned and managed car parks in existing shopping centres equipped with charging facilities for electric vehicles	100%
Proportion of shopping centres in development equipped with charging facilities for electric vehicles	100%

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 2018, 13 of the Group's owned and managed Shopping Centres with owned and managed car parks had rolled out this type of charging infrastructure. Following the inauguration of the first two supercharger stations in the Group's shopping centres in 2017, the Group commissioned four new supercharger stations at Polygone Riviera (France).

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, fully electric and self driving. This innovative smart driverless shuttle can transport up to 15 people and travel safely at up to 45 km/h.

— Innovative partnerships looking ahead to the future mobility solutions

With a view to trialling carsharing options with the general public, a pilot project has been set up with BlaBlaLines, a subsidiary of BlaBlaCar which specialises in short-distance carsharing. This is in the optic of offering shopping centre visitors an alternative to the personal vehicle. A free service for passengers and drivers was advertised to visitors and employees in two shopping centres in France (Rosny 2 and Aéroville) via totems installed in centres, marked parking spaces in car parks, social networks and other online channels. This, made it easier to connect with the centres' retail employees and to offer them a new mobility service, particularly during transport strikes.

In partnership with the Uber Group, in 2018, Unibail-Rodamco-Westfield also launched a trial at the Forum des Halles to support the development of the UberGREEN service, by offering the Company to lease 10 electric vehicle charging spaces in the centre's car park for the trips of Uber drivers. This initiative is helping to make the fleet of chauffeur-driven passenger vehicles more environmentally friendly. This project is part of a partnership launched over a year ago with Uber to explore the future of mobility.

In 2018, through its innovation department, the URW Lab, the Group also joined Via ID's Mobility Club. This partnership enables the Group to exchange ideas with other industry operators and learn from trend analyses and new market operators in order to prepare for the mobility solutions of the future. The Group also carried out a forward-looking study on mobility and its impact on the future of shopping centres which was shared internally with all Group employees in 2018.

— Logistics solutions for retailers

Unibail-Rodamco-Westfield 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.

During the public enquiry for the Gaîté Montparnasse project, the Unibail-Rodamco-Wetsfield Group was involved in devising solutions to reduce the impact of traffic related to future deliveries to the centre and the hotel. The challenge was to pool deliveries before entering Paris, in remote logistics depots. An additional challenge associated with this same project arose with the creation of the Food Society, the largest Food Hall in Europe, and the desire to secure a constant supply of fresh products, under controlled temperatures, from the Rungis national interest market or from all over France.

2.2.5 INTEGRATE NATURE AND BIODIVERSITY

Unibail-Rodamco-Westfield 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-Westfield'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 greenfield/brownfield projects involved in a BREEAM certification process (i.e. projects exceeding 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 open-air lifestyle mall in France, opened 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 (greenfield/brownfield projects and extensions) delivered in 2017 have also adopted this approach, as in the case of the Chodov and Carré Sénart extensions which have achieved 90% and 70% of credits in the "Land Use and Ecology" category. 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-Westfield'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.

— *A biodiversity plan at Westfield UK*

The Group's sites are committed to retaining and improving local biodiversity. Nowhere is this more evident than at the two UK centres, which exhibit over 1,500 m^2 of living walls containing close to 50,000 individual plants of over 20 varying species. Westfield London planted 73 mature and semi mature trees across the estate, as well as 27,000 mixed bulbs across the external shrub land. Westfield Stratford City installed 15 insect hotels to promote diverse ecology of the plant beds, and also erected internal plant displays to improve the inside air quality and add to the environment for the general public.

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 incurred from diversifying usage and consumption patterns, this type of project also has a positive impact on promoting biodiversity in cities. The Group trialled urban agricultural production on the roofs of its assets: the first pilot urban agriculture project on one of the Group's shopping centres was launched in spring 2018, on the roof of So Ouest in Levallois-Perret (France). This project was developed in partnership with the start-up, Sous les Fraises, which was selected in 2016 as part of the Group's URW Link acceleration programme. This vertical city farm with over 650 m^2 of cultivated space can produce fresh fruit and vegetables, and flowers, as well as welcoming small groups for educational workshops. Some of the farm's produce is turned into gourmet products and distributed to restaurateurs as well as to a pop-up store in the shopping mall. This project followed on from a conclusive initial pilot scheme developed with Sous les Fraises on the roof of Unibail-Rodamco-Westfield's headquarters in Paris. 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. In 2018, the Group also launched an internal study to identify potential future urban agriculture projects and to define its strategic vision on this issue.

— *Urban Farm project @ Viparis*

As part of the plan to modernise the Paris Expo Porte de Versailles site, launched in May 2015 and divided into 3 main phases over more than 10 years, Viparis undertook to develop the largest city farm in Europe on the roof of one of the site's buildings, covering a floor area of 12,000 m^2 and helping to develop and maintain the city's biodiversity.

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 provides operating teams with the necessary support.

2.3 CONTRIBUTE TO THE INCLUSIVE AND SUSTAINABLE GROWTH OF COMMUNITIES

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 Senior Management Team 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.

Unibail-Rodamco-Westfield 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-Westfield 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-Westfield has made a commitment that, starting in 2018, 100% of its centres will organise an event at least once each year in partnership with a non-profit organisation.

Finally, Unibail-Rodamco-Westfield 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.

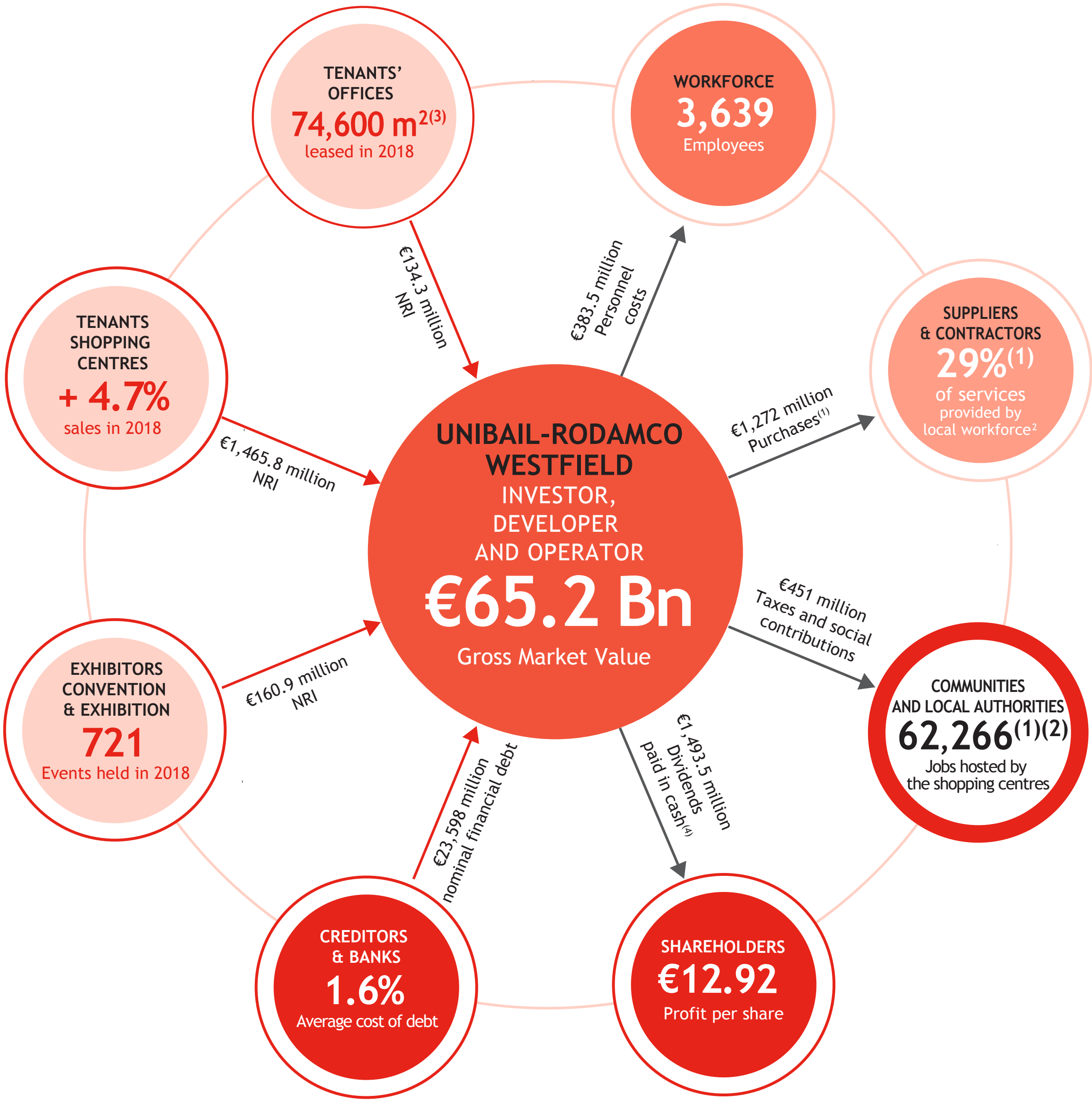
2.

2.3.1 BOOSTING THE LOCAL ECONOMY

2.3.1.1 Socio-economic impact

— Creating value for stakeholders

VALUE CREATOR FOR STAKEHOLDERS[1]



(1) Unibail-Rodamco-Westfield in Continental Europe and excluding Viparis
(2) Economic impact study updated in 2018, Beyond Financials
(3) Weighted square meters
(4) Subject to the approval of the AGM

(1) *The figures presented in this graphic cover the whole scope of the Unibail-Rodamco-Westfield Group, except for ones indicated in footnote (1): figures on the Continental Europe scope only.*

— Socio-economic footprint

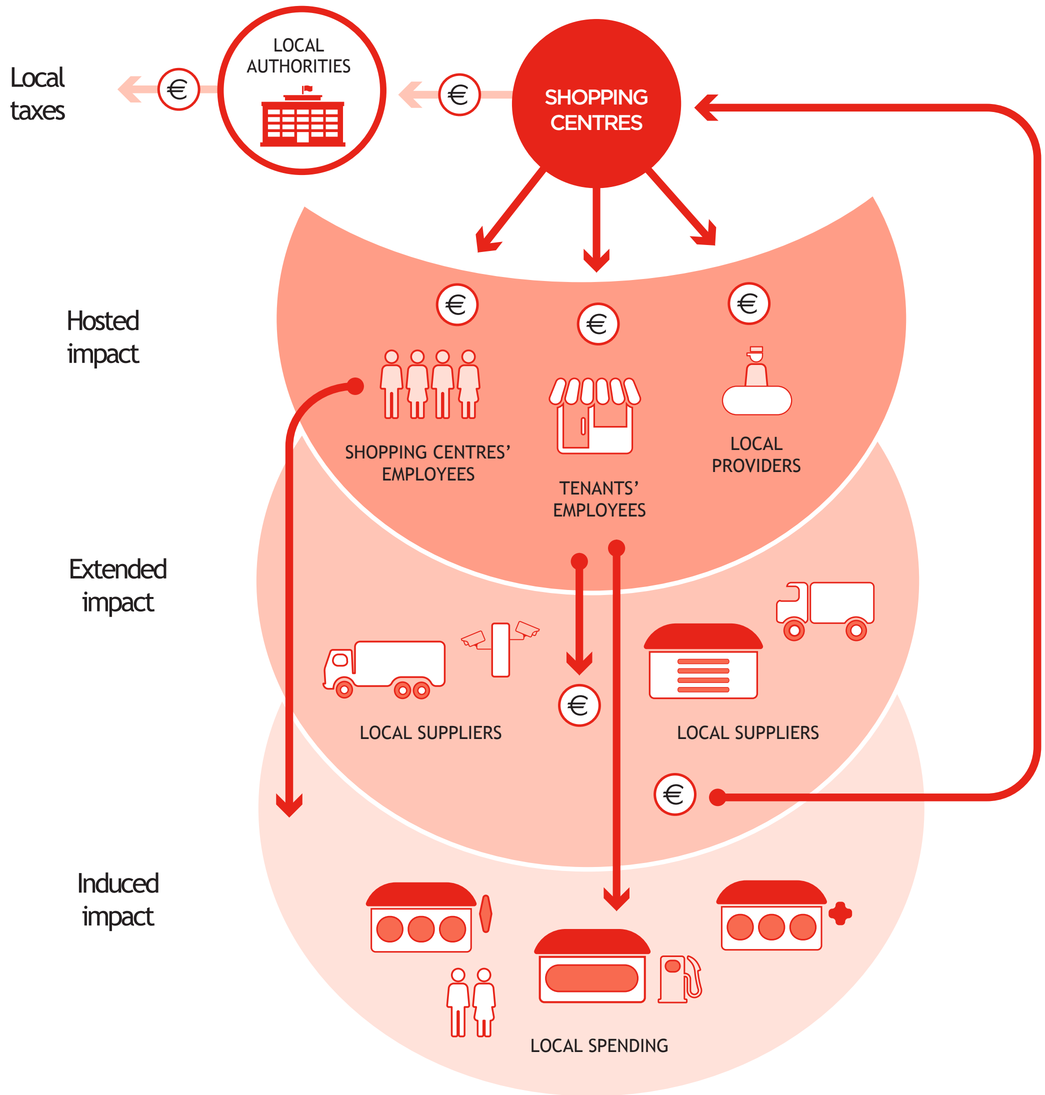
The Group first began to work on quantifying the socio-economic footprint of its assets in 2013 by assessing the contribution of French owned and managed Shopping Centres to the French economy. In subsequent years the Group has progressively expanded the Scope of this review to encompass all the Shopping Centres in continental Europe. In 2018, the picture of the socio economic impact of managed and owned centres was updated to reflect the position as at 12/31/17. This encompasses 55 centres, with a detailed study for the Carré Sénart Shopping Centre.

This study allows for the estimation of the following economic impacts:

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

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. For further detail on the methodology employed, including the Scope and definitions, refer to 2.5.1.1 Definitions and Reporting values - Focus on the socio-economic footprint assessment methodology.

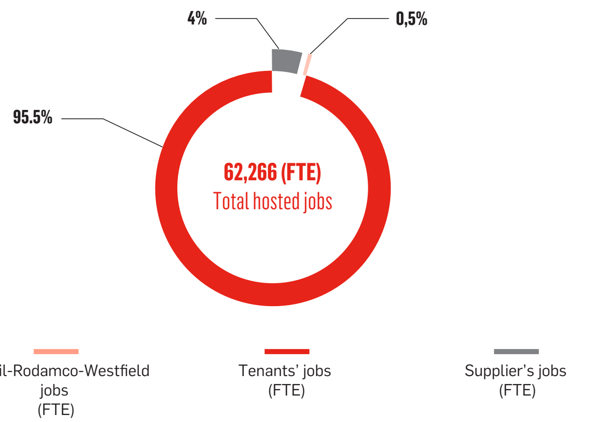
SOCIO-ECONOMIC VALUE CREATED BY GROUP SHOPPING CENTRES



— *Results*

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

TOTAL NUMBER OF HOSTED JOBS IN 2017 IN THE GROUP'S SHOPPING CENTRES IN CONTINENTAL EUROPE AND BREAKDOWN



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

The results of Unibail-Rodamco-Westfield's economic footprint study in Continental Europe confirm 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.

This study and its results are used daily by the Group in its operations for:

- assessing more precisely the economic and social impact of the Group on its supply chain and its suppliers during the purchasing process;
- evaluating the current and future socio-economic impact of development projects in the context of administrative authorisation and discussions with local authorities.

— Tax transparency

Unibail-Rodamco-Westfield is a publicly traded Group dedicated to investing in commercial real estate across Europe and the US. Many countries have adopted laws on local tax transparency to encourage long-term investment in real estate. These regimes subject the Group to distribution obligations[1]. The Group distributed 90% of its 2017 recurring earnings per share as a dividend in 2018. In 2019, subject to approval of the AGM, 94% of the Group's adjusted net recurring result will be distributed as a dividend. Based on the tax transparency regimes, the profits made are taxed at the shareholder level directly, instead of at the level of the Group. Unibail-Rodamco-Westfield promotes the concept of a global real estate investment regime that would allow for mutual recognition and a fair share of tax revenues between the countries where the properties are located, through withholding tax payments, and the countries where shareholders are resident, through income tax payments.

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

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

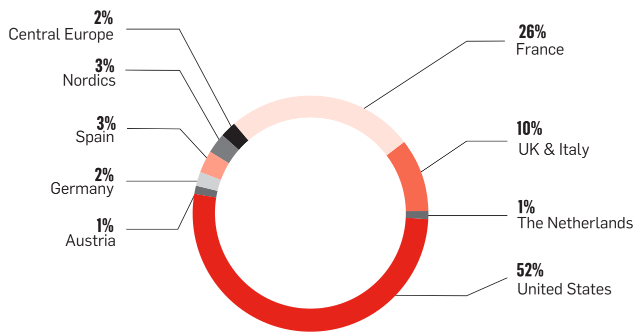
The Group's tax position mirrors the location of its investments. Considering its €65.2 Bn portfolio and the fact that holding real estate assets requires it to pay property taxes, Unibail-Rodamco-Westfield pays significant amounts of taxes. Significant tax payments are also made to local authorities upon investment and divestment transactions, although this will vary as it depends on the number and size of transactions completed during a particular year. In addition, tenants in the Group's shopping centres employ many people locally and contribute significant amounts in taxes and social charges.

(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.

Taxes and social security contributions

In 2018 (full year), on a proportionate basis, the subsidiaries of the Unibail-Rodamco-Westfield group paid €451 Mn of local taxes and social contributions.

GEOGRAPHIC BREAKDOWN OF TAXES AND SOCIAL CONTRIBUTIONS PAID IN 2018



Furthermore, the €1.079 Bn dividend payment made by Unibail-Rodamco SE in 2018 gave rise to an immediate payment of withholding tax, the cost of which is borne by shareholders, with an estimated amount of €142 Mn paid to French tax authorities.

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

In 2018, the Group operated in 12 different countries in continental Europe, the UK and the US. The Group does not use investment routes through non-cooperative countries or territories[1] to locate income in low tax jurisdictions. As a matter of principle, Unibail-Rodamco-Westfield complies with the letter and the spirit of tax laws and regulations. Tax risks are followed and monitored by a team of internal and external tax experts and discussed with an internal committee whose members include the Group Chief Executive Officer and the Group Chief Financial Officer, the Group's auditors, the Group's Audit Committee and Supervisory Board.

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

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

While the Group currently believes that the fight against tax evasion does not represent a major risk, it will address this matter in 2019 (French anti-fraud act - n° 2018-898 - published on October 24, 2018).

2.3.1.2 Supply chain management

With a procurement volume of €1.3 billion for the entire Group in 2018, Unibail-Rodamco-Westfield (Continental Europe) is a substantial buyer within European market. Given the size of its portfolio, the varied nature of procurements and the diverse locations of its properties, the Group works with a large number of suppliers and contractors, most of them being local companies or subsidiaries that support the local economy where the Unibail-Rodamco-Westfield (Continental Europe) operates.

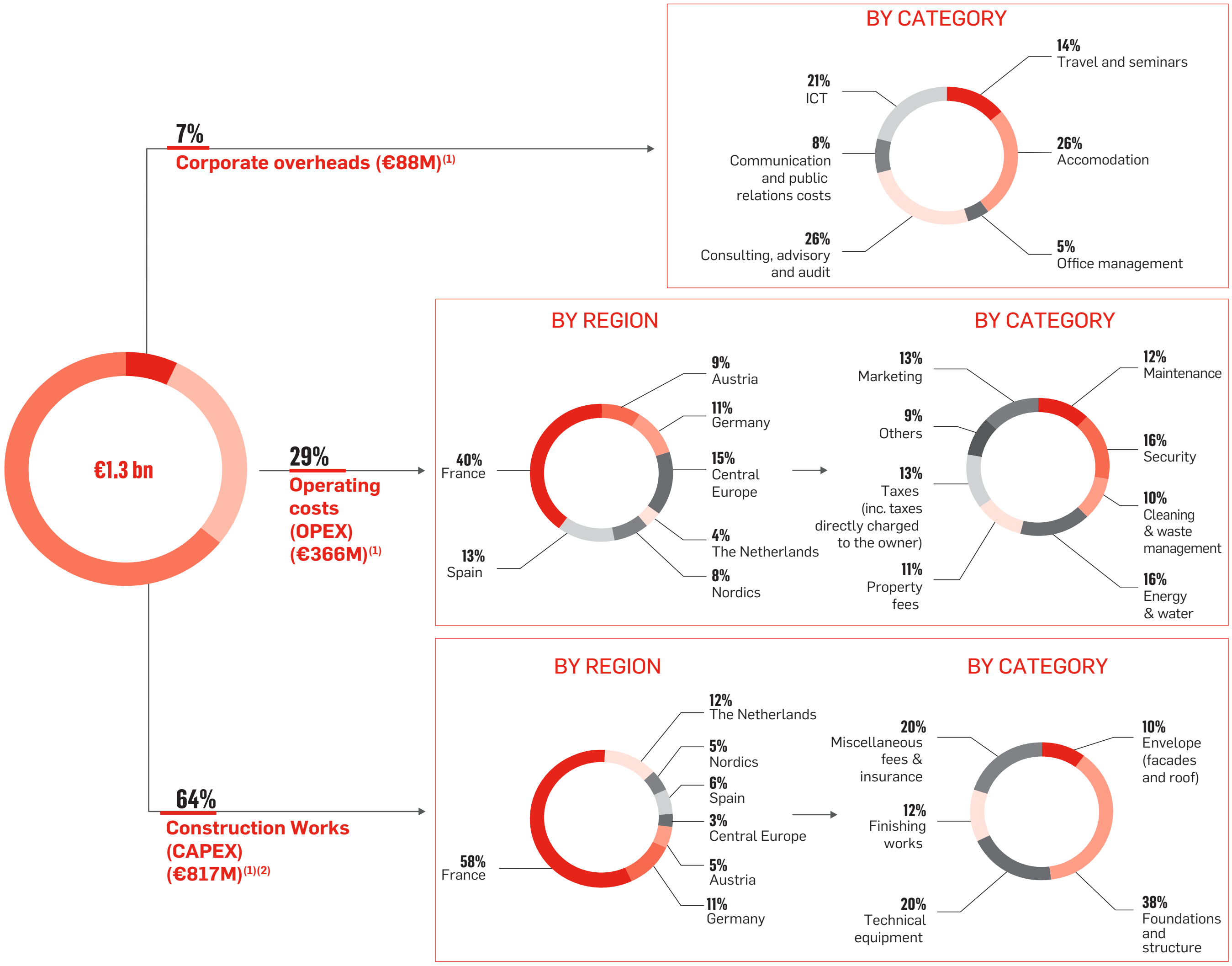
Purchasing mapping

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

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

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

PURCHASING MAPPING



(1) All costs are reported for Continental Europe only and exclude costs associated with Convention and Exhibition. Affiliates are reported on a proportionate basis, (costs attributed as a proportion of ownership of the asset), in line with financial reporting.

(2) To reflect the amount spent on supply chain, construction, labour and local communities, the capex costs here reported excludes Financing Costs, new acquisitions, other miscellaneous costs, and eviction costs.

Purchases consist principally of OPEX and CAPEX for the operation and development of properties (Overheads being a small part of the overall expenses). 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-Westfield (Continental Europe) encourages its suppliers and providers to hire a local workforce, notably through social integration clauses inserted in the contracts.

Capitalised construction works are non-recurring expenses depending on development activity.

Unibail-Rodamco-Westfield (Continental Europe) also monitors the breakdown of its construction costs (CAPEX) split according to the following sub components: foundations and structure, building insulation (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 that Unibail-Rodamco-Westfield (Continental Europe) 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 practices

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

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

In Continental Europe Unibail-Rodamco-Westfield chooses its contractors with great care and ensures they comply with its 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 Unibail-Rodamco-Westfield operates in Continental Europe and also include social and environmental requirements.

In addition to the principles and rules detailed in the Group procedures, all purchases must comply with the Unibail-Rodamco-Westfield Compliance Book (and specifically the Deontological Code), the applicable local laws and regulations, especially labour laws, and the use of Unibail-Rodamco-Westfield in Continental Europe 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 Unibail-Rodamco-Westfield (Continental Europe) Compliance Officer at any time to raise and submit a complaint. The Unibail-Rodamco-Westfield) Corporate internal audit team carries out regular audits across the Group to validate the thorough application of the Group's procurement policy and of the Group's Compliance Book, including the Code of Ethics. The anti-corruption policy set up in 2017 is detailed in Section 6.2.2.10 Corruption, Money Laundering & Fraud.

A web based 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 the procedures of Unibail-Rodamco-Westfield in Continental Europe more robust, facilitates new and direct collaboration between all stakeholders, ensures the transparency required for all purchasing decisions, helps operational teams to select providers, and facilitates the sharing of best practices and risks mitigations. This solution secures the administrative management for the whole purchasing cycle and generates productivity gains.

— Sustainable procurement

— *Raising awareness and selecting suppliers*

The CSR approach is fully integrated at each step of the supplier procurement and referencing process of Unibail-Rodamco-Westfield in Continental Europe. Each employee, project manager for construction works, and on-site technical manager in Continental Europe receives training on adherence to the Group's purchasing rules and procedures. Before a new service provider joins the approved list, a substantial amount of information is required, including an overview of its CSR strategy and practices. These environmental and social factors are of particular importance in the Group's information on its choice of suppliers: they form part of the criteria considered in any tender process used to select suppliers.

To encourage existing suppliers and contractors to adopt sustainable operating practices and use environmentally sustainable materials, the Group shares and communicates its CSR policy and related environmental and social targets with key suppliers in Continental Europe.

In 2018, as in 2017, as part of the Group's "4 Star" label criteria, Unibail-Rodamco-Westfield introduced dedicated training in customer service skills for the staff of security and cleaning suppliers at all shopping centres with the "4 Star" label in Continental Europe. In France, maintenance suppliers are trained in the Group's Environmental and Health & Safety processes, free of charge.

— *Inclusion of CSR criteria in contractual clauses*

For standing assets, service providers, particularly cleaning, multi-technical maintenance and security companies, are asked to sign the General Purchasing Conditions (CGA) attached to each contract, which include a sustainability clause covering all environmental issues, notably improved energy efficiency, responsible waste management, and the use of environmentally-friendly products and materials, and which ensure the protection of social rights, including a commitment to adhere to the conventions of the International Labour Organisation (ILO) and local employment legislation. An ethics clause is also automatically included in these CGA, requiring suppliers to abide by the Group's Code of Ethics, prevent all forms of corruption, and to report all practices that are in breach of these principles using the contact procedure provided by the Group. The Group has also introduced initiatives concerning incentives for energy savings and waste selection performance. These site-by-site practices challenge suppliers and serve as a basis to involve them in a process of continuous improvement for all managed assets.

In France, two addenda included in the Group General Purchasing Conditions reinforce the existing sustainability provisions, specifying the efforts and results expected in terms of environmental and social performance: an "environmental clauses addendum", and a "professional integration clauses addendum". The latter, which was introduced in July 2018, engages service providers to fostering the professional integration of people with a distance to the job market. It requires service providers to commit and make major efforts in this field when providing services within the Group's assets. Specific targets are set in association with the Group, to adapt professional integration ambitions to the Scope and business of each supplier, to secure genuine pathways leading to careers or qualifications and diversified recruitment channels. In this addendum, providers also agree to recruit most of their staff from communities located close to the place where the contract is being fulfilled, and to take part in the Group's "UR for Jobs" recruitment events (see Section 2.3.2 Working with local stakeholders). Finally, signatory providers agree to prepare and send to the Group a summary of the professional integration actions implemented and results obtained in each of the Group asset in which they operate. At the end of 2018, the "professional integration clauses addendum" had been signed by 11 of the Group's key suppliers.

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

— *Assessing the CSR performance of suppliers*

In 2018, an internal annual supplier assessment of compliance with environmental clauses, management modes and service quality was performed for 248 contracts on key services (multi-technical, health and safety, mechanical transport, cleaning, and waste management) in 54 shopping centres, and offices for a total contractual purchased amount of €139 million.

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

COVERAGE OF THE ASSESSMENT OF SUPPLIER PERFORMANCES, AND TOTAL AMOUNT OF CONTRACTS ASSESSED

	2016[2]	2017[2]	2018 Shopping Centres and Offices	2018 Conventions & Exhibition Centres[2]
Total number of contracts in force on the managed scope[1]	324	304	260	98
Number of contracts assessed	318	295	248	58
COVERAGE OF THE ASSESSMENT *(%)*	**98%**	**97%**	**95%**	**59%**
Value of contract, equals expenditures measured *(€)*	147,929,265	149,622,448	139,072,335	61,628,435

(1) Service contracts for multi-technical maintenance, safety and security, mechanical transportation, cleaning and waste management (Shopping Centres, Offices, Conventions & Exhibition centres), and for logistics, telecom, and audiovisual (Conventions & Exhibition centres) at managed assets.

(2) In 2018, Viparis conducted a specific assessment of the positioning of suppliers of Convention and Exhibition Centres in relation to all the pillars of the CSR strategy Better Events 2030, on the basis of a declarative questionnaire.

2.3.2 WORKING WITH LOCAL STAKEHOLDERS

2.3.2.1 Supporting the community

Each of the Group's assets is fully committed to contribute to the sustainable economic development of its immediate area and the creation of social value for the communities in which it operates. This commitment is made real through the implementation of community oriented activities, using the levers available to the Group and its assets to raise awareness, mobilise and actively provide tangible solutions to local area needs. UR for Jobs and Solidarity Day are two far-reaching social initiatives developed by the Group in Continental Europe: these two major initiatives are held every year in collaboration with public partners and local charities. These initiatives are supported by the commitment of Group's employees who volunteer during their working hours (see Section 2.4.3 Inspire our people).

In 2018, 84 of the owned and managed shopping centres in Continental Europe (i.e. 42 Shopping Centres) implemented one of these two social initiatives.

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

UR for Jobs ("Unibail-Rodamco-Westfield for Jobs") is one of the Group's major social initiatives in Continental Europe. It aims to tackle unemployment of people with a distance to the labour market.

Its goal is to create job opportunities within the Group's assets for people living close to the shopping centres being unemployed, for lack of qualifications or other personal situation (financial, medical, family circumstances) raising in barriers to employment.

Beneficiaries who join the programme receive free support designed to meet the requirements of retailers in the Group's shopping centres. They integrate a training programme, and receive coaching from Group employees. At the end of this process they are introduced to recruiters from the Shopping Centre and surrounding area through job interviews, and through completing real job applications.

These actions are systematically delivered in conjunction with the local public employment services and charities with which the Group builds long-term partnerships. In Spain, for example, the partnership with McKinsey Generation Foundation was successfully rolled out to other Spanish centres, and 2 French centres, thus enabling the Foundation to take its first steps in the country. Similarly the German charity Joblinge has expanded its activities within UR for jobs thanks to the strong links established with the Group's assets and employees.

Within the “Better Places 2030” programme, the Group’s long-term goal in Continental Europe is to enable 1,000 people per year who have a distance to be hired or integrate a certifying training programme thanks to UR for Jobs by 2020.

In 2018, the UR for Jobs programme was implemented by 30 centres across all the regions in Continental Europe, corresponding to 63% of owned and managed shopping centres with over 6 million visits. These 30 centres have helped to train 719 beneficiaries. Through over 29,000 training hours (i.e. on average 5 days training per candidate), the beneficiaries were able to rebuild self-confidence, crystallise their career plans and learn or develop hard and soft skills in the customer service sector.

To boost the performance of young people supported through UR for Jobs, innovative training models were introduced in 2018. In partnership with Fondation d’Auteuil and 22 retailers, two centres in France implemented the SKOLA scheme, a "schoolshop " in which 32 young beneficiaries received on the job training for the profession of store assistant.

In 2018, the 3rd running year of the initiative , 53% of supported beneficiaries (i.e 381 people) were hired or enrolled in a certifying training course in the 2 months following the programme. More than a further 1,000 candidates were able to gain entry to the initiative without prior training and at least 170 of these found a job thanks to the shopping centres’ job fairs. In total, this initiative has resulted in 551 placements. In parallel, the shopping centre retailers found in this programme a suitable response to one of their major issues: recruitment.

In order to ensure the lasting impact of the initiative, the Group monitors the career progression of the beneficiary during six-months from the programme‘s end. Thus, in the case of the 18 initiatives for which the data is available, the integration rate at over 6 months is 46%, which corresponds to over 228 beneficiaries who have found long-term employment or training. In September 2018, the Group was granted of the EPRA's "Outstanding Contribution to Society" award which recognised the positive social impact that this initiative has on local communities.

— Solidarity Day

The Solidarity Day is also a major social initiative of the Group. It engages a large number of employees volunteering for a local charity in the vicinity of an asset. As such, over 700 Group employees in continental Europe were involved in some 17 initiatives (See Section 2.4.3 Inspire our people to find out more about the Group’s volunteering programme) through the following activities:

- refurbishment of the facilities of 10 social structures such as emergency shelters, hospitals or orphanages thus enabling over 9,800 people to benefit from the best services, accommodations and support;
- support for fundraising for organisations such as UNICEF or CHILDHOOD offering humanitarian and medical assistance to over 480 vulnerable children worldwide;
- environmental initiatives: cleaning of natural or urban spaces, or urban farming projects so as to contribute to protecting the environment next to the Group assets.

These actions have made a significant contribution to the long-term development of the structures supported for several years, like Lichtblicke in Germany or Childhood in Sweden. Through Solidarity Days in 2018, new partnerships were established with charities and public community oriented structures in each of the Group’s regions in Continental Europe. These partnerships were forged mainly at a local level with hospitals, schools and nurseries, accommodation centres for vulnerable children and families, and environmental charities. More iconic partnerships have also been established with larger scale non-profit organisations such as with UNICEF and Aurore in France and SOS Kindersdorf in Austria.

— Strong partnerships

In addition to the UR for Jobs or Solidarity Days initiatives, each asset is establishing local partnerships and initiatives with non-profit organisations locally. As such, this year 100% of the Group centres organised at least one initiative in partnership with a non-profit organisation. In total, 928 social and environmental initiatives were executed through the provision of spaces, donations, collect of materials or donations, volunteering and educational events. They benefitted to 747 partners of which, 514 non profit and 233 public community partners such as schools, nurseries, sports clubs, etc. These contributions amount to €5.4 million.

In this context, in 2018, French Shopping Centres celebrated the 10th consecutive year of partnering with the network of Écoles de la 2e chance (“second-chance schools”) which, aside from financial support, benefited from operational support to enable their young beneficiaries to secure their social and professional integration.

— ***The Veteran initiative at Unibail-Rodamco-Westfield US:***

In the US, the Unibail-Rodamco-Westfield team strongly engages to support military veterans and their families in their reintegration into civilian life:

- in 2018, Group volunteers dedicated more than 500 hours supporting veterans with counselling and assistance on career development (CV writing, networking with peers and prospection of employers) and entrepreneurial opportunities (writing a business plan, raising capital and attracting investors…);
- for the third consecutive year, the Group sponsored the "Old Glory Relay" with the non profit Team Red White & Blue: a 4,600 mile journey in which military veterans and their civilian supporters carry a single American flag across the entire United States, to raise awareness on the socio economic and psychological issues faced by military heroes while returning home. In addition to providing race stops along the route in the Group assets, the Group's teams stepped up in supporting design, finance, logistics, IT, marketing and more…;
- on 3 separate occasions in 2018, 45 Group team members volunteered to help build homes to improve living conditions for underserved military families in need of financial support with the charity Habitat for Humanity;
- Westfield World Trade Center and Westfield UTC hosted collaborative sessions organized by the Infinite Hero Foundation with leaders, business executives and military heroes to overcome debilitating mental and physical issues relating to frontline service in order to find innovative solutions.

At a corporate or national level, the Group has also directly participated in philanthropic projects through donations and contributions totalling €0.8 million in Continental Europe. For the twelfth year of the Grand Prix des Jeunes Créateurs du Commerce ("Grand Prize for Young Retail Entrepreneurs"), the Group increased its investment to €1.5 million (see Section 2.3.3.2 An attractive, distinctive offering) in order to support 4 young entrepreneurs.

As industry leader, alongside the main stakeholders of the French real estate sector, Unibail-Rodamco-Westfield is involved in promoting and driving forward education and research in the fields of real estate and urban planning. As a founding member of the Palladio Foundation, the Group has taken part in its annual programme of conferences sponsored by the Mayor of Nantes on the topic of "Living in the Towns/Cities of Tomorrow" aimed at identifying the major challenges of contemporary societies to invent the town/city of tomorrow.

In addition to these working groups and task forces, the Foundation also finances the brightest students in the real estate field, helping them to continue their higher education or pursue research projects: in 2018, 12 students were awarded grants by the Foundation. Finally, this year the foundation also awarded the Junior Real Estate Prize ("Prix junior de l'immobilier") during the Business Real Estate Trade Fair (SIMI) hosted in one of the Group's assets which welcomed more than 30,000 visitors in 2018.

In parallel, the Group organised a conference series on architecture open to the general public in order to exchange with top class architect and debate the major issues facing towns and cities and town planning with students, architects and the Group's employees. This year's special guests at these "Architecture Tuesdays" were Dominique Perrault and Laurent Castro.

COMMUNITY ENGAGEMENT[1]

Our centres creating better communities

UR for JOBS by unibail·rodamco

Creating job opportunities for people seeking employment

63%

of the Group shopping centres

719 candidates trained
551 candidates found a job or joined a certified training programme

Solidarity DAY

Supporting non profit active in our territories

32%

of the Group shopping centres

Renovation, ecology, fund raising
22 non profit organisations supported
More than **10.000** beneficiaries helped

Local philanthropy

Getting involved locally

100%

of the Group shopping centres

428 organisations supported
531 community-oriented actions conducted

UR Involved! 2018

Supported by the Group volunteering programme and the collective power of 1210 URW volunteers

(1) *Figures presented on a Continental Europe scope.*

2.

2.3.2.2 Promoting social resilience

The Community resilience is the ability of a community (which is made up of people, private businesses, government and non-profit organizations) to mitigate the probability of occurrence of incidents, uphold a favourable socio-economic climate or respond to unplanned events. It is based on building strong local relationships to understand and share issues and risks faced by communities surrounding our assets. By generating social capital and reducing risks in and from the community, resilience performance is a part of the business performance and essential for the long term growth of the assets in their territories.

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

A new independent report by Volterra, released in November 2018, outlines Unibail-Rodamco-Westfield's contributions including:

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

Future developments include the opening of a new retail, dining and leisure destination in Croydon, new residential homes and the expansion of Westfield Stratford City.

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

2.3.2.3 Engaging with tenants and visitors

To strengthen the dialogue with tenants, Unibail-Rodamco-Westfield (Continental Europe) 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 2018, 5,883 tenants responded to the Group's satisfaction survey which represents a global response rate of 68%. The findings of the survey reflect the overall satisfaction rate of tenants scored at 72.0/100 in 2018, compared with 71.8/100 in 2017. These surveys help implement improvements in the shopping centres and continuously improve the customer journey together with retailers.

To improve day-to-day relations between centre staff and tenants and suppliers, the "Connect" application was launched in 2016 and is currently used in 44 of the Group's shopping centres.

KPI: PERCENTAGE OF SHOPPING CENTRES WHICH HAVE ROLLED OUT THE 'CONNECT' APPLICATION

	2016	2017	2018
Number of shopping centres which have rolled out the 'Connect' application	3	32	44
Percentage of shopping centres which have rolled out the 'Connect' application	5%	59%	88%

Moreover, internal quality audits were used to assess 386 services and comfort criteria twice a year: in 2018 the average score for Unbail-Rodamco-Westfield (Continental Europe) was 90.6/100. These audits help to ensure that the Group's assets maintain their prime position on the market.

AVERAGE SCORE IN INTERNAL QUALITY AUDIT

	2015	2016	2017(1)	2018
Average score in internal quality audit	92/100	94/100	87/100	90.6

(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.

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.

In June 2018, an updated version of the "4 Star" label was released to tie in with innovation and commitments of Unibail-Rodamco-Westfield (Continental Europe), specifically in relation to services, digital tools and sustainable development. As of the end of 2018, 16 shopping centres have adopted the new "4 Star Experience" rating system.

In Continental Europe, Unibail-Rodamco-Westfield is also doing its utmost to ensure its assets are welcoming and accessible to all citizens. Special provisions are made for customers with disabilities, as well as for elderly customers and families. 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.

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 being to reassure the tenants' and service providers' employees who work at sites managed by the Group as well as providing a safe environment for customers and visitors. These plans, worked out in close cooperation with local authorities and the enforcement authorities combine surveillance and detection equipment, heightened security measures, information-sharing and the training of tenants' staff in order to increase the vigilance of all site personnel and to react effectively in case of a threat. Such plans help maintain the attractiveness of shopping centres for their customers.

2.3.3 PROMOTING SUSTAINABLE CONSUMPTION

2.3.3.1 CSR as perceived by shopping centres

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 55 assets in 2018 with 23,473 respondents; the average score across the Group was 8,2/10. Since 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.

CSR PERFORMANCE RATING OF SHOPPING CENTRES AS PERCEIVED BY VISITORS

CSR Criteria	% Visitor satisfaction in 2018
The centres aim to optimise their energy consumption	38%
The centres are easily-accessible using non-polluting methods of transport	45%
The centres promote economic development and support local employment	38%
The centres are part of life in the region and promote social diversity	34%

2.3.3.2 An attractive, distinctive offering

Unibail-Rodamco-Westfield 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. In 2018, 175 leases were signed with "premium" international retailers (such as Polo Ralph Lauren, Mercedes-Benz and Daniel Wellington) with a strong focus on differentiation and exclusive retail concepts which generate traffic and customer preference. "Retailer open house" events are regularly held in different regions to present the Group's portfolio of existing assets and greenfield/brownfield development projects to current and potential tenants.

Unibail-Rodamco-Westfield in Continental Europe 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, smart design, high-impact marketing events and exclusive services. As such, 13 Dining Experiences™ offer visitors a wide range of dining options, from the simplest food break, to gourmet bistro dinners, thanks to a partnership of local and international stakeholders, the appeal of which is strengthened by a dedicated programme of entertainment and events. Foodhalls will also be introduced soon, in line with new consumer patterns and experiences. Also this year we offered Fresh! again in Mall of the Netherlands, a combination of fresh and luxury products in a warm social space. Moreover, two new Family Experiences (bringing the number to 4 at Group-level) were introduced in Arkadia (Poland) and at CentrO (Germany); they give families and full and attractive experience with our shopping centres, offering parents the necessary comfort during their visit and creating an unforgettable experience for children. Finally, the fashion destination is illustrated by our Designer Galleries™. The Group is also committed to leasing space and providing support to entrepreneurs and smaller national and local retailers. In 2007, Unibail-Rodamco-Westfield 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. In its 12th year, exceptionally, four concepts received awards. They were awarded a total of €1,500,000 towards their lease in one of the shopping centres of the Unibail-Rodamco-Westfield Group. The Unibail-Rodamco-Westfield Grand Prize was awarded to Freddy's BBQ and Mersea, ex aequo. It rewards a retail concept that is already established and ready to pen a store in a shopping centre within a short time-scale. They are each awarded €500,000 in prize money.

Moreover, in 2018, the Group worked on developing projects aimed at collecting and recycling textiles in partnership with its visitors and retailers. This work should result in pilots in 2019.

Finally, by way of an example, in 2018 4 young entrepreneurs from the 1st class of l'Ouvre-Boîte Paris demonstrated their concepts in a pop-up store located in the Forum des Halles. An incubator for young talent developed by fondation Apprentis d'Auteuil, l'Ouvre-Boîte Paris supports young entrepreneurs, aged 18 to 30, with their business creation plans. After several months of training delivered by business leaders and experts, 4 young entrepreneurs, operating in a "street" setting, tested their products and services with the general public for one week in July 2018. They took turns in the "Ouvre-Boîte" pop-up store in the Forum des Halles, loaned free of charge by the Group.

The Group is also testing innovative retail formats including, for example, opening KaDeTe in Wilmersdorfer Adkaden in Berlin in March 2018, a concept store with a focus on completely new brands and products, enabling them to meet their market, test their products and find the retail concept that best suits their needs, and develop their credibility vis-a-vis investors.

Although Unibail-Rodamco-Westfield is not primarily concerned by the sustainable food topic due to its real estate activity, the Group accompanies the evolution of customer demand for a more healthy and diversified food offer, by introducing in its shopping centres more sustainable food offers, for instance vegetarian, organic, local, etc.

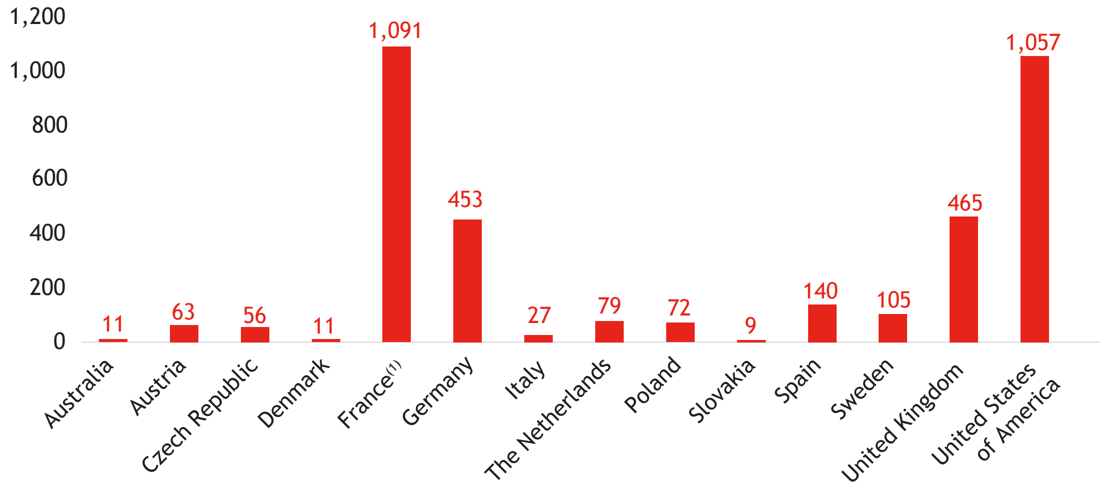
2.4 EMBED SUSTAINABILITY IN OUR ORGANIZATION AND NURTURE RESPONSIBLE TALENT

KEY FIGURES

Employment by country

Following the integration of Westfield the Group has 3,639 employees as at December 31, 2018.

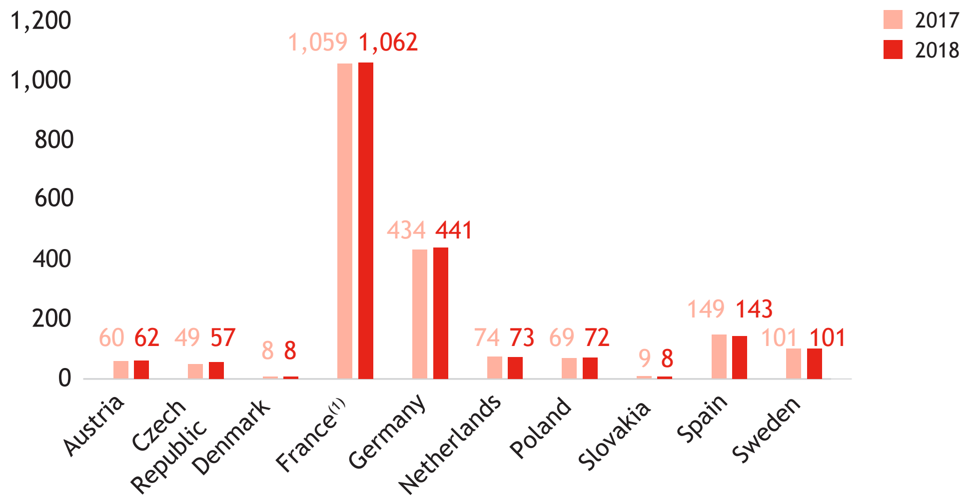
Workforce as at December 31, 2018



(1) Including all Viparis employees (376 as at December 31, 2018)

EMPLOYMENT BY COUNTRY

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



(1) Including in 2017, 376 Viparis employees and 1 employe seconded to CAML and in 2018, 362 Viparis employees. Since 2018, CAML is included in the UK. Since January 1, 2015, members of the Management Board are not included in Group headcount.

EMPLOYMENT BY ACTIVITY

Workforce as at December 31, 2018

28% On site

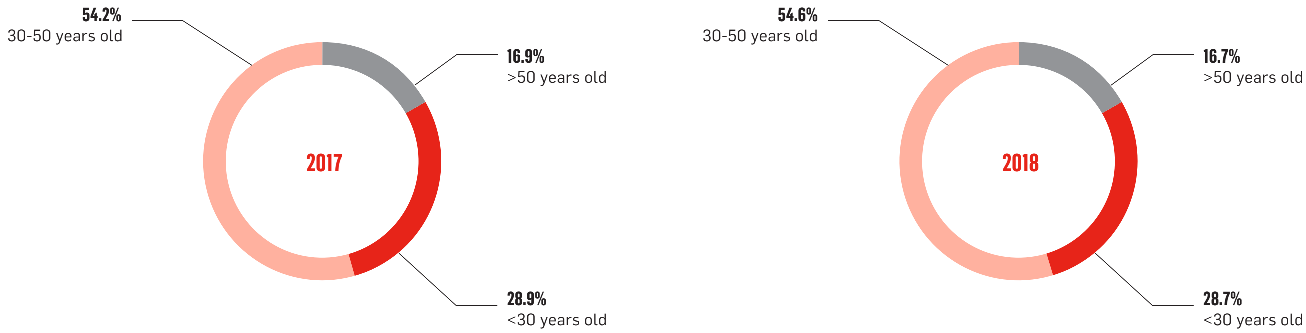
18% Convention & Exhibition venues

25% Operations

29% Support functions

EMPLOYMENT BY AGE

Workforce as at December 31, 2018

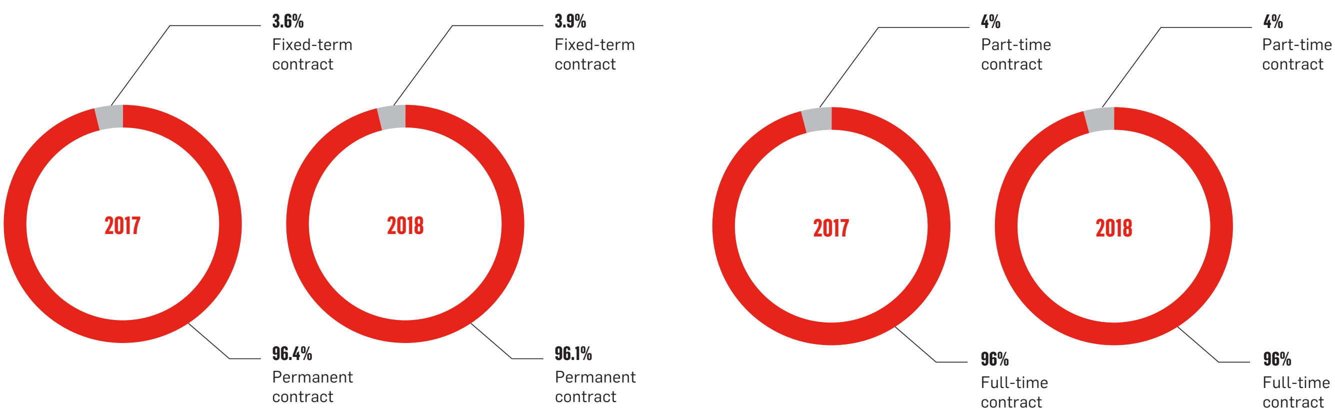


EMPLOYMENT BY GENDER

Workforce as at December 31, 2018

EMPLOYMENT CONTRACTS

Workforce as at December 31, 201



2.4.1 EMPOWER TALENT

2.4.1.1 Talent management and engagement

— Talent Management

Unibail-Rodamco-Westfield'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 diversity and equal opportunities to enable each individual to acquire the experience needed to build an exciting career that creates value for the Company.

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

— *Culture and values of Unibail-Rodamco-Westfield*

The Company's competency model (for ex-Unibail-Rodamco scope) was updated in 2014. Six specific, unique and guiding pillars under the "UR Experience":

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

The UR Experience has been part of the competency model used in the Group's year end appraisal and is firmly embedded in the mindset and day-to-day activities of all employees.

— *The Westfield EDGE*

Westfield's employee cultural behaviour framework, known as the Westfield "EDGE", was launched in 2015. With three years of positive outcomes, the EDGE framework encourages employees in the US and in the UK to achieve great results through innovation, collaboration, building teams and communities. Employee performance objectives and KPIs are linked to the EDGE cultural behaviours as there is a key focus on how employees achieve and work collaboration. In addition to what is achieved, 25% of all employees annual reviews is based on how employees have delivered their objectives through the EDGE.

In 2018, following the acquisition of Westfield, a project was launched to co-create a set of new values across the organization, through a company wide survey and workshops. These values represent the excellence in Unibail-Rodamco-Westfield's standards as a high performance company and culture. These values will help everyone understand how they should lead and behave at work and how they should interact with customers, partners, communities and visitors.

The new corporate set of values for Unibail-Rodamco-Westfield will be unveiled first quarter of 2019.

— *Internal mobility and career evolution*

The job grading system is an important part of career development. The internal Job Grading system not only enhances communication, consistency and transparency in managing mobility across the Group, it also recognizes the experience and expertise employees are developing on their position. Internal mobility between functions is strongly encouraged and is conceived as a collaborative process involving employees, managers and the HR department. It gives employees a more in-depth understanding of the Group's various activities and priorities. International mobility also helps employees to build and consolidate networks and share best practices among the various regions.

The international mobility policy has been enriched to cover all mobility schemes, increase awareness of the related benefits and provide full support to expatriate employees and their families. In 2018, 242 employees made a lateral or geographical career move within the Group, 418 employees (20.6% on average) were promoted and 54[1] employees conducted an international mobility (compared to 43 in 2017).

Several talent development initiatives took place in 2018:

- a Leadership Programme was rolled out to support the professional development of managers in the "Principal" grade, and to build their European network within the Group. In 2018, 12 Principals from 8 countries participated to the Programme including a training "From Management to Leadership". They worked jointly on three strategic projects for the Group. The participants to the Programme presented the outcome of their work to the European Regional Managing Directors;
- the Group continued to develop its Innovation Champions network through its internal "Innovation Champion Graduate Programme" to harness collective intelligence and innovation, open new career perspectives and promote diversity within teams, either remaining in their operational roles and dedicating up to 20% of their time to innovation projects, or being involved in the URW Lab, the Group's dedicated R&D team on a full-time basis. Participants received specific training and coaching in areas such as brainstorming and design thinking, and pitched their project outcomes at various innovation meetings and workshops.

(1) *Including international mobilities from and to ex-Westfield's entities*

— *European Graduate Program (EGP)*

The Group led a total of 142 assignments during the year. Among these assignments, 4 EGPs had the opportunity to work in the US and in the UK for the first time. In 2018, 5 other EGPs were confirmed for missions in the US and in the UK for 2019.

— *Employee engagement survey*

Aimed at ensuring high engagement of employees, the Group conducted the 3rd edition of its employee engagement survey in the Spring of 2018 with a participation rate of 93%. The survey assessed embedment of the Group's values in daily work, key areas of employee experience and feedback on over 60 actions implemented in various countries since the previous survey in 2016.

— Attracting the best talent

The Group consolidated its partnership with the CEMS (Community of European Management Schools) Global Alliance. In 2018, 21% of graduates recruited through the EGP hold a CEMS Master's degree.

Overall, through the EGP, the Group recruited 48 young graduates in 2018 from among Europe's most prestigious universities, engineering and business schools. The EGP was launched in the UK. A similar programme in the US will be rolled out in 2019.

Rewarding the quality of the Group's career opportunities and attractiveness, Unibail-Rodamco-Westfield received a number of awards in 2018:

- it was certified once again as one of the "most attractive employer" for French students. In a similar survey for experienced professionals, Unibail-Rodamco-Westfield was recognized among one of the most attractive employers in France and the Netherlands;
- for the fourth year in a row in Germany, the EGP programme won the 2018 Graduate Trainee Award in recognition of its status as one of the best programmes of this type;
- in Sweden, the Group landed in a top 20 position in 4 potentials Best Talent Company. Swedish companies were evaluated by 6,000 candidates to determine the top 30 companies in the country for recruiting, retaining and developing talent. This is the first time Unibail-Rodamco-Westfield appears on the list;
- the Group received the Top Employers Certification for Germany for 2019;
- Unibail-Rodamco-Westfield reiterated its commitment to training young talent when it was selected among 2,000 companies to receive the Happy Trainees label for the fifth year in a row in France. Some 84% of our trainees recommend the Company, giving the Company an overall score of 4.22/5 in regards to their experience with the Group.

While maintaining the focus on internal mobility, several key senior management-level recruitments were made in 2018, bringing to the Group more professional experience and international diversity. 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.

Vacant positions are published on the Company's social networking site and employees can each put forward one professional referral. 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 this referral programme in 2016, around 300 eligible candidates were referred in all countries and 45 were successfully recruited. €45,000 were donated all over Europe to charities.

In June 2018, Unibail-Rodamco-Westfield launched its new LinkedIn page, establishing a strong presence and gaining over 10,000 followers in 6 months. From the launch date to December 31, 2018, the Group actively developed its editorial line. Unibail-Rodamco-Westfield effectively engages its followers, nearly doubling the rate of engagement and number of likes on its posts in the second half of 2018.

Employee turnover in 2018, 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 2017, stood at 16.6% (compared with 17.3% in 2017).

RECRUITMENT

Total new employees (excluding trainees)

Employees by contract type	2017	2018
Permanent contracts(1)	315	396
Fixed-term contracts	51	64
Apprenticeships (2)	25	28
TOTAL	**391**	**488**

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

DEPARTURES

Total number of departures (excluding trainees)

Reasons for departure	2017	2018
Resignations	171	188
Dismissals	58	54
Mutual agreements	57	38
Retirements	11	11
Departures during trial period	38	29
Expiry of fixed-term contracts	53	60
Outsourcing	4	24
Death	1	0
Others(1)	0	9
TOTAL	**393**	**413**

(1) Including Group transfers to ex-Westfield entities.

2.4.1.2 Training and career development

With the Westfield acquisition, the Academy has an important role to play. Its actions this year were focused on accompanying the changes by facilitating business knowledge sharing and building common ground around diversity, inclusiveness and internationalization.

Today, the Learning Management System Cornerstone (LMS) is available for Continental Europe and will be made available worldwide in 2020. This LMS allows employees to access the training offer of the Academy and plan and register accordingly. Training paths are attributed to each employee related to their function and seniority. The Academy monitors usage and access, the tool was used by 91% of employees in the last six months of the year. To continuously improve learner experience, a survey was released for feedback and teasing videos have been implemented to introduce training topics in a short and playful way to better attract.

The Academy won the Initiative HR prize 2018 organized by Cadremploi, Hudson and le Figaro Économie praising: Innovation, Transferability, ROI, Engagement, Courage and Boldness.

In 2018, Business training represented almost 65% of training hours delivered to 82% of participants to a training. These trainings are delivered by internal experts and senior Managers of the Group and emphasize the importance of Unibail-Rodamco-Westfield's know-how. This community of over 100 internal trainers met during their yearly Trainers Club event. Business knowledge is delivered quarterly by the URW Fundamentals dedicated to all new comers, and throughout the year based on demand and relevance. E-learnings are highly in demand, with 35 different modules now available. The yearly iconic event called the EGP Seminar, during which all new Graduate Programme Trainees of the Group spend one week meeting some executives, learning important soft skills, visiting key assets and creating a career network with their fellow graduates, was once again a significant success.

The URW Academy plays a key role in accelerating the internationalization of the Group, by fostering networking between European participants in class room programs, and through specific intercultural training delivered in all countries of the new group, including the UK and the US.

A total of 14,211 personal development training hours were provided in 2018 (vs 14,646 hours in 2017), including 2,374 hours dedicated to leadership.

Similarly, to ensure the best possible preparation for future Group leaders and to support diversity, the URW Academy held several major international training events in 2018:

Name	Number of participants in 2018	Total hours in 2018
NEW - Inclusive leadership and unconscious bias	87	239
Unlocking Potential of Leaders/Women @ UR	40	554
From Management to Leadership	30	900
Intercultural Training	256	1,355

TRAINING

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

	2016	2017	2018
Total hours attended	43,404	45,832	42,070
Average number of hours per employee[1]	21.8	22.8	20.8
TOTAL OF PEOPLE TRAINED	**1,893**	**2,028**	**2,252**

(1) Based on average headcount for the year.

— *Learning and training actions for UK/US in 2018*

During the summer, several participants from the US and the UK joined the URW Fundamentals training on value creation. It was also an opportunity to network with people across the Group.

Also, trainings were delivered to the new Operating Managers and Analysts to help them understand the purpose of the 5 Year Business Plan budgeting process and the value creation process. Similar initiatives were delivered for other functions through training bootcamps.
Other training initiatives focused on Unconscious bias, Management seminars, Health and Safety programs and Well-being with a focus on parenthood.
In the US, a Leadership program called 'All-In Leadership' was designed and delivered to the top 300 managers.

2.4.1.3 Compensation and benefits

Unibail-Rodamco-Westfield'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-Westfield's Remuneration Policy are:

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

Differentiated and selective rewarding
approach based on merit and individual performance

Non-discrimination policy
(race, gender, nationality or any other personal criteria)

Structured validation process
common to all Regions to ensure fairness and accurate comparisons

A competitive total remuneration

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

Total remuneration[1]	2015/2016	2016/2017	2017/2018
Annual increase in average salary, including STI	3.85%	5.03%	6.39%

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

Differentiated and selective incentives

The STI (Short Term Incentives) rewards individual annual performance, personal engagement, team spirit, and consistency with the Group's values.

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

Variable remuneration	2016	2017	2018
STI beneficiaries[1]	73.2%	78.3%	79.9%
LTI beneficiaries	16.3%	16.3%	17.3%

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

In addition, the Group employer contribution to the employee savings plan in 2018 was €936,852. As at December 31, 2018, 80.8% of eligible employees (excluding Viparis) were Unibail-Rodamco-Westfield shareholders through the Group's Savings Plan.

Collegial decision making process

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

Unibail-Rodamco-Westfield's 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 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, managers across functions and often members of the Management Board.

2.4.2 RETHINK THE POSSIBLE

2.4.2.1 Diversity

Unibail-Rodamco-Westfield 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-Westfield. The Group strongly advocates trust, professionalism, efficiency, integrity, transparency, team work and mutual respect, regardless of gender, age, disability, sexual orientation or religion.

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.

Pursuant to Sapin II law regarding whistleblowing policy, Unibail-Rodamco-Westfield has completed its reporting system by encouraging company staff across the world 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 strategy. Action plans involving KPI monitoring have been launched on a region-by-region basis under the sponsorship of the Human Resources Department.

In 2018 in ex-Unibail-Rodamco scope, 31.8% of positions at Principal grade and above were held by women, compared to 30.4% in 2017.

The Women@URW Network is present in all regions. It includes a mentoring programme and events with guest speakers. The Regional Managing Director for Central Europe and the Director of Human Resources for Spain are sponsors for the Women@URW initiative in Europe. The plan is now to extend to the entire organization leveraging best practices in Europe and the US.

Parenthood and leadership seminars were held in France and Spain.

A two-day leadership development course designed in conjunction with McKinsey was held for the seventh consecutive year and 42 women were trained in 2018.

A new training on Inclusive Leadership & Unconscious Bias was designed. 7 sessions were delivered in 5 regions. 87 top managers, all Country Management Team members or key HR stakeholders were trained, as well as 2 Senior Management Team members.

Unibail-Rodamco-Westfield has a strong commitment to diversity and to promoting an inclusive culture where people are encouraged to succeed to the best of their ability.

In the UK, ensuring diversity starts with the recruitment stage, for which the Company included a formal requirement from its partnering agencies to consideration and present a diverse pool of candidates in all executive searches

URW UK is an active Real Estate Balance member and has signed the CEO commitments for diversity to not only deliver change internally but across the industry. URW UK has also signed the EW Inclusive Employer's Pledge which is a public commitment to build our diversity maturity over the next 12 months. Pledging organisations will receive a year-long support package from EW Group, backed up by 25 years of expertise and experience as equality, diversity and inclusion consultants.

The five areas that make up the Inclusive Culture Pledge are:

- leadership – Our leaders know and communicate why diversity and inclusion matters to them;
- people – Our people know how to work towards an inclusive culture;
- brand – We are known to be inclusive, by our employees and our customers;
- data – We have the data we need to measure how inclusive our culture is;
- future – We will sustain and strengthen the culture we have built.

Unibail-Rodamco-Westfield UK was awarded a Gold Branding for gender in the UK's "Business in the Community Benchmark". This is the UK's most comprehensive benchmark for workplace gender diversity. In 2017 and 2016 a Silver Branding was awarded.

— *STEMbassadors*

In the UK, Unibail-Rodamco-Westfield partners with WISE and Stemettes, 2 organizations which enable and inspire gender balance from education to business in science, technology, engineering and mathematics. UK volunteers regularly engage in school to demystify and inspire young women about STEM career opportunities in these field. They support the program through pedagogical workshop ("Draw me a scientist"), success stories telling and long term mentorship, thus committing to building a diverse and inclusive culture.

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

	2016/2017		2017/2018	
	Female	Male	Female	Male
Salary increase beneficiaries(1)	51.9%	52.0%	53.6%	49.6%
STI beneficiaries(2)	78.8%	77.7%	80.5%	79.3%

(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.

2.4.2.2 Inclusion

In 2016, Unibail-Rodamco-Westfield France once again signed the charter for diversity and inclusion of disabled persons in the workplace and ensures that these standards are enforced accross the Group. 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 23 disabled employees in 2018.

Different actions were put in place in France, which included raising employee's awareness with a disability quiz call "Handicap et Cinéma", a solidarity market during the European disability employment week with products made by disabled people, a participation to a French public initiative "Duoday" to help disabled people discover a company. In several countries, the Group also purchases office supplies manufactured by people with disabilities.

In 2018, Unibail-Rodamco-Westfield France committed in the PAQTE, a government initiative promoting inclusion by supporting young people coming from disadvantaged neighbourhoods in their study and career path.

le Paqte Avec les Quartiers
pour Toutes les Entreprises

2.4.2.3 Foster innovation

One of the 3 missions of the URW lab, which is responsible for innovation at Unibail-Rodamco-Westfield is to engage and invove all stakeholders within the Group with an innovation culture. This is achieved primarily through the "Ureka!" programme, which consists of:

- the organization of Innovation Days in each of the regions, which provide an opportunity for all employees to remain up to date with internal innovation projects, or to benefit from keynotes on inspiring current subjects;
- the "Innovation Champion Graduate Programme", described in Section 2.4.1.1;
- the making available of spaces dedicated to Innovation, such as the Mixer (the Group's "innovation centre"), or various spaces designated for creativity in the Group's region;
- a courses offering on innovation topics accessible to all employees;
- the organization of Learning Expeditions, in order to meet certain teams' need to explore new environments.

The 2 remaining missions of the URW Lab are focused firstly, on developing understanding of the world in which URW operates, as well as the high level trends that will impact the Group's business in the years to come. Secondly, to bring about internal transformation in response to these trends, through piloting strategic projects and collaboration with startups. Since its creation, URW link (URW Lab's open innovation platform) has accompanied 23 startups. Ten of these have CSR ambitions: Blablalines, Combo Solutions, GreenCitySolutions, Karos, Dress In the City, Merito, Mutum, PHENIX, Sous Les Fraises, Too Good To Go. Others themes of focus include: circular economies, mobility, urban farming and reemployment.

More than 100 collaborators have been involved with URW Link since its creation, and have dedicated between 10% and 20% of their time to following a startup in a 4 month period.

2.4.3 INSPIRE OUR PEOPLE

2.4.3.1 Employee commitments and CSR

A CSR strategy is fully effective only if supported by all employees and stakeholders.

— Individual CSR targets

Being committed to accelerating its CSR strategy, the Group aims at setting individual CSR targets for 100% of its employees in Continental Europe in 2018, to make each and every employee accountable for their own contribution to collective success of the CSR ambition.

- in 2017, all members of the Management Board, Group Management Team, Country Management teams, were assigned CSR objectives, used to determine their year-end Short-Term Incentive;
- employees of Unibail-Rodamco-Westfield are actively involved, accountable for their own contribution to collective success through individual CSR objectives. In 2018, 90% of employees[1] in all countries of Continental Europe have been assigned at least one CSR objective. The gap to the objective of 100% is mainly due to new comers, who joined the Company during the year for whom at least one CSR objective will be set for the next full year;
- A number of (both general and specialist) training courses have been updated through URW Academy to raise employees' awareness of the importance of their actions and the relevance of the strategy on a day-to-day basis (see CSR Trainings and education paragraph below).

(1) All employees having formalized objectives in the Group Human Resources performance assessment tool.

The Group volunteering programme

In 2018, one year after the launch of the volunteering programme, all employees in Continental Europe were offered the opportunity to dedicate one workday to support one of the two social initiatives developed by the Group throughout its portfolio.

Employees were able to choose between the 47 initiatives implemented this year in all regions of the Group to match their interest (support young people with a distance to the job market in their professional integration through UR for Jobs or local non-profits through the Solidarity Days - See Section 2.3.2.1 Supporting the community), geographical preferences.

At the end of the year, 77% of the Group employees[1] volunteered to support the local social and environmental development of the territories, in which the Group operates. It represents more than 9,200 hours (representing more than 1,200 days) offered by the Group to actively contribute building Better Communities.

Business travel of employees

In Continental Europe, the Group travel policy aims to reduce the associated carbon footprint. Employees are encouraged to travel by train when possible and give preference to videoconferencing rather than physical meetings involving travel. In addition, since October 2016, all new company vehicles must either be hybrid or electric. As at the end of 2018, 49% of the Group's vehicle fleet was hybrid or electric in Continental Europe.

Moreover, the carbon emissions from business travel by train or plane are offset through carbon credits generated either via a reforestation or ecosystem preservation programmes.

Unibail-Rodamco-Westfield has not set a quantitative target for reducing emissions associated with business travel, as this 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.).

CO2 EMISSIONS FROM EMPLOYEES' BUSINESS TRAVEL BY TRAIN AND PLANE (TONNES CO2EQ)

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 2018. Data and methodology are provided by referenced travel agencies for each region.

	Total 2017	Total 2018
TOTAL EMISSIONS (TCO_2EQ)	**3,749**	**3,949**
kg CO_2eq/employee	1,864	1,948

Promoting Eco-gestures at Work

Change is also driven by offering all the Group's employees in Continental Europe the work environment and tools to reduce the environmental impact of their day to day work. In order to make offices more sustainable and environmentally friendly, each of the Group's regions implemented an action plan in 2018 with a view to tackling waste management, and promote responsible consumption, less paper and plastic or sustainable mobility, resulting in:

- Awareness programmes among employees: in Spain, "Workgreener" ambassadors created the "12 steps to 0" programme and animated monthly eco-challenges such as bicycle run, "black month", "speed recycling", "flying to zero" etc. The sustainability week in June formed part of the Group's drive on Eco-gestures at work. This particular event involved a posting competition on the Company's social network, of all actions undertaken and a number of events at local level (collect, conferences,);
- Infrastructure improvements to enable more eco-friendly behaviour: an electrical bike sharing program and new car electrical charging points were implemented in the Headquarters parking, the progressive reduction of the number of individual printers or removal of plastic cups and plastic bottles was pursued in all offices, and lighting equipment is being progressively replaced by LED lighting with intelligent detectors;
- Process digitalization to reduce the amount of paper: a pilot on an e-invoicing process was launched in 2018 and will be progressively rolled out. Likewise, an e-signature solution was initiated for several activities. Finally, other measures such as electronic pre-paid lunch cards and electronic pay slips are continuously being implemented in all regions;
- Formalized engagement: to encourage employees to adopt an eco-friendlier behaviour in the office, Viparis implemented an "eco-gestures" charter on waste sorting, energy savings, paper and business travels through employee commitments.

(1) All employees excluding employees in leaves of more than 6 months and newcomers (having joined after 30/09/2018).

— *CSR Champions @Westfield UK & Italy*

At Westfield UK, an internal Environmental Champion Working Group was created in 2014 and extended in 2018 to mobilize the entire team to reduce its environmental footprint by implementing simple environmental nudges such as:

- waste recycling;
- glass bottles and glasses to remove the need for single-use plastic bottles and cups;
- ID cards to reduce paper wastage from indiscriminate physical printing;
- heating and lighting sensors to automatically control temperature and lighting levels based on occupancy;
- Cycle to Work' initiatives to favour soft mobility media;
- reusable bags for staff to use in place of plastic bags.

— CSR trainings and education

In order to ensure the implementation of the Group's CSR strategy and processes, training sessions are regularly organised. The CSR ambition and related action plan are systematically introduced to newcomers in the "URW Fundamentals" training. In addition, dedicated technical trainings are offered to all relevant staff members. These trainings cover for example environmental certification, regulations and the carbon footprint assessment methodology for development projects (for more information, refer to the Energy & Carbon Paragraph in Section 2.2.2.1 Environmental Management Systems (EMS)). 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.).

In total, more than 680 employees participated in 2018 CSR related trainings.

— Building ecosystems

URW Lab facilitates internal knowledge sharing on technology and Startup solutions related to the CSR ambitions. In 2018 URW Lab established a partnership with the Mobility Club from the incubator Via ID, providing employees with access to events and talks which explore the future of mobility. With a view to raising awareness, an information pack providing an outlook on the future of mobility and its implications for the Group has been distributed. In 2018 URW Lab equally partnered with the circular economy platform Paris&co, again with a view to providing teams with access and exposure and share alternative solutions. Refer also to Section 2.4.2.3 Foster Innovation.

2.4.3.2 Wellbeing

Better collaboration and work-life balance have been identified as areas of improvement in the 2018 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. 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 in a productive and sustainable work environment. To raise awareness on these smart behaviours, the Together@Work charter has been included in the newcomers' presentation and in managerial trainings.

In addition flex-work initiatives have been rolled out in Europe since 2016.

— Working Environment

Three areas of focus are addressed in our well-being initiatives:

— *Parenthood*

France put in place a working parenthood training pilot and financial contribution programme for nursery and emergency day-care service for children under 3. The Group signed the parenthood charter in 2013. In Austria, childcare vouchers were implemented. They can be used with more than 100 institutions who offer childcare during the year.

In the UK, coaching sessions for new parents were implemented in addition to family/personal days (school start, sick child day, personal family event, etc.). Additionally, a family buddy programme was introduced to mentor new parents through their parental leave.

As a result of extension of paternity support, embedded in numerous policies and facilitated by Working Families EDGE Group formed in 2018, URW UK has received Best for Fathers award from Working Families association.

URW has a well-established Employee Benefits program across UK and US operations.

URW UK was recognized as a Top 30 Employer by the UK's "Working Families Top Employers Benchmark" for a third consecutive year. This benchmark measures the full range of flexible working and work-life balance practices.

In the UK, URW has implemented a Working Families Guide to support both female and male employees before, during and after a period of parental leave, which includes additional support information and checklists for both employees and managers. As part of this, the Group introduced:

- 1-2-1 coaching sessions for mothers before maternity leave and when they return;
- A group workshop for new parents;
- A return to work induction plan;
- A family buddy scheme which sees current parents providing support for new parents before, during and after a period of leave;
- A support network of parents within our business;
- A working families policy handbook;
- A working families section on the intranet so all the information is in one place and easily accessible.

— *Health*

For the first time in France, in 2018 a prevention week was organized to promote safety, security and health. Spots classes are running in France, in Germany and the Czech Republic.

First aid training sessions were also conducted in France, the Czech Republic and Slovakia.

Most countries in which the Group operates offer their employees fresh fruit or complimentary drinks.

Health days with workshops, key-notes and events are offered in Germany, the Netherlands, Nordics and in France.

A comprehensive wellbeing programme called THRIVE is implemented in the US, including offerings on health, stress management and working culture change managements among others. The 2018 THRIVE Programme was honoured with the American Heart Association Workplace Health Solutions award recognizing the company's steps towards building a culture of wellness in the workplace.

In the UK, a number of initiatives focusing on health have been organized all year round in two main areas:

- Physical wellbeing with health checks, flu vaccinations CPR training, sports events and healthcare presentations.
- Mental wellbeing with mental health first aid training, National Mental Health Awareness Week, flourish sessions, and employee assistance programme presentations.

— *Innovation*

As part of its ongoing drive to improve working environment, the Group also pursued its efforts to provide its employees with the latest technological innovations. Office 365 was deployed in all locations in Europe during summer 2018. The deployment of Windows 10 has started and will be finalized in 2019. Corporate WIFI was deployed in all Shopping Centers in Europe for the URW employees. A Single Point of Contact to facilitate communication between end users and IT was deployed end of 2018. Yammer as URW social network and Sharepoint as URW web based collaborative platform both enable the Group's employees to share information and documents in an easy and efficient way. Skype for Business was also implemented to allow easier communication across the Group.

2.4.3.3 Occupational health and safety

The Group pursued its risk prevention training strategy in 2018, with a focus on "HR toolbox" trainings. These sessions enable to raise new managers' awareness of working regulations in France (paid leave, working hours, etc.) and of internal HR processes. Trainings on psychosocial risks, first launched in 2013, have also been provided to new managers all year long.

In 2018, sick leave represented 11,377 working days (2.6% of total working days) and days of absence for work-related/commuting accidents or illness represented 721 working days (0.2% of total working days):

- absenteeism is monitored in each region and information is reported 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 2018 were 3.29 and 0.04 respectively[(1)].

ABSENTEEISM

Accident type	2017 Number of incidents	2018 Number of incidents
Work-related accidents causing injury	11	11
Commuting accidents causing injury	15	4
Work-related/commuting accidents causing death	0	0

	2017 Number of working days	2017 Ratio[(1)]	2018 Number of working days	2018 Ratio[(1)]
Lost days for work-related/commuting accidents	694	0.2%	721	0.2%
Lost days for work-related illness	0	0.0%	0	0.0%
Lost days for sick leave	10,305	2.4%	11,377	2.6%
Lost days for personal/family events	1,388	0.3%	1,516	0.3%
TOTAL	**12,387**	**2.8%**	**13,613**	**3.1%**

(1) The absenteeism ratio is calculated in working days: total number of days absent in 2018 divided by the average number of working days in 2018 multiplied by average headcount in 2018.

The absenteeism ratio does not include other absences such as sabbatical leave, which represents 15,102 working days (3.40% of total working days).

The absenteeism ratio does not include other absences such as sabbatical leave, which represents 2,005 working days (0.45% of total working days).

2.4.3.4 Human rights and labour conditions

Unibail-Rodamco-Westfield complies with the labour standards set by the International Labour Organization (ILO). The Group only operates in countries where social regulations are well developed through democratic frameworks. Internally, specific frameworks set up by the Group define and manage additional regulations that reinforce employee rights and strongly endorse respect and ethical conduct in business dealings (collective agreements, Code of Ethics, Compliance Book, anti-corruption programme, etc.).

Since 2004, Unibail-Rodamco-Westfield has been a member of the UN's Global Compact, which promotes ethical conduct and fundamental moral values in business. Unibail-Rodamco-Westfield strives to adopt, support and apply in its particular sphere of influence the ten principles of the Global Compact concerning human rights, labour, environment and anti-corruption.

Unibail-Rodamco-Westfield works with employee representatives in each of the European countries in which it operates and respects local labour laws. In 2009, Unibail-Rodamco-Westfield became a European company following the creation of a European representative body, the European Employees Committee (EEC). The EEC meets twice a year and is provided annually with information regarding the market at large and the Group's economic situation (presentation of the Group's financial results, development and investment projects, etc.). This committee also discusses all issues regarding the Group's employees with implication at EU level. For example, the EEC Committee was informed and consulted twice in 2018 regarding the Westfield acquisition. Through workshops, it regularly contributes to the exchange of best practices related to employment issues. For example, the committee helped define the new URW employee values. For the first time this year, the UK and Italy will be included in the election process and will have representatives in the EEC.

The Group also organized various meetings on different topics with works councils, the CHSCT (in France), and the trade union organisations representing each region. Recently, a part of the French Group combined work council with CHSCT to become a unique staff representative entity. To fulfil this statutory requirement, professional elections have been organized to elect the new work council's members with a participation rate of 70%.

A total of 66 agreements are currently signed or in force with trade unions in France (including Viparis). These agreements cover a variety of topics like gender equality, senior and youth employment, working time flexibility and mandatory annual collective bargaining.

As at December 31, 2018, 67.7% of employees were covered by a collective agreement.

(1) The frequency rate is the number of work-related accidents in 2018 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 2018 multiplied by 1,000 and then divided by the number of hours worked.

2.5 APPENDICES

2.5.1 UNIBAIL-RODAMCO-WESTFIELD'S REPORTING METHODOLOGY IN CONTINENTAL EUROPE

Unibail-Rodamco-Westfield uses a variety of tools, processes and indicators to monitor the performance of the assets owned and managed by the Group. These methods are used to structure an environmental, social and societal management approach, track results and to inform its stakeholders about performance.

The Group continuously improves its reporting tools and processes in order to fine-tune the quality and accuracy of its consolidated data. This enables the Group to manage its data collection processes more efficiently, track and analyse performance at all levels (site, region, Group) on a regular basis, assess results against targets, and implement suitable corrective measures.

For five years, in continental Europe, Unibail-Rodamco-Westfield has been using and developing a new reporting tool in order to gather and standardise all processes and indicators for all the regions affected. 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 in continental Europe 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 Unibail-Rodamco-Westfield in Continental Europe.

In 2018, 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 CSR strategy, "Better Places 2030". These data will be phased in to Unibail-Rodamco-Westfield Continental Europe's main reporting tool.

Unibail-Rodamco-Westfield also uses Key Performance Indicators (KPI) to collect and analyse throughout the year the main human resources data and help implement Group policies in this regard. Social information is tracked trough a new human resources management tool, shared between all Group regions in continental Europe.

2.5.1.1 Definitions and 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 area (i.e. energy consumption, CO_2 emissions, water consumption/m^2), Unibail-Rodamco-Westfield promotes indicators that reflect the intensity of use relating to a building's specific activity.

For standard intensity indicators, denominators are related to floor area (m^2) and defined as:

- for Shopping Centres: with the maximum floor area of all the publicly accessible common areas (including the shopping centre's management offices) and the gross lettable floor area (GLA) delivered with common utilities such as energy or water depending on the indicator;
- for Offices: with total occupied 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 consumption, CO_2 emissions, and water consumption/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 consumption, CO_2 emissions, and water consumption/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 (i.e. energy consumption, CO_2 emissions, water consumption/m^2 on days when open to the public).

All reported environmental, social and societal indicators are defined based on specific frameworks, which are the same for all countries where the Group operates in continental Europe. These frameworks are regularly updated: the reporting framework for environmental and societal indicators and the one for social indicators have both been updated in 2018. In addition, a specific framework has been defined in 2018 to report for the first time on indicators consolidated over the whole Group perimeter, including the United-States and the United-Kingdom, see Section 2.1.5.2 Summary of the Group's CSR performance.

— Focus on the socio-economic footprint assessment methodology

Unibail-Rodamco-Westfield's local economic footprint in Continental Europe 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-Westfield'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-Westfield through purchases from its different suppliers (amount of purchasing contracts converted into salaries; for rank 1 suppliers only) 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 centres (Unibail-Rodamco-Westfield shopping centre's staff, tenants' staff and on-site suppliers' staff);
- Furthermore, the local economic studies assess the contribution to local 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 on floor area, Value-Added Tax (Corporate tax).

Overall economic impact at national level has been assessed using a bottom-up approach: the results of Shopping Centre local economic studies[1] for each region (local method) have been used in the form of ratios to estimate the global economic impact of Shopping Centre activities (regional portfolio), being applied to current available and yearly updated data (accounting, floor area, tenant information, taxes).

2.5.1.2 Reporting scope

The information presented in Section 2.1.5.2 Summary of the Group's CSR performance and in the following sections (2.2, 2.3, 2.4) only covers Unibail-Rodamco-Westfield in continental Europe – unless it is explicitly stated that the indicators are consolidated at Group level ("CSR indicators consolidated across the entire Unibail-Rodamco-Westfield scope") as well as certain initiatives in the United States and United Kingdom presented in separate text boxes. The CSR information will be presented on a fully consolidated Scope as of 2019, after a full year of operating under the new reporting scope.

The environmental and societal indicators relating to operations cover a Scope of assets owned and managed by the Group, over which the Group has operational control and for which the data can be measured and verified. Control of operation and operational management of the data produced take precedence when identifying the Scope of each indicator. By default, this information covers all of the Group's asset categories: Shopping Centres, Offices and Convention and Exhibition venues. When an indicator covers a narrower scope, this is specified in its description.

In 2018, Unibail-Rodamco-Westfield reported energy and water data as well as greenhouse gas emissions linked with operations for all of its owned and managed assets, all asset categories combined: and waste data, mobility indicators and indicators related to stakeholder engagement for all of its owned and managed Shopping Centres, unless otherwise stipulated in the presentation of each indicator.

These environmental and societal indicators linked to operations cover a Scope representing between 92% (indicators consolidated over a rolling year[2]) and 93% (indicators consolidated over a calendar year[2]) of the total consolidated portfolio value in continental Europe as at December 31, 2018.

Social indicators regarding Human Resources cover all Group employees in all regions where the Group operates in continental Europe, for the three asset types: Shopping Centres, Offices and Convention & Exhibition venues, from January 1 to December 31, 2018.

Exclusions from the reporting Scope are specified in the tables presenting each indicator or in footnotes where applicable.

(1) *Economic Impact of Shopping Centres: Carré Sénart in 2013, So Ouest, Aéroville, Confluence, Täby and Maquinista in 2014.*
(2) *See Section 2.5.1.4 Reporting period and reference year.*

Historical environmental KPIs (energy efficiency, greenhouse gas emissions and resource use) 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 the Group over a whole two-year comparison period. To assess the positive impact of its management policy at the earliest opportunity, the Group 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 "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 2.2.1. Responding to climate change), 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.

— Scope of the Group carbon footprint

In order to define the calculation methodology of its total carbon footprint in Continental Europe, Unibail-Rodamco-Westfield 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, see above);
  - development projects (greenfield/brownfield, extensions and renovations);
  - Group employees and headquarters.
- operational scope: all the activities over which the Group has direct operational control or that it can influence.

The detailed emission sources accounted for in the Group carbon footprint are presented in Section 2.2.1.2 Carbon assessment.

2.5.1.3 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 area 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 floor area under works) are excluded from the reporting Scope of year Y.

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

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 2018, some changes in the portfolio impacted the reporting Scope as follows:

- asset disposals that occurred during the rolling year 2017-2018 exclude the following assets from the rolling year reporting scope: Barnasud, Bahiasur, El Faro, Los Arcos et Vallsur (shopping centres, Spain), So Ouest Plaza (office, France), Eurostop Örebro (Shopping Centre, Sweden);
- in addition, asset disposals that occurred end of year 2018 (last quarter 2018) exclude the following assets from the 2018 calendar year reporting scope: Capital 8 – Murat and Tour Ariane (Offices, France);
- Wroclavia (Poland), the new shopping centre that opened end of 2017, is incorporated into the calendar year reporting Scope in 2018, and will be incorporated into the rolling year reporting Scope in 2019, when its consumption will be available over 12 rolling months;
- three owned assets in complete restructuring in 2018 (100% of the floor area under works) are excluded from the reporting Scope in 2018: Leidsenhage (future Mall of the Netherlands Shopping Centre, The Netherlands), Gaîté Montparnasse (Shopping Centre, France) and Issy Guynemer (future Shift Office, France).

2.

ASSETS INCLUDED IN THE 2018 REPORTING SCOPE FOR ENVIRONMENTAL AND SOCIETAL KPIS

Regions		Number of assets	Assets	Reporting floor areas for standard intensity of energy and carbon indicators(1)	Denominators for intensity of use indicators(3)
Shopping Centres	Austria	2	Donau Zentrum (including Dux), Shopping City Süd (including Mux)	305,590 m²	35,035,499 visits
	Central Europe	7	Aupark, Centrum Cerný Most, Centrum Chodov, Arkadia, Galeria Mokotów, Wilenska, Wroclavia(4)	462,540 m²(5)	87,271,799 visits
	France	18	Aéroville, Carré Sénart (including Shopping Parc), Carrousel du Louvre, CNIT Retail, Euralille, La Part-Dieu (including Cour Oxygène), 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	1,145,219 m²	286,702,150 visits
	Germany	8	Gera Arcaden, Höfe am Brühl, Pasing Arcaden, Paunsdorf Center, Ruhr Park, Minto, Palais Vest, CentrO	624,232 m²	81,369,282 visits
	The Netherlands	3	Stadshart Almere, Stadshart Amstelveen, Stadshart Zoetermeer	88,648 m²	28,164,131 visits
	Nordics	5	Fisketorvet, Nacka Forum, Mall of Scandinavia, Solna Centrum, Täby Centrum	413,081 m²	49,431,160 visits
	Spain	7	Bonaire, Equinoccio, Garbera, La Maquinista, Las Glorias, Parquesur, Splau	251,277 m²	79,700,287 visits
Office	France	6	7 Adenauer, Capital 8(6), Majunga, Tour Ariane(6), Sextant, Espace 21 (Villages 3, 4, 5, 6, 7, Village commerce)	241,155 m²(2)	15,173 occupants
Convention & Exhibition	France	6	Espace Champerret, Espace Grande Arche, Palais des Congrès de Paris(7), Paris Nord-Villepinte, Paris Nord-Le Bourget, Porte de Versailles	593,700 m²(2)	27,365,455 m² occupied per day open tothe public *(m² DOP)*

(1) See the definition of reported floor area for Shopping Centres in Section 2.5.1.1 Definitions and Reporting values (standard intensity indicators).
(2) Floor area according to consolidation (see Section 1.5 Portfolio).
(3) See the definition of denominators used for intensity of use calculation in Section 2.5.1.1 Definitions and Reporting values (intensity of use indicators).
(4) Asset included in the calendar year reporting Scope only.
(5) Excluding Wroclavia (which is included in the calendar year reporting scope only).
(6) Assets included in the rolling year reporting scope only.
(7) The retail part "Les boutiques du Palais" of the Palais des Congrès is accounted for in the Shopping Centre Scope for the reporting of BREEAM In use certification indicators.

In addition, some office buildings and hotels linked to a shopping centre are included in the reporting scope, reported under the shopping centre entity:

Group's Region	Number of assets	Office	Managed GLA
Austria	1	Shopping City Süd Office	9,100 m^2
Sweden	3	Nacka Forum Office, Solna Office and residentials, Täby Office	65,000 m^2
Denmark	1	Fisketorvet Office	857 m^2

2.5.1.4 Reporting period and reference year

Most environmental, social and societal data are reported as at December 31 of the reporting year ended, for one calendar year. However, given the scheduling requirements for the release of the 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.

Unibail-Rodamco-Westfield in continental Europe 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 CSR strategy, "Better Places 2030", in 2016, the Group introduced new indicators and a new reference year: 2015. 2015 is notably the baseline year for the calculation of the Group carbon footprint. 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 continued (energy intensity indicator).

Calculation of evolutions:

Two modes of calculations of evolutions have been defined: an annual evolution on 12-months period, applied to all environmental indicators, and a cumulative evolution over several years since the baseline year, applied additionally to the carbon intensity indicator. The annual evolution calculates the relative evolution between the elapsed year and previous year figures. 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 the Group's portfolio (asset acquisitions and disposals), 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 cumulative performance on a larger operational scope.

2.5.1.5 Reporting system

Each region is responsible for collecting, checking and validating the data of its assets.
At Group level, in Continental Europe, 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 or biannually for all other environmental and societal indicators, and for additional data needed to calculate certain indicators, such as greenhouse gas emission factors and footfall in shopping centres.

Social indicators are mainly tracked on a monthly basis, and communicated annually by the Group.

Since 2015, Unibail-Rodamco-Westfield's new reporting tool for environmental and societal indicators has been implemented and made available to end-users across the Group in Continental Europe. The tool has been totally integrated into operational processes on site and allows for efficient monitoring of 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, Purchasing and Sustainability) team. New employees also received training in 2018.

The IT solution is composed of a workflow including mandatory validation steps. 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, Purchasing and Sustainability) Department consolidates the data that have previously been validated, and with assistance from the Group CSR team it measures the Group's performance in Continental Europe 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 in Continental Europe.

The Group also equipped itself, in Continental Europe, with a new reporting platform for indicators related to employee engagement in Group societal initiatives for communities: UR for Jobs and Solidarity Day (see. Section 2.3.2 Working with local stakeholders). This platform is fully operational since 2018.

Regarding social data, each region controls and collects data relevant to its own operations, which are integrated in real time 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 across the Group) and a new payroll tool for France.

2.5.1.6 Continuous improvement of definitions and data quality improvement

Unibail-Rodamco-Westfield in Continental Europe continues to improve the quality and comparability of its data, develop internal benchmarks, introduce sub-metering to collect information for environmental 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.

— 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 2018, 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 more clarity in terms of the historical data that were not previously identified separately.

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.

A detailed review of the Scope reported in the portfolio of owned assets financially consolidated and under operational management in Continental Europe was conducted in 2018. It resulted in adjustments of the assets reported historically in order to comply fully with the Group's financial consolidation Scope and Reporting Guidelines.

The application of the methodology for measuring floor areas has been reviewed and fine-tuned in 2018, which led to an evolution in the reported floor areas in comparison with 2017.

— Identifying uncertainty as regards the Group 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. A qualitative analysis of margins of error is therefore presented hereunder for the three main areas of Construction, Operation and Mobility.

— *Construction*

Margins of error may be related to:

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

In order to reduce uncertainty, 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 factors.

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 provides 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 Scope 3 energy) as it is impossible to know exactly which energy mix each tenant is using.

— ***Mobility***

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

To strengthen the reliability of the data inputs, the following changes have been applied to marketing surveys (core data source) in 2018: 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 part of the work regarding the Group carbon footprint assessment methodology redefinition in 2019, on the occasion of integrating the US and to UK to the reporting scope.

2.5.2 UNIBAIL-RODAMCO-WESTFIELD INDICATORS FOR THE NON-CONTINENTAL EUROPE SCOPE: THE UNITED KINGDOM AND UNITED STATES

This section covers the period January 1, 2018 to December 31, 2018, the Scope concerns only UK and US assets.

2.5.2.1 Environmental data

— Energy consumption

DIRECT AND INDIRECT ENERGY CONSUMPTION IN GJ (2018)

	US (GJ)	UK (GJ)	Total GJ
Direct Energy Consumption	132,794	21,734	154,528
Indirect Energy Consumption	593,864	209,919	803,783
TOTAL	**726,658**	**231,653**	**958,311**

DIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE IN GJ (2018)

	2018 GJ	% Contribution
Non-renewable sources	**121,012**	
Natural Gas	96,380	62,37%
Non-transport fuel combustion	193	0,13%
Transport fuels (controlled vehicles)	24,439	15,82%
Renewable sources	**33,516**	
Solar	33,516	21,69%
TOTAL	**154,528**	**100,00%**

SUPPLEMENTARY REGIONAL BREAKDOWN—DIRECT ENERGY CONSUMPTION BY COUNTRY (2018)

	US (GJ)	UK (GJ)	Total GJ	Total kWh
Direct Energy Consumption	**132,794**	**21,734**	**154,528**	**38,729,519**
Non-renewable sources	**99,278**	**21,734**	**121,012**	**33,614,562**
Natural Gas	74,879	21,501	96,380	26,772,157
Non-transport fuel combustion		193	193	53,724
Transport fuels (controlled vehicles)	24,399	40	24,439	6,788,681
Renewable sources	**33,516**		**33,516**	**5,114,957**
Solar	33,516		33,516	5,114,957
TOTAL	**132,794**	**21,734**	**154,528**	**38,729,519**

INDIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE IN GJ (2018)

	2018 GJ	% Contribution
Indirect Energy Consumption	**803,783**	
Non-renewable sources	**803,783**	
Heating and cooling	55,411	7%
Purchased Electricity	741,882	92%
Steam	6,490	1%
TOTAL	**803,783**	**100%**

All electricity has been classified as non-renewable. However, this is grid electricity, so it will have a mix of renewable and non-renewable sources, that has not been quantified.

SUPPLEMENTARY REGIONAL BREAKDOWN—INDIRECT ENERGY CONSUMPTION BY COUNTRY (2018)

	US (GJ)	UK (GJ)	Total GJ
Indirect Energy Consumption	**593,864**	**209,919**	**803,783**
Non-renewable sources	**593,864**	**209,919**	**803,783**
Heating and cooling		55,411	55,411
Purchased Electricity	587,374	154,508	741,882
Steam	6,490		6,490
TOTAL	**593,864**	**209,919**	**803,783**

All electricity has been classified as non-renewable. However, this is grid electricity, so it will have a mix of renewable and non-renewable sources, that has not been quantified.

— GHG emissions

DIRECT AND INDIRECT EMISSIONS (SCOPE 1&2) IN TCO_2EQ BY SOURCE (2018)

(Scope 1&2)	TCO_2eq	% Contribution of Direct and Indirect Emissions (Scope 1 & 2) of GHG
Heating and cooling	3,696	5%
Natural Gas	4,869	7%
Non-transport fuel combustion	13	0%
Purchased Electricity	59,153	83%
Steam	403	1%
Synthetic Gases	1,536	2%
Transport fuels (controlled vehicles)	1,867	3%
TOTAL	**71,536**	**100%**

GHG EMISSIONS BY SCOPE AND CATEGORY IN TCO_2EQ (2018)

	Direct Energy Consumption	Indirect Energy Consumption	Other Indirect Energy Consumption	Total
	Scope 1 (TCO_2eq)	Scope 2 (TCO_2eq)	Scope 3 (TCO_2eq)	TCO_2eq
UK	1,115	15,845	29,443	46,403
US	7,170	47,407	35,664	90,240
TOTAL	**8,285**	**63,251**	**65,107**	**136,643**

Scope 3 total includes recycling, composting, and recovery.

OTHER INDIRECT EMISSIONS (SCOPE 3) IN TCO_2EQ (2018)

	TCO_2eq	% Contribution of Other Indirect Emissions (Scope 3) of GHG
Scope 3	**64,378**	
Air Travel	289	0%
Employee Commute	85	0%
Heating and cooling	4,003	6%
Mixed Waste to landfill	3,486	5%
Natural Gas	2,993	5%
Purchased Electricity	53,109	82%
Taxi and Car Travel	54	0%
Transport fuels (controlled vehicles)	359	1%
TOTAL	**64,378**	**100%**

SUPPLEMENTARY REGIONAL BREAKDOWN – OTHER INDIRECT EMISSIONS IN TCO_2EQ (SCOPE 3) BY COUNTRY (2018)

	US (TCO_2eq)	UK (TCO_2eq)	Total (TCO_2eq)
Scope 3	**35,664**	**29,443**	**65,107**
Heating and cooling		4,003	4,003
Natural Gas	2,993		2,993
Purchased Electricity	27,803	25,306	53,109
Transport fuels (controlled vehicles)	359		359
Air Travel	232	56	289
Employee Commute	11	74	85
Taxi and Car Travel	51	3	54
Mixed Waste to landfill	3,486		3,486
Recycling	515		515
Recovery	214		214
Hazardous Waste		0	0
TOTAL	**35,664**	**29,443**	**65,107**

— Waste

BREAKDOWN OF NON-HAZARDOUS WASTE DISPOSAL BY WASTE CATEGORY IN TONNES (2018)

Type	Tonnes	% of Total Non-Hazardous Waste
Recycling	13,205	23%
Landfill (offsite)	34,878	62%
Recovery (including energy recovery)	8,274	15%
Composting	-	0%
TOTAL	**56,358**	**100%**

BREAKDOWN OF WASTE DISPOSAL IN TONNES (2018)

Type	Tonnes	% of Total Non-hazardous Waste
Hazardous	4	0%
Non-hazardous	68,940	100%
TOTAL	**68,944**	**100%**

— Water

WATER WITHDRAWN IN M³ (2018)

Type	US (m^3)	UK (m^3)	Total (m^3)
Rainwater collected directly and stored by URW		675	675
Municipal Water or other water utilities	4,144,577	141,681	4,286,258
TOTAL	**4,144,577**	**142,356**	**4,286,933**

2.5.2.2 Social data

— Workforce[1]

WORKFORCE BY AGE AND GENDER

Region	Category	Headcount as at 12/31/2018
UK & Italy	Male	286
	Female	207
US	Male	518
	Female	539
TOTAL		**1,550**
UK & Italy	<30 years	83
	30-50 years	334
	>50 years	76
US	<30 years	156
	30-50 years	654
	>50 years	247
TOTAL		**1,550**

WORKFORCE BY EMPLOYMENT TYPE

Region	Type of employment	Headcount as at 12/31/2018
UK & Italy	Full time	420
	Part time	47
	Temporary*	26
US	Full time	1,039
	Part time	11
	Temporary*	7
TOTAL		**1,550**

* *Temporary employees are considered fixed term contract employees.*

WORKFORCE BY CONTRACT AND GENDER

Region	Employment contract	Gender	Headcount as at 12/31/2018
UK & Italy	Permanent	Male	277
		Female	190
	Temporary	Male	9
		Female	17
US	Permanent	Male	516
		Female	534
	Temporary	Male	2
		Female	5
TOTAL			**1,550**

(1) This considers employees on the country's payroll, whether they are permanent or fixed-term, excluding Board Members. Employees are counted in their country's payroll.

PERMANENT EMPLOYEES BY EMPLOYMENT TYPE AND GENDER

Region	Employment type	Gender	Headcount as at 12/31/2018
UK & Italy	Full time	Male	260
		Female	160
	Part time	Male	17
		Female	30
US	Full time	Male	511
		Female	528
	Part time	Male	5
		Female	6
TOTAL			**1,517**

HIRES AND DEPARTURES BY AGE AND GENDER

Region	Category	Hires 2018	Departures 2018
UK & Italy	Male	51	71
	Female	42	69
US	Male	101	158
	Female	99	129
TOTAL		**293**	**427**
UK & Italy	<30 years	30	37
	30-50 years	53	86
	>50 years	10	17
US	<30 years	66	51
	30-50 years	108	175
	>50 years	26	61
TOTAL		**293**	**427**

— Workplace safety

NUMBER OF FATALITIES AND SIGNIFICANT INJURIES

Region	Fatalities(1) 2018	Significant injuries(2) 2018
UK & Italy	0	0
US	0	14

(1) A death from an occupational injury or illness or complications thereof. Deaths by natural causes are not included

(2) Includes fractures (other than to fingers, toes or nose), any amputation, permanent loss of sight or hearing (excluding chronic hearing loss), unconsciousness (excluding fainting), any full thickness burns, permanent loss of use of internal organ (excluding hernias)

— Training and development

PERCENTAGE EMPLOYEES WHO RECEIVED TRAINING

Region	% Employees
UK & Italy	100%
US	100%

NUMBER HOURS OF TRAINING

Region	Total number of hours
UK & Italy	16,750
US	15,241

DIVERSITY

REPRESENTATION OF WOMEN IN THE EXECUTIVE COMMITTEE*

Region	% Women
UK & Italy	33.3%
US	14.3%

* *Represents the Country Management Team.*

REPRESENTATION OF WOMEN AT SENIOR MANAGEMENT LEVEL*

Region	% Women
UK & Italy	22.7%
US	30.7%

**All employees at grade 15 and above.*

REPRESENTATION OF WOMEN IN DEVELOPMENT COURSES

Region	% Women
UK & Italy	65%
US	44%

NUMBER HIGH POTENTIAL FEMALES WHO ATTENDED A WOMEN IN LEADERSHIP DAY AT LBS*

Region	Number of women
UK & Italy	60
US	Not applicable

* *A European program for the discussion and progression of gender diversity and inclusivity at London Business School.*

2.5.2.3 Societal data(1)

Direct economic value generated*			
Revenues			1 245 414 837
Direct economic value distributed			
Operating costs		331 524 783	
Employee wages and benefits		210 697 156	
Payments direct to government		9 674 093	
Payments to government as agent e.g. taxes paid to government but recharged to third party (e.g. property or land taxes recharged to tenants or land owners).		105 421 253	
Community investments	Monetary contribution	663 252	
	In-kind Contributions	863 085	
	Paid staff time contributions (time contribution and managements costs)	41 323	
Payments to providers of capital		365 007 716	
TOTAL ECONOMIC VALUE DISTRIBUTED		**658 884 945**	
Total Economic Value Retained		586 529 892	

* *GRI methodology applied*

(1) *This data only covers the United States scope.*

2.5.3 SUPPLEMENTARY INFORMATION ON GREEN BONDS

2.5.3.1 Registration Document on the Green Bond and Use of Proceeds (for the three emissions of Unibail-Rodamco-Westfield in Continental Europe)

— Construction phase criteria

PREREQUISITE: MINIMUM BREEAM RATING OF "VERY GOOD"

Green Bond I			Green Bond II		Green Bond III
Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Very Good(1)	Excellent(2)	Excellent(3)	Excellent(4)	Excellent(5)	Excellent(6)

(1) *achieved an interim overall score of 59.92% and a BREEAM rating of "Very Good" under the "2008 version of BREEAM international".*
(2) *achieved a final overall score of 78.4% and a BREEAM rating of "Excellent" under the "2009 version of BREEAM Europe commercial retail".*
(3) *achieved a final overall score of 70.5% and a BREEAM rating of "Excellent" under the "2009 version of BREEAM Europe commercial retail".*
(4) *achieved a final overall score of 71.5% and a BREEAM rating of "Excellent" under the "2008 version of BREEAM Europe commercial retail".*
(6) *achieved a final overall score of 76.2% and a BREEAM rating of "Excellent" under BREEAM "2009 Europe commercial office".*
(7) *achieved an overall score (design stage certificate) of 78.1% and a BREEAM rating of "Excellent" under "2009 BREEAM Europe commercial retail".*

17 SUB-CRITERIA

		Green Bond I			Green Bond II		Green Bond III
Commitments/supporting elements	Criteria	Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Select the countries in which eligible assets are located based on human rights and governance	Integration, signature or ratification of conventions related to Human Rights, and Labour Rights. **KPI: country score Vigeo (out of 100)**		**97.22/100**(1)		**97.22/100**(1)		**97.22/100**(1)
	KPIs related to: press freedom, stability and political freedom; corruption prevention, independence of the judiciary system and legal certainty. **KPI: country score Vigeo (out of 100)**		**89.70/100**(1)		**99.09/100**(1)		**89.70/100**(1)
Contribution of the eligible assets to the development and well-being of communities in which they are located.	Existence of information on projects to neighbours	✓	✓	✓	✓	✓	✓
	Absence of material public recourse on the project preventing the completion of the project	✓	✓	✓	✓	✓	✓
	Accessibility of the asset by public transport (within 500 metres) **KPI: Distance to a public transport mode** *(m)*	**30 m** Tramway	**45 m** Bus line	**40 m** Bus line	**120 m** Train	**440 m** La Défense Interchange	**150 m** Bus line
	Promote the potential use of alternative transport solution and sustainable mobility	✓	✓	✓	✓	✓	✓
Monitoring the environmental impacts of eligible assets	Involvement of an external environmental consultant	✓	✓	✓	✓	✓	✓
	Commissioning Report	✓	✓	✓	✓	✓	✓
	Environmental impact assessment and implementation of appropriate measures if necessary	✓	✓	✓	✓	✓	✓

		Green Bond I			Green Bond II	Green Bond III	
Commitments/supporting elements	Criteria	Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
	Promote applicable Considerate Construction Charter to minimise environmental impact of building sites during construction phase	✓	✓	✓	✓	✓	✓
	Optimise intrinsic energy performance of the asset in view of applicable regulatory constraints **KPI: Percentage improvement over national standard building energy performance** *(%)*	**-34%**[(2)]	**-57.7%**[(2)]	**-55%**[(2)]	**-32%**[(3)]	**-58.7%**[(4)]	**-53.1%**[(5)]
	Involvement of an ecologist during the Project Phase	✓	✓	✓	✓	✓	✓
Promoting sustainable and enduring relationships with tenants and visitors	Promote "Green Leases" signature before opening **KPI: Percentage of "green lease" signed** *(%)*	**91%**	**86%**	**98%**	**100%**	**100%**	**97%**[(6)]
Promote social and Environmental factors with suppliers/service providers	Promote if possible health & safety coordinator contract (or equivalent)	✓	✓	✓	✓	✓	✓
	Promote access control to building site	✓	✓	✓	✓	✓	✓
	Promote the application of the Considerate Construction Charter or equivalent to minimise environmental impact of building sites	✓	✓	✓	✓	✓	✓
	E-learning for Unibail-Rodamco-Westfield's employees on its Code of Ethics	✓	✓	✓	✓	✓	✓

(1) Source: Vigéo country score - January 2019.
(2) According to dynamic thermal simulation aligned with RT 2005 requirements.
(3) According to Swedish thermal building regulation (BBR 17).
(4) According to thermal regulation RT 2005.
(5) According to dynamic thermal simulation aligned with RT 2012 requirements.
(6) Green leases V1 and V2 signed on as at December 31, 2017 (opening year).

— Operation phase criteria

PREREQUISITE: MINIMUM BREEAM-IN-USE SCORE "VERY GOOD" FOR ASSET (P1) AND MANAGEMENT (P2)[1]

Green Bond I			Green Bond II		Green Bond III
Lyon Confluence	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Obtained:12/19/2013 **(P1): Excellent** **(P2): Outstanding** Re-certified: 12/22/2016[2]	Obtained: 12/19/2014 (P1): Excellent (P2): Outstanding Re-certified: 12/21/2017[3] **(P1): Outstanding** **(P2): Outstanding**	Obtained: 07/28/2015 (P1): Excellent (P2): Outstanding Re-certified: 12/21/2018[3] **(P1): Outstanding** **(P2): Outstanding**	Obtained: 11/29/2017[3] **(P1): Excellent** **(P2): Excellent**	Obtained: 11/29/2017[3] **(P1): Excellent** **(P2): Excellent**	Obtained: 11/29/2017[3] **(P2): Excellent** **(P1):** Expected in the 2020 Registration Document

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

13 SUB-CRITERIA

		Green Bond I			Green Bond II		Green Bond III
Commitments/supporting elements	Criteria	Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Contribution of the eligible assets to the development and well-being of the communities in which they are located	Assess local employment through tenants' activities (e.g. follow-up of number of jobs created in the catchment area) **KPI: Total tenants supported job (FTE)**	**869[1]**	**735[1]**	**1,387[1]**	**1,639[1]**	**N/A**	**2,189[1]**
Monitor the environmental impacts of eligible assets	Environmental action plan and follow-up with regular reporting (from 1 year after opening)	✓	✓	✓	✓	✓	✓
	Annual audit of health and safety risks (from 2 years after opening) **Indicator: annual risk audit** **(Rating from A to D)**	**A[2]**	**A[2]**	**A[2]**	**A[2]**	**A[2]**	**A[2]**
	Assess energy consumption and CO_2 emissions with potential action plan if needed **Indicator: energy intensity** *(kWh/visit or kWh/occupant)* **since measured baseline** **Indicator: carbon intensity** *(gCO_2eq/visit or gCO_2eq/occupant since measured baseline)*	**-47% kWh/visit** **-78% CO_2/visit** (2018/2013)	**-24% kWh/visit** **-37% CO_2/visit** (2018/2014)	**-23% kWh/visit** **-55% CO_2/visit** (2018/2015)	**-15% kWh/Visit** **+75% CO_2/visit** (2018/2017)	**+21% kWh/occupant** **+12% CO_2/occupant** (2018/2016)	Expected in 2020 Registration Document[3]
Promote sustainable and enduring relationships with tenants and visitors	Organise on site Sustainability Committee	✓	✓	✓	✓	✓	✓
	Conduct satisfaction survey with retailers KPI: Overall satisfaction score (out of 100)	**68/100**	**63/100**	**68/100**	**68/100**	**N/A**	**70/100**
	4-Star labelling or equivalent if applicable	✓	✓	✓	✓	**N/A**	✓
	Conduct satisfaction survey **KPI: Overall satisfaction score (out of 100)**	**82/100**	**81/100**	**82/100**	**86/100**	**N/A**	**83/100**
	Relevant safety management (e.g. video protection plan)	✓	✓	✓	✓	**N/A**	✓

		Green Bond I			Green Bond II	Green Bond III	
Commitments/supporting elements	Criteria	Lyon Confluence (Lyon)	So Ouest	Aéroville	Mall of Scandinavia	Majunga	Carré Sénart ext
Promote social and environmental factors with suppliers	Promote labour rights to suppliers via contractual documentation	✓	✓	✓	✓	✓	✓
	Promote environmental and social factors to suppliers (via contractual documentation)	✓	✓	✓	✓	✓	✓
	Promote ethics to suppliers	✓	✓	✓	✓	✓	✓
	Assess regularly compliance with contractual clauses by the main suppliers	✓	✓	✓	✓	✓	✓

(1) Source: Shopping centre economic impact study performed by Beyond Financial.

(2) In-house risk audit - methodology and detailed scores in Section 2.2.3.7 Health, safety and environmental risks an pollution of the Registration Document.

(3) Data unavailable for Carré Sénart Extension: energy and CO_2 emission data are calculated since the opening (end 2017) but changes in these indicators will be published in the 2020 Registration Document.

2.5.3.2 Independent verifier's report on Green Bond Criteria and indicators

Unibail-Rodamco-Westfield 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). 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, 2018

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, 2018.

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, 2018 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 2018.

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 2018 and March 2019:

- 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 « 2.5.3 Supplementary Information on Green Bonds » of the Management Report.
- For the operating phase, part of the criteria cannot be applied and verified before one or several years of operation (e.g. certification BREAM-In-Use). For assets still under construction or recently delivered (e.g. Carré Sénart extension), the expected date of compliance with these criteria is specified in the detailed table by asset in the chapter 2.5.3 of the Management Report.

Conclusion

In our opinion, the assets selected for Green Bonds in effect on December 31st, 2018 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.urw.com

(2) The Green Bonds Principles (updated version of June 2018) 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 2018.

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, 2018. 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 "2.1.5.4 Green bonds and green loans" in the 2018 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 2018, 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.
- verify the consistency between the information provided in the introduction of chapter "2.1.5.4 Green bonds and green loans" of the 2018 Management Report for the year ended December 31st, 2018 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 2018.

Paris-La Défense, the 25th of March 2019,

French original signed by:

One of the Statutory Auditors
ERNST & YOUNG Audit

Jean-Yves Jégourel

Eric Duvaud
Sustainability Expert

2.5.4 INDEPENDANT VERIFIER'S REPORT ON CONSOLIDATED NON-FINANCIAL STATEMENT 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 December 31st 2018

To the General Assembly,

In our quality as an independent verifier, accredited by the COFRAC under the number n° 3-1050 (scope of accreditation available on the website www.cofrac.fr), and as a member of the network of one of the statutory auditors of your entity Unibail Rodamco SE (hereafter "entity"), we present our report on the consolidated non-financial statement established for the year ended on December 31st 2018 (hereafter referred to as the "Statement"), presented in the management report pursuant to the provisions of the article L. 225 102-1, R. 225-105 et R. 225-105-1 of the French Commercial code (*Code de commerce*).

Responsibility of the entity

It is the responsibility of the management board to establish the statement in compliance with the legal and regulatory provisions including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied regarding these risks as well as the results of these policies, including key performance indicators.

The Statement has been established by applying the procedures of the entity (hereinafter referred to as the "Criteria"), the significant elements of which are presented in the Statement and available on request at the Entity's headquarters.

Independence and quality control

Our independence is defined by regulatory requirements pursuant to the provisions of the article L. 822-11-3 of the French Commercial code (*Code de commerce*) and the Code of Ethics of our profession. 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 express a limited assurance conclusion on:

- the compliance of the Statement with the provisions of Article R. 225-105 of the French Commercial Code;
- the fairness of the information provided pursuant to paragraph 3 of I and II of Article R. 225 105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions related to the main risks, hereinafter the "Information".

Nonetheless, it is not our responsibility to express any form of conclusion on:

- compliance by the entity with other applicable legal and regulatory provisions, particularly regarding the vigilance plan and the fight against corruption and tax evasion;
- compliance of products and services with applicable regulations.

Nature and scope of the work

Our work described below has been carried out in accordance with the provisions of articles A. 225 1 et seq. of the French Commercial Code determining the procedures in which the independent third party conducts its mission and according to professional standards as well as to the international ISAE standard 3000 - *Assurance engagements other than audits or reviews of historical financial information*.

The work that we conducted enables us to assess the compliance of the Statement with the regulatory provisions and the fairness of the Information:

- We took note of the activity of all the companies included in the scope of consolidation, the statement of the main social and environmental risks related to this activity, and, if applicable, its effects regarding compliance with human rights, the fight against corruption, tax evasion as well as the resulting policies and their results;
- We assessed the suitability of the Criteria in terms of its relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, the best practices of the industry;
- We verified that the Statement covers each category of information provided in III of article L. 225-102-1 of the French Commercial Code regarding social and environmental matters, as well as respect of human rights and the fight against corruption and tax evasion;
- We verified that the Statement includes an explanation justifying the absence of the information required by the 2nd paragraph of III of Article L. 225-102-1 of the French Commercial Code;
- We verified that the Statement presents the business model and the main risks related to the activity of all the entities included in the scope of consolidation; including if relevant and proportionate, the risks created through its business relationships, products or services, policies, actions and results, including key performance indicators;
- We verified, when relevant to the main risks or the policies presented, that the Statement presents the information provided for II in Article R. 225-105 II of the French Commercial Code;
- We assessed the process of selecting and validating the main risks;
- We inquired about the existence of internal control and risk management procedures put in place by the entity;
- We assessed the consistency of the results and the key performance indicators selected regarding the main risks and policies presented;

- We verified that the Statement includes a clear and reasonable explanation for the absence of a policy regarding one or more of these risks;
- We verified that the Statement covers the consolidated scope, i.e. all the companies included in the scope of consolidation in accordance with Article L. 233-16 of the French Commercial Code, with the limits regarding the integration of Westfield specified in the methodological note of the Statement;
- We assessed the collection process put in place by the entity for the completeness and fairness of the Information;
- We implemented the key performance indicators and other quantitative results that we considered the most important presented in Appendix 1:
  - Analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions;
  - On the Continental Europe historical scope, detailed tests based on samples, consisting of checking the correct application of the definitions and procedures and reconciling the data with the supporting documents. This work was carried out with a selection of sites and countries listed below: Rosny 2 and CNIT (Shopping Centers, France), Parquesur and Equinoccio (Shopping Centers, Spain) and Palais des Congrès de Paris (Convention and Exhibition, France) which cover between 8% and 10% of consolidated environmental data selected for these tests (8% of the gross leasable area of owned and managed portfolio as of December 31st, 2018 and 10% of energy consumption) and Spain that represents 7% of the workforce at the end of the year;
  - On the United States scope, gradually integrated since the acquisition of Westfield in June 2018, detailed tests based on samples, especially on Topanga and Culver City (Los Angeles) shopping centers, on a selection of information consolidated on the new Unibail-Rodamco-Westfield scope (identified by the sign * in Appendix 1).
- We consulted documentary sources and conducted interviews to corroborate the qualitative information (actions and results) that we considered the most important presented in Appendix 1;
- We assessed the overall consistency of the Statement with our knowledge of the entity.

We consider that the work we have done by exercising our professional judgment allows us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work.

Means and resources

Our verification work mobilized the skills of six people and took place between September 2018 and March 2019 on a total duration of intervention of about eleven weeks.

We conducted six interviews with the persons responsible for the preparation of the Statement including in particular CSR, Synergies and Expertise, Finance and Treasury, Human Resources, Risks and Compliance and Major Construction Projects.

Conclusion

Based on our work, we have not identified any significant misstatement that causes us not to believe that the non-financial statement complies with the applicable regulatory provisions and that the Information, taken together, is fairly presented, in compliance with the Criteria.

Paris-La Défense, the 25th of March 2019

French original signed by:

Independent Verifier
ERNST & YOUNG et Associés

Eric DuvaudPartner
Sustainable Development

Jean-François Bélorgey
Partner

Appendix 1 : The most important information

Social Information

Quantitative Information (including key performance indicators)	*Qualitative Information (actions or results)*
Total workforce* Turnover rate Absenteeism rate Average number of training hours per employee Women representation in the Group and in the Principal grade Share of employees volunteering at UR for Jobs or Solidarity Day events	Employment (attractiveness, retention) Employees' health and well-being Internal mobility development and professional career path Employees' commitment to the CSR policy

Environmental Information

Quantitative Information (including key performance indicators)	*Qualitative Information (actions or results)*
Share of buildings certified or under environmental certification process Total energy consumption* Energy intensity and greenhouse gases emissions per m² and per visitor Production of renewable energy* Share of electricity used generated from renewable sources* Greenhouse gases emissions (scopes 1 and 2* and scope 3 assessment) Total quantity of waste generated (non hazardous*) Share of sorted managed waste and the recovery rate (non hazardous*) Deployment rate of LED lamps in common areas Water consumption* and ratio by m² and by visitor	Improvement of energy efficiency and development of the use of renewable energies Improvement of development projects carbon footprint Environmental certification process of assets in development and operation phases Implementation of waste sorting and recycling solutions Prevention of Health, Safety and Environment risks, including environmental pollution

Societal Information

Quantitative Information (including key performance indicators)	*Qualitative Information (actions or results)*
Share of shopping centers of more than 6 million visitors having implemented the UR for Jobs initiative Number of persons having found a job or having integrated a certifying training program through the UR for Jobs initiative Investments in the community* Number of organizations supported via investments in the community* Number of employees involved in community initiatives*	CSR governance and deployment of Better Places 2030 Reinforcement of green value and environmental quality (certifications, green financing) Promotion of a safe and healthy environment in shopping centers Promotion of local economic development Measures related to business ethics Consideration of social and environmental responsibility of suppliers and subcontractors

** Indicators selected and consolidated on the whole Unibail-Rodamco-Westfield scope.*

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 Afep-Medef Corporate Governance Code of Listed Companies (hereafter the "**Afep-Medef Code**"). The latest version of the Code, published in June 2018, is available on the Afep website.

Pursuant to the Afep-Medef Code and the recommendations of the French Financial Markets Authorities, 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 is monitored by the Governance and Nomination Committee (GNC), which reports to the Supervisory Board (SB), working closely with the Management Board (MB). Each year, close attention is paid to the report issued by the High Committee for Corporate Governance *(Haut Comité du Gouvernement d'Entreprise)* and to the French Financial Markets Authorities report on Corporate Governance and executive remuneration for listed companies. An analysis of the Company's own practices and, if applicable, proposed improvements in the form of an action plan, is submitted to the GNC and subsequently to the SB at the end of each year.

As in previous years, the SB performed an annual review of the Company's compliance with the Afep-Medef Code and discussed improvement proposals formulated by the GNC.

— Compliance with the Code

As of the date of filing of this Registration Document, and in line with the "comply or explain" principle of the Afep-Medef Code, the Group has applied all of the recommendations set forth in said Code, including those regarding the remuneration of executives of listed French companies.

Adep-Medef Code	Compliance
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 European company with a Management Board (MB) and a Supervisory Board (SB). The MB is advised by the Senior Management Team.

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 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. Its 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.

3.1.1.1 Composition of the Management Board

The MB consists of two members as at December 31, 2018 and is chaired by Mr Christophe Cuvillier.

Management Board members	Nationality	Age	Main function	First appointment to the Management Board	Date of expiry of term of office
Mr Christophe Cuvillier	French	56	Group CEO - MB Chairman	June 1, 2011	June 7, 2022
Mr Jaap Tonckens	American and Dutch	56	Group CFO - MB Member	September 1, 2009	June 7, 2022

At its meeting held on May 17, 2018 and upon the recommendation of the GNC, the SB renewed the terms of Mr Christophe Cuvillier and Mr Jaap Tonckens, by anticipation, as members of the MB for a period of four years as from the completion of the acquisition of the Westfield Group, *i.e.*, until June 7, 2022.

The term of Mr Christophe Cuvillier as Group CEO and MB Chairman was also renewed for the same period of time.

At the same meeting, the SB recorded the resignation of Mr Olivier Bossard, Mr Fabrice Mouchel, Ms Astrid Panosyan and Mr Jean-Marie Tritant as members of the MB as from June 7, 2018 to take on new responsibilities within the Group.

— Management Board Members information and Offices held as at December 31, 2018

MR CHRISTOPHE CUVILLIER

MB CHAIRMAN
Group CEO

BORN ON
December 5, 1962

NATIONALITY
French

NUMBER OF STAPLED SHARES HELD:
105,637

Graduate of HEC Business School.

Prior to joining Unibail-Rodamco Group Mr Cuvillier held various positions within Kering Group from 2000, notably, CEO of FNAC from 2008 to 2010 and CEO of Conforama from 2005 to 2008.

Prior to Kering, he spent 14 years with the Luxury Products Division of the L'Oréal Group, both in France and abroad.

Appointed to the Unibail-Rodamco SE MB as COO in April 2011 (effective June 1, 2011) and became MB Chairman and CEO effective April 25, 2013.

Appointed as MB Chairman and Group CEO effective June 7, 2018, following the Westfield Transaction.

OTHER CURRENT FUNCTIONS AND MANDATES OUTSIDE OF THE UNIBAIL-RODAMCO-WESTFIELD GROUP

French Companies

- Representative of Unibail-Rodamco SE as Member of the French Fédération des Sociétés Immobilières et Foncières (FSIF).
- Non-Executive Director of Pavillon de l'Arsenal.

Representative of Unibail-Rodamco SE on the Board of Directors of Société Paris-Île-de-France Capitale Économique.

Director of Raisesherpas (endowment fund)

Foreign Companies

- Chairman of the Board of Directors (until September 2018) and Director (since September 2018) of the European Public Real Estate Association (EPRA).

OTHER CURRENT INTRA-GROUP FUNCTIONS AND MANDATES

French Companies

- Director of Viparis Holding SA.

Foreign Companies

- SB Chairman of WFD Unibail-Rodamco N.V.
- Director and Chairman of the Board of Directors of U&R Management BV.

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

French Companies

- Director of Comexposium Holding SA.

Foreign Companies

- SB Chairman of Rodamco Europe BV.

3.

MR JAAP TONCKENS

MB MEMBER

Group CFO

BORN ON
July 16, 1962

NATIONALITY
American and Dutch

NUMBER OF STAPLED SHARES HELD:
13,415

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 Chief Investment Officer in October 2010 and CFO effective July 2012.

Appointed as Group CFO effective June 7, 2018, following the Westfield Transaction.

OTHER CURRENT FUNCTIONS AND MANDATES OUTSIDE OF THE UNIBAIL-RODAMCO-WESTFIELD GROUP

- Non-Executive Director of OneMarket Holdings, Inc.;
- Member of the Global Governing Trustees of Urban Land Institute;
- Member of the Board of Trustees of International Council of Shopping Centers.

OTHER CURRENT INTRA-GROUP FUNCTIONS AND MANDATES

French Companies

- Chairman of Uni-Commerces SAS, Immobilière Lidice SAS, Rodamco France SAS, UR-LAB SAS and Belwarde 1 SAS.
- Management Committee Member of SCI Chesnay Pierre 2, Geniekiosk SARL, Aquarissimo SAS, SCI Parimall-Parly 2, and SCI Hoche.

Foreign Companies

- SB Member of WFD Unibail-Rodamco N.V.
- SB Chairman of Unibail-Rodamco-Westfield Germany.
- Director of CentrO Asset Management Limited, CentrO Europe (no. 2) Limited, CentrO Europe Limited, CentrO Holdings (UK) Limited, CentrO. Management GmbH, CentrO Grundstücksentwicklungs GmbH, Neue Mitte Oberhausen Projektentwicklung Ltd. & Co. KG, Neue Mitte Oberhausen Projektentwicklung Beteiligungs GmbH, Neue Mitte Oberhausen Projektentwicklung Verwaltungs Ltd. & Co. KG, CentrO Oberhausen GmbH, CentrO Projektentwicklungs GmbH and SL Oberhausen Beteiligungs GmbH.
- Director of Unibail-Rodamco Belgium NV.
- Representative of the Unibail-Rodamco SE Permanent Establishment in The Netherlands.
- Director of Rodamco Nederland B.V., Rodamco Nederland Winkels B.V., U&R Management B.V., Rodamco Europe Beheer B.V. and Rodamco Europe Properties B.V.
- Director of Unibail-Rodamco Nederland Winkels B.V.
- Director and Chairman of Unibail-Rodamco Spain SLU (formerly Unibail-Rodamco Inversiones, SLU), Unibail-Rodamco Ocio SLU, Unibail-Rodamco Palma, SLU, Unibail-Rodamco Real Estate, SL and Unibail-Rodamco Retail Spain, SL., Alonso y Calle SA, Global Etsy Investments, SLU, Proyectos Inmobiliarios Kansar III, SLU, Sistemas Edgerton II, SLU, South Pacific Real Estate SLU, Edificaciones Dehnan IV, SLU, Madison Properties Group SLU, and Sistemas Inmobiliarios El Aceitunal SLU.
- Director and Secretary of Proyectos Inmobiliaros New Visions SLU, Essential Whites SLU.
- Director and Secretary of Unibail-Rodamco Steam SL and Proyectos Inmobiliarios Time Blue SL.
- Member of the Board of Rodamco Sverige AB
- Chairman of the Board of Rodamco Northern Europe AB, Eurostop AB, Eurostop Holding AB, Rodamco Projekt AB, Rodamco Centerpool AB, Knölsvanen Bostad AB, Rodamco Solna Centrum AB, Piren AB, Rodamco AB, Rodamco Expand AB, Rodamco Parkering AB, Rodamco Fisketorvet AB, Rodamco Nacka AB, Rodamco Täby AB, Rodamco Garage AB, Anlos Fastighets AB, Rodamco Scandinavia Holding AB, Fastighetsbolaget Anlos H AB, Fastighetsbolaget Anlos L AB, Rodamco Handel AB, Fastighetsbolaget Anlos K AB, Rodamco Anlos Holding AB, Rodareal OY and URW Fisketorvet A/S.
- Director of Westfield Corporation Limited, Descon Invest Pty Limited, Westfield Investments Pty Limited, Westfield American Investments Pty Limited, Westfield Capital Corporation Finance Pty Ltd, Westfield Queensland Pty. Ltd, Nauthiz Pty Ltd, WCL Finance Pty Limited, WCL Management Pty Limited, Westfield UK Investments Pty Limited, WFD Finance Pty Limited, Westfield UK 1 Pty Limited, Westfield UK 2 Pty Limited, Westfield UK 3 Pty Limited, Westfield UK 4 Pty Limited, Westfield UK 5 Pty Limited, Westfield UK 6 Pty Limited.

MR JAAP TONCKENS

- Director of Unibail-Rodamco Poland 2 B.V., Rodamco España B.V., Rodamco Central Europe B.V., Eroica B.V., Rodamco Austria B.V., Rodamco Hungary B.V., Rodamco Czech B.V., Rodamco Deutschland B.V., Dotterzwaan B.V., Cijferzwaan B.V., Unibail-Rodamco Poland 4 B.V., Unibail-Rodamco Poland 5 B.V., Rodamco Project I B.V., Unibail-Rodamco Poland I BV, Rodamco Europe Finance B.V., Rodamco Europe Finance II B.V., Unibail-Rodamco Cascoshop Holding B.V., Unibail-Rodamco Investments B.V., Unibail-Rodamco Investments 2 B.V., Unibail-Rodamco Investments 3 B.V., Real Estate Investments Poland Coöperatief UA, Unibail-Rodamco Project B.V., Stichting Rodamco, Old Tower Real Estate B.V., New Tower Real Estate B.V., Broekzele Investments B.V., Unibail-Rodamco Retail Investments 1 B.V., Unibail-Rodamco Retail Investments 2 B.V., Traffic UK B.V., Unibail-Rodamco Development Nederland B.V., Unibail-Rodamco TH B.V.
- Director of URW UK Olympic 1 B.V., URW UK Olympic 2 B.V., URW UK Shepherds 1 B.V., URW UK Shepherds 2 B.V., URW UK Shepherds 3 B.V., URW UK Shepherds 4 B.V., URW UK Shepherds 5 B.V., URW UK Shepherds 6 B.V., URW UK Shepherds 7 B.V., URW UK Shepherds 8 B.V., URW UK Shepherds 9 B.V.
- Director of 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 and UR P6 spol. 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.

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

French Companies

- n/a

Foreign Companies

- Member of the Board of Unibail-Rodamco SI BV
- Chairman of 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, Rodamco Management AB and Rodamco Väsby Centrum AB.
- Director of Rodamco Pankrác, as., Garáže Hráského sro. and P6AUP sro.
- Director of Euro-Mall Ingatlanbefektetési Kft.
- Member of the Board of Gdansk Station Shopping Mall Sp. zoo., Wilenska Station Shopping Mall Sp. zoo, Arkadia Centrum Handlowe Sp. zoo, Wilenska Centrum Handlowe Sp. zoo and Rodamco CH 1 sp. zoo.
- Member of the Board of Unibail-Rodamco Liegenschaftserwerbs GmbH and Unibail-Rodamco Austria Management GmbH.
- Member of the Board of Directors and Secretary of Promociones Inmobiliarias Gardiner SLU.
- Director of Rodamco Europe BV.

Stapled Shares held by the members of the Management Board as at December 31, 2018

As at December 31, 2018, the members of the MB held the following number of Stapled Shares:

Management Board members	Total number of Stapled Shares held*
Mr Christophe Cuvillier Group CEO – MB Chairman	105,637
Mr Jaap Tonckens Group CFO	13,415

* *Including shares equivalent to the number of units held in the Company Savings Plan as at December 31, 2018.*

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 (described in Section 3.1.2.2 of this Registration Document).

Management Board succession plan

The succession plan for the Management Board is detailed in Paragraph 3.1.2.1 below.

3.1.1.2 Management Board Functioning

Role of the Management Board

The MB defends the interests of the Group and takes into account the relevant interests of all of the Company's stakeholders. It is held to account for the manner in which it carries out its duties. It must act with independence, loyalty and professionalism. As provided for by the Afep-Medef Code, the SB assesses the functioning of the MB on an annual basis.

The Group CEO has overall competence on all matters except for those specific duties expressly assigned to the Group CFO.

The Group CFO is responsible for generating profits *via* the optimisation of the cost of capital. He is also responsible for tax matters and investor relations. In this position, he is responsible for the overall finance function within the Group (financial control, consolidation, refinancing, taxes, budget, five-year Business Plan, coordination of asset valuations and investor relations). He is also responsible for investment/divestment projects and for defining strategies for co-ownership as well as for co-investments and for coordinating corporate development operations (mergers and acquisitions, strategic alliances and partnerships).

The main provisions of the Articles of Association and the MB Charter governing the composition, role, duties and functioning of the MB are provided in Section 7.6.5 of this Registration Document.

— Management Board activities in 2018

The MB met 20 times during the financial year ending December 31, 2018.

The following key topics were addressed, managed and/or implemented in 2018:

Principal responsibilities of the Management Board	Key areas addressed, managed and/or implemented in 2018
Group Strategy	• acquisition (completed 2018) and integration of the Westfield Group; • development projects, investment and divestment operations in 2018; • monitoring of the disposals and synergies plan (costs and revenue); • main strategic opportunities for the Group; • digital and IT strategy, tools and projects; • CSR strategy - "Better Places 2030".
Group Financial Policy, Financial Performance and Reporting	• review and closing of the 2017 consolidated and statutory financial statements and reporting on the consolidated half-year and quarterly consolidated accounts for the 2018 financial year; • Group 5-year business plan and budget; • financial resources, balance sheet management and borrowing requirements; • the Group's dividend distribution payment policy and annual allocation/ distribution of profits; • closing of the forecast management documents and preparation of the quarterly activity reports for the SB.
Internal Audit, Risk Management and Control Systems	• post-Westfield acquisition review and restructuring of Group risk management, internal audit, compliance, and insurance programmes; • 2018 internal audit plan; • internal audits, internal control system and compliance matters; • risk management and risk mapping.
Governance and compliance with relevant laws and regulations	• updates to the Group's Compliance programme (including the Group Anti-corruption Programme, Insider Trading Rules, Code of Ethics and Whistleblowing Policy); • implementation of the General Data Protection Regulation (GDPR); • compliance with regulatory/legal requirements and changes.
Company Remuneration Policy and Performance Assessments	• employee Remuneration Policy; • capital increase reserved for employees.
Human Resources	• re-organisation of the MB and the creation of the Senior Management Team; • talent development and management; • gender and international diversity and nondiscrimination policy; • Group succession planning; • recruitment of key Group positions.
Shareholder Outreach and Engagement	• investor dialogue and road shows; • notice of meeting for the Annual General Meeting and related documentation (agenda, resolutions, MB report, etc.); • Group communication; • Registration Document and half-year Financial Report.

3.

3.1.2 THE SUPERVISORY BOARD

3.1.2.1 Supervisory Board composition and diversity

The Supervisory Board (SB) consists of 11 members, 10 of which are independent members as at December 31, 2018. Mr Colin Dyer is the SB Chairman. Ms Mary Harris was appointed SB Vice-Chair on June 7, 2018.

The SB composition reflects a strong commitment to independence (91% independent), diversity (45% women) and international exposure (73% non-French with seven different nationalities represented) and the wide-ranging experience and expertise of its members. The average SB Member age is 58. The current member composition reinforces the Group's strategy through their expertise in real estate/asset management, retail, US market, CSR/sustainability, digital/e-commerce, consumer products and finance among other areas. The range of skills and expertise is summarised in the biographies and experience matrix below.

The principal provisions of the Articles of Association and the charters of the SB and of its committees governing the composition, role, responsibilities and functioning of the SB are provided in Section 7.6 of this Registration Document.

— Changes occurring in the SB composition in 2018 pursuant to the General Meeting of May 17, 2018 and in 2019

Ms Harry Harris, Ms Sophie Stabile, and Ms Jacqueline Tammenonms Bakker were renewed as SB Members for a period of three years.

Ms Jill Granoff, Mr Peter Lowy, and Mr John McFarlane were appointed as SB Members for a period of three years. The appointment of Mr Lowy and Mr McFarlane was subject to and effective as from the completion of the Westfield acquisition on June 7, 2018.

Additionally, the SB Member mandates of Jean-Louis Laurens and Alec Pelmore were renewed until the completion of the Westfield acquisition on June 7, 2018, at which point both Mr Laurens and Mr Pelmore stepped down, as announced, to join the SB of WFD Unibail-Rodamco NV.

In order to dedicate more time to the investments of the Lowy Family Group, and as the integration of Westfield is now well underway, Mr Peter Lowy informed the Supervisory Board, on March 19, 2019, of his decision to resign as Supervisory Board member at the close of the 2019 general meeting.

— Change proposed in the SB composition in 2019

Pursuant to the GNC recommendation, the SB will propose the renewal of Mr Jacques Stern as SB Member for a period of three years to the May 17, 2019 general meeting.

Diversity

WOMEN	MEN
45%	55%

7 Nationalities represented *

Number of people

Nationality	Number of people
American	3
British	3
French	3
Australian	2
Austrian	1
Canadian	1
Dutch	2

** Some members have more than one nationality.*

Areas of Expertise

Area	%
Executive or Board of an international group	100%
Real Estate / Asset Management	64%
Retail/Hospitality	82%
Finance	73%
US Market	64%
ESG/Sustainability	45%
Digital/e-commerce	36%
Consumer Products	55%

Some members are present in several categories.

Supervisory Board composition as at December 31, 2018

Mr John McFarlane ⬢
Ms Mary Harris ✱ SB Vice-Chair & RC Chair
Mr Colin Dyer ✱ SB & GNC Chair
Mr Jacques Stern ⬢ AC Chair
Ms Sophie Stabile ⬢
Ms Dagmar Kollmann ✱
Mr Peter Lowy
Ms Jacqueline Tammenoms Bakker ✱
Mr Roderick Munsters ⬢
Mr Philippe Collombel ✱
Ms Jill Granoff ✱

91% independent

2018
10 meetings
97% attendance

⬢ *Member of the Audit Committee (AC)* ✱ *Member of the Governance & Nomination and Remuneration Committees (GNC+RC)*

— *Supervisory Board Member Experience Matrix*

		Philippe Collombel[1]	Colin Dyer[1]	Jill Granoff[1]	Mary Harris[1]	Dagmar Kollmann[1]	Peter Lowy	John McFarlane[2]	Roderick Munsters[2]	Sophie Stabile[2]	Jacques Stern[2]	Jacqueline Tammenoms Bakker[1]
	Executive or Board of an international group	X	X	X	X	X	X	X	X	X	X	X
	Real Estate/ Asset Mgmt		X			X	X	X	X	X	X	
	Retail/ Hospitality	X	X	X	X		X	X		X	X	X
Skills/ Experience	Finance		X	X		X	X	X	X	X	X	
	US Market	X	X	X			X	X		X	X	
	CSR/ Sustainability	X			X	X			X			X
	Digital/ e-Commerce	X		X						X	X	
	Consumer Products	X		X	X	X					X	X

(1) GNC & RC
(2) AC

— *Supervisory Board Member profiles*

The GNC 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 SB composition and the objectives to be achieved in order to implement and maintain an independent SB which distinguishes itself by the diversity of its members in terms of gender, age and nationality as well as by their skills, expertise and 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, 2018, the Group had not exceeded either of the two thresholds and, therefore, was not subject to this requirement.

Likewise, pursuant to Article L. 225-71 of the French Commercial Code, listed companies whose shares held by employees account for more than 3% of the share capital are required to appoint one or several employee shareholder representatives to their SB. As at December 31, 2018, the number of Company shares held by employees *via* the Company Savings Plan was less than 3% and, therefore, the Company was not subject to this requirement.

— Supervisory Board Members as at December 31, 2018

Name	Age	Gender	Nationality	Independence	SB Attendance Rate/Number of meetings	First appointed	Term expires at AGM
Mr Colin Dyer SB & GNC Chairman	66	M	British and American	Independent	10/10	2017	2020
Mr Philippe Collombel	57	M	French	Independent	10/10	2017	2020
Ms Jill Granoff[(1)]	56	F	American	Independent	5/5	2018	2021
Ms Mary Harris SB Vice-Chair & RC Chair	52	F	British	Independent	9/10	2008	2021
Ms Dagmar Kollmann	54	F	Austrian	Independent	10/10	2014	2020
Mr Peter Lowy[(2)(3)]	59	M	American and Australian	Non-Independent	2/4	2018	2021[(4)]
Mr John McFarlane[(2)]	71	M	British and Australian	Independent	4/4	2018	2021
Mr Roderick Munsters	55	M	Dutch and Canadian	Independent	10/10	2017	2020
Ms Sophie Stabile	48	F	French	Independent	10/10	2015	2021
Mr Jacques Stern	54	M	French	Independent	10/10	2016	2019
Ms Jacqueline Tammenoms Bakker	65	F	Dutch	Independent	10/10	2015	2021

(1) Joined the SB on May 17, 2018.
(2) Joined the SB on June 7, 2018.
(3) Due to i) conflicting prior commitments scheduled before the Westfield acquisition, ii) the difference in schedules of the former Westfield Board and that of the SB of Unibail-Rodamco SE, and iii) the additional ad hoc SB meetings.
(4) In order to dedicate more time to the investments of the Lowy Family Group, and as the integration of Westfield is now well underway, Mr Peter Lowy informed the Supervisory Board, on March 19, 2019, of his decision to resign as Supervisory Board member at the close of the 2019 general meeting.

— Supervisory Board Member information and mandates held as at December 31, 2018

MR COLIN DYER

SB & GNC CHAIRMAN & RC MEMBER

Independent

BORN ON
September 17, 1952

NATIONALITY
American and British

NUMBER OF STAPLED SHARES HELD:
650

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

Listed Company
- NA

Other Company
- NA

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former President and CEO of Jones Lang LaSalle Inc. from 2004-2016 (USA) (listed).
- Former Non-Executive Director of Jones Lang LaSalle Inc. (USA) (listed).

MR PHILIPPE COLLOMBEL

GNC & RC MEMBER
Independent

BORN ON
January 7, 1961

NATIONALIY
French

NUMBER OF STAPLED SHARES HELD:
350

Graduate of Institut d'études politiques de Paris.

Executive MBA from the Kellogg School of Management (Northwestern University).

Master's in Economics and a Bachelor's in law.

Former partner at Accenture.

Former innovation and internet initiatives Director at Carrefour.

OTHER CURRENT FUNCTIONS AND MANDATES

Listed Company
- NA

Other Companies
- Co-Managing Partner at Partech Partners (France)(1).
- Member of the Advisory Board of Facebook France.

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- NA

(1) *Pursuant to the Afep-Medef Code, mandates related to Partech Partners are not taken into account as Partech Partners' main activity is to invest and hold interests in those companies.*

MS JILL GRANOFF

MBA, Columbia University and Bachelor's, Duke University.

Current CEO of Eurazeo Brands.

Former CEO of Vince, Kellwood Company and of Kenneth Cole Productions.

Former Group President, Direct-to-Consumer and then EVP, Direct Brands at Liz Claiborne.

Held several positions at L Brands including President of Victoria's Secret

Beauty.

Former VP Business Planning and Development and then Senior VP Strategic Planning, Finance and Information Systems of The Estee Lauder Companies.

GNC & RC MEMBER
Independent

BORN ON
April 7, 1962

NATIONALITY
American

NUMBER OF STAPLED SHARES HELD:
343

OTHER CURRENT FUNCTIONS AND MANDATES

Listed Company

- CEO of Eurazeo Brands (Branded Consumer and Retail Private Equity) (FR)[1].

Other Company

- NA

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former Chairman and CEO of Vince Holding Corporation.
- Former Director of Demandware (now Salesforce Commerce Cloud).

MS MARY HARRIS

Master's in Politics, Philosophy and Economics from Oxford University and an MBA from Harvard Business School.

Former Consultant and Partner at McKinsey & Co in London, Amsterdam, China and South East Asia.

Former Member of the Advisory Board of Irdeto BV (NL).

Held various positions at Pepsi Beverages, Goldman Sachs and at private equity/venture capital firms.

SB VICE-CHAIR,
RC CHAIR & GNC MEMBER
Independent

BORN ON
April 27, 1966

NATIONALITY
British

NUMBER OF STAPLED SHARES HELD:
600

OTHER CURRENT FUNCTIONS AND MANDATES

Listed Company

- Non-Executive Director and Chair of the Remuneration Committee of ITV PLC (UK).
- Non-Executive Director and Chair of the Remuneration Committee of Reckitt Benckiser PLC (UK).

Other Company

- NA

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former SB Member of TNT NV (NL), TNT Express NV (NL).
- Former SB Member of Scotch & Soda NV (NL).
- Former Non-Executive Director and Chair of the Remuneration Committee of J. Sainsbury PLC (UK) (listed).

(1) Pursuant to the Afep-Medef Code, mandates related to Eurazeo Brands are not taken into account as Eurazeo Brands' main activity is to invest and hold interests in those companies.

MS DAGMAR KOLLMANN

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).

GNC & RC MEMBER
Independent

BORN ON
July 9, 1964

NATIONALITY
Austrian

NUMBER OF STAPLED SHARES HELD:
725

OTHER CURRENT FUNCTIONS AND MANDATES

Listed Company

- SB Vice-Chair and AC Chair of Deutsche Pfandbriefbank AG (Germany).
- SB Member and AC Chair of Deutsche Telekom AG (Germany).

Other Companies/Engagements

- SB Member of KfW IPEX-Bank GmbH (Germany).
- SB Member of Bank Gutmann AG (Austria).
- Commissioner of the Monopolies Commission (Germany).

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former SB Vice-Chair and AC Chair of HRE Holding AG (Germany).

MR PETER LOWY

Holds a Bachelor of Commerce, University of New South Wales, Australia.

Previously served as Co-CEO of Westfield Corporation.

Prior to his 35-year tenure with Westfield, he worked in investment banking both in London and New York.

Non-independent

BORN IN
February 17, 1959

NATIONALITY
American and Australian

NUMBER OF STAPLED SHARES HELD:
0[(1)]

OTHER CURRENT FUNCTIONS AND MANDATES

Listed Company

- n/a

Other Companies/Engagements

- Director of the Lowy Institute for International Policy (AU).
- Chairman of the Homeland Security Advisory Council for Los Angeles County (USA).

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former Executive Director and Co-CEO of Westfield Corporation from 2011-2018 (AU) (listed).

(1) Mr. Lowy indirectly has interests through LFG America Pty Limited and the Lowy Foundation, which together hold an aggregate 3,643,513 stapled shares as at December 31, 2018.

MR JOHN MCFARLANE

AC MEMBER
Independent

BORN ON
June 14, 1947

NATIONALITY
British and Australian

NUMBER OF STAPLED SHARES HELD:
18,440

MA, University of Edinburgh, MBA, Cranfield School of Management. Studied finance at the London Business School.

Former CEO of Australia and New Zealand Banking Group Ltd (AU) (listed).

Former Group Executive Director of Standard Chartered PLC (UK/HK) (listed).

Former Non-Executive Director of the Royal Bank of Scotland Group PLC (UK) (listed).

Former Head of Citicorp/Citibank (UK).

Former Non-Executive Director Capital Radio plc (UK) (listed).

Former Director and Council Member London Stock Exchange (UK).

Former Director, Executive or member of various public and private organisations including including Economic Research Institute for ASEAN and East Asia, Australian Government Foreign Affairs Council, Australian Government Financial Literacy Board, Australian Government Business Regulation Advisory Group, Australian Business Arts Foundation, Australian Financial Markets Foundation for Children, Australian Graduate School of Management, Business Council of Australia, Australian Bankers Association, Citicorp, Ford Motor Company, Bank of England Financial Law Panel, Auditing Practices Board, The Securities Association.

OTHER CURRENT FUNCTIONS AND MANDATES

Listed Company

- Non-Executive Chairman Barclays PLC (UK).

Other Companies/Engagements

- Non-Executive Director of Old Oak Holdings Ltd (UK).
- Non-Executive Chairman of TheCityUK (professional financial organisation).

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former Non-Executive Director of Westfield Corporation Ltd (AU).
- Former Non-Executive Director of Westfield America Management Ltd (AU).
- Former Non-Executive Chairman of Barclays Bank plc (UK)(listed).
- Former Non-Executive Chairman FirstGroup plc (UK).
- Former Non-Executive Chairman Aviva plc (UK).

MR RODERICK MUNSTERS

AC MEMBER
Independent

BORN ON
July 19, 1963

NATIONALITY
Dutch and Canadian

NUMBER OF STAPLED SHARES HELD:
500

Master's in Economics and Finance, Tilburg University.

Former Executive Director and CIO of ABP Pension Fund & APG All Pensions Group.

Former Managing Director and CIO of PGGM Pension Fund.

Various positions in the Investment Department of NV Interpolis Insurance.

OTHER CURRENT FUNCTIONS AND MANDATES

Listed Company

- NA

Other Companies/Engagements

- SB Member of Edmond de Rothschild Asset Management (France) SA.
- SB Member of PGGM Investments
- SB Member of Moody's Investors Service - EU
- Member Financial Investments Strategy Committee of Capital Guidance

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former CEO of Edmond de Rothschild Asset Management (France) SA.
- Former CEO of Robeco Group NV.
- Former Member of the Capital Markets Committee of the Dutch Financial Market Authority (AFM).

MS SOPHIE STABILE

AC MEMBER
Independent

BORN ON
March 19, 1970

NATIONALITY
French

NUMBER OF STAPLED SHARES HELD:
286

Graduate of *École Supérieure de Gestion et Finances*.

Held various positions at Deloitte.

Former CFO of Accor Group from 2010-2015 (France) (listed).

Former Board member of Groupe Lucien Barrière (France).

OTHER CURRENT FUNCTIONS AND MANDATES

Listed Company

- SB Member of Altamir (France).
- Non-Executive Board member of Spie (France).
- Non-Executive Board member of Ingenico (France)

Other company

- NA

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former Executive Committee member of AccorHotels (France) (listed).
- Former CEO of Hotel Services France & Suisse (France) (Accor Group).
- Former CEO of Women at Accor Hotels Generation (WAAG) and Member of Club des 30.
- Former SB Chairman of Orbis (Poland) (listed).

MR JACQUES STERN

AC CHAIRMAN
Independent

BORN ON
September 19, 1964

NATIONALITY
French

NUMBER OF STAPLED SHARES HELD:
850

Master's in Accounting (DECS) and Master's in Accounting and Finance (MSTCF).

Graduate of *École Supérieure de Commerce de Lille*.

Began career at Price Waterhouse.

Held various positions at AccorHotels including Group Controller, CFO (scope including procurement, IT, strategy and hotel development) and lastly Deputy CEO.

OTHER CURRENT FUNCTIONS AND MANDATES

Listed Company

- NA

Other Companies

- President and CEO of Global Blue (Switzerland).
- Non-Executive Board Member of Voyage Privé (France).
- Non-Executive Board Member of PerkBox (UK).

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former Chairman and CEO of Edenred (France) (listed).

MS JACQUELINE TAMMENOMS BAKKER

Master's in History and French, St. Hilda's College, Oxford and Master's in International Relations, Johns Hopkins School for Advanced International Studies, Washington DC.

Former Advisor to the National Council for Environment and Infrastructure (NL).

Former Director General Civil Aviation & Freight Transport of the Ministry of Transport, Public Works and Water Management (NL).

Former Director or Executive of various public and private organisations including Land Registry/Ordnance Survey (NL), GigaPort (NL), Quest International (NL), Shell International and former Consultant at McKinsey & Co (NL/UK).

GNC & RC Member
Independent

BORN ON
December 17, 1953

NATIONALITY
Dutch

NUMBER OF STAPLED SHARES HELD:
551 (as at January 2019)

OTHER CURRENT FUNCTIONS AND MANDATES

Listed Company

- SB Vice-Chair and Chair of the Remuneration Committee of TomTom (NL).
- SB Member of Groupe Wendel and Chair of the Governance Committee (France).
- Non-Executive Director of CNH Industrial (UK).

Other Company

- NA

PREVIOUS MANDATES DURING THE LAST FIVE YEARS

- Former Non-Executive Director and Chair of the CSR Committee of Tesco PLC (UK) (listed).
- Former Non-Executive Director and Chair of the Remuneration Committee of Vivendi SA, France (France).

3.

— Independence analysis of Supervisory Board Members

— *Independence procedure and criteria*

Every year, the GNC and the SB carry out an in-depth independence analysis of each SB Member pursuant to the criteria of the Afep-Medef Code. These criteria are included in the SB Charter.

In accordance with the Afep-Medef Code and the specific supplementary criteria of the SB Charter, the following are taken into account by the GNC and the SB:

	Afep-Medef Code independence criteria
1	Not an employee or executive officer of the Company, or an employee, executive officer or director of its parent or of one of its consolidated subsidiaries, and has not been one during the previous five years.
2	Not an executive officer of a company in which the Company holds a directorship, directly or indirectly, or in which an employee appointed as such, or a current or former (during the previous five years) executive officer of the Company is a director.
3	Not (nor directly or indirectly) linked to a customer, supplier, investment or commercial banker or consultant: (i) that is material to the Company or its Group, or (ii) for which the Company or its Group represents a significant part of the entity's activity. Materiality analysis: examine, for both entities when possible, the financial relationship, the continuity over time, the intensity of the relationship and the position of the SB Member in the Company.
4	Not related by close family ties to an executive officer of the Company.
5	Not an auditor of the Company within the previous five years.
6	Not a member of the Supervisory Board of the Company for more than 12 years.
7	Has not received any personal financial remuneration from the Company, including any remuneration related to the performance of the Company (no STI or LTI), other than the fees received as an SB Member.
8	Not representing any major shareholder of the Company (> 10%).
	Specific SB Charter criteria
9	Not a director of a company in which an MB Member of the Company holds a director role (which they are therefore responsible for controlling) (cross ties).
10	Has not temporarily managed the Company during the preceding 12 months while members of the MB were absent or unable to fulfil their duties.

When any kind of business relationship exists (criterion no. 3), a further quantitative and qualitative analysis is conducted on a case-by-case basis to analyse the significance of the relationship and to assess the independence of that particular SB member.

— *Member independence analysis as at December 31, 2018*

10 out 11 SB Members (91%) were found to be independent as at December 31, 2018.

The table below illustrates the GNC and the SB assessment of the members' independence:

SB Members as at 31/12/2018	Criterion 1	Criterion 2	Criterion 3	Criterion 4	Criterion 5	Criterion 6	Criterion 7	Criterion 8	Criterion 9	Criterion 10	Result
Mr Colin Dyer Chairman	✓	✓	✓ (see analysis)	✓	✓	✓ 1.5 years (appointed in 2017)	✓	✓	✓	✓	**Independent**
Ms Jill Granoff	✓	✓	✓	✓	✓	✓ 0,5 years (appointed in 2018)	✓	✓	✓	✓	**Independent**
Ms Mary Harris	✓	✓	✓	✓	✓	✓ 10.5 years (appointed in 2008)	✓	✓	✓	✓	**Independent**
Ms Dagmar Kollmann	✓	✓	✓ (see analysis)	✓	✓	✓ 4.5 years (appointed in 2014)	✓	✓	✓	✓	**Independent**
Mr Philippe Collombel	✓	✓	✓ (see analysis)	✓	✓	✓ 1.5 years (appointed in 2017)	✓	✓	✓	✓	**Independent**
Mr Peter Lowy	X (see analysis)	✓	✓	✓	✓	✓ 0,5 years (appointed in 2018)	✓	✓	✓	✓	**Non-Independent**
Mr John McFarlane	✓	✓	✓ (see analysis)	✓	✓	✓ 0,5 years (appointed in 2018)	✓	✓	✓	✓	**Independent**
Mr Roderick Munsters	✓	✓	✓ (see analysis)	✓	✓	✓ 1.5 years (appointed in 2017)	✓	✓	✓	✓	**Independent**
Ms Sophie Stabile	✓	✓	✓ (see analysis)	✓	✓	✓ 3.5 years (appointed in 2015)	✓	✓	✓	✓	**Independent**
Mr Jacques Stern	✓	✓	✓ (see analysis)	✓	✓	✓ 2.5 years (appointed in 2016)	✓	✓	✓	✓	**Independent**
Ms Jacqueline Tammenoms Bakker	✓	✓	✓	✓	✓	✓ 3.5 years (appointed in 2015)	✓	✓	✓	✓	**Independent**

— *Detailed analysis of certain criteria of certain Supervisory Board Members*

A quantitative and qualitative analysis of the business relationship was carried out by the GNC, then by the SB, to assess the independence of Mr Colin Dyer, given his role as SB Chairman, and of Mr Philippe Collombel, Ms Dagmar Kollmann, Mr Peter Lowy, Mr John McFarlane, Mr Roderick Munsters, Ms Sophie Stabile, and Mr Jacques Stern given their other roles outside the Group during 2018.

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 Chairman of the SB and the GNC and member of the RC, he has no relationship of any kind with the Group or its management. In addition, as SB Chairman in a two-tier governance structure, Mr Colin Dyer has no executive function and is not involved in day-to-day operations nor the operational decisions of the Group. Other than the fees received for his contribution provided as an SB Member, he has not received personal financial remuneration, including any remuneration in the form of shares nor any remuneration related to the performance of the Group (no STI or LTI), from the Group.

Accordingly, 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 contracts;
- the euro amount invested by the Group in Partech funds;
- the type of business relationship and the date a business relationship was first established.

Notably, as a Non-Executive SB Member at Unibail-Rodamco SE he is not involved in day-to-day operations nor in the operational decisions of the Group. He is not and has never been an employee nor Executive Director of the Group. Contracts with Partech Partners are entered into with subsidiaries of Unibail-Rodamco and not at the parent level. The contracts between the companies are routine agreements and are entered into on an arm's length basis. The business relationship between Partech Partners and the Group is limited in duration and began before Mr Collombel joined the SB. With respect to both companies, the amounts invested by the Group in Partech funds are marginal compared to the total capital managed by Partech funds as well as compared to each group's total turnover. Discussions on specific contract terms and negotiations never rise to the SB level, therefore, from the Group's standpoint he does not participate in negotiations and has no influence over negotiations with respect to the Group. Other than the remuneration received for his contribution provided as an SB Member, he has not received any personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Group (no STI or LTI), from the Group.

Accordingly, 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 2018; 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 group. She is not and has never been an employee nor Executive Director of the groups. The lease contracts between the companies are entered into between subsidiaries of each group and not at the parent level. The lease contracts between the companies are routine agreements and entered into on an arm's length basis. With respect to both companies, the rents received by the Group are marginal compared to each group's total lease expenses/revenues or total turnover. In addition, discussions on specific contract terms and their negotiation never rise to the level of the SB of the groups. Therefore, she does not participate in negotiations and has no influence over negotiations between the entities. Other than the remuneration received for her contribution provided as an SB Member, she has not received personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Group (no STI or LTI), from the Group.

Accordingly, Ms Kollmann is determined to be independent.

INDEPENDANCE ANALYSIS OF MR PETER LOWY

Mr Peter Lowy's independence was analyzed given his former mandate as Executive Director and co-CEO of the Westfield Corporation until June 2018.

In assessing whether an SB Member is independent, one criterion to be fulfilled is that an SB Member not be an employee or executive officer of the Company, nor an employee or executive officer of its parent or of one of its consolidated subsidiaries, nor have been one during the previous 5 years.

Mr Lowy was an Executive Director and co-CEO of the Westfield Corporation from 2011 to 2018. He held this position until the completion of the Westfield acquisition (June 2018) at which point he stepped down to join the Unibail-Rodamco SE SB. Pursuant to the foregoing, he has been an Executive Director of one of the Company's consolidated subsidiaries during the previous 5 years.

Accordingly, Mr Lowy is not considered independent.

ANALYSIS OF MR JOHN MCFARLANE'S BUSINESS RELATIONSHIP

Mr John McFarlane's independence was further analyzed given his other mandate as non-executive Chairman of Barclays PLC and of Barclays Bank PLC.

The following criteria were assessed for Barclays:

- the investment banking mandates (if any) granted by the Group to Barclays;
- the financing (debt investment) provided by any entity of the Barclays Group to the Group;
- loans granted by any entity of the Barclays Group to the Group; and
- the type of business relationship and the date a business relationship was first established.

Notably, he is a non-executive SB Member at Unibail-Rodamco SE and is a Non-Executive Board member at Barclays, as such, he is not implicated in the day-to-day operations nor the operational decisions of the companies. He is not and has never been an employee nor Executive Director of the companies. The loans and other debt instrument contracts are routine agreements for the companies, entered into on an arm's length basis and are in many cases entered into after tender. Discussions on specific contract terms and conditions and their negotiation never rise to the SB level nor Board level, therefore, he would not participate in nor have any influence over negotiations between the entities. The amount of facilities provided by Barclays is not significant compared to Unibail-Rodamco's total debt and compared to Barclays total debt provided to the market, additionally, it is marginal compared to the total turnover of either company. Other than the remuneration received for his contribution provided as an SB Member, he does not receive personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Company (no STI or LTI), from the Group.

Accordingly, Mr McFarlane is determined to be independent.

ANALYSIS OF MR RODERICK MUNSTERS' BUSINESS RELATIONSHIP

Mr Roderick Munsters' independence was further analysed given the following other mandates:

- SB Member of Moody's Investors Service - EU; and
- SB Member of PGGM Investments.

The following criteria were assessed for Moody's:

- type of business relationship;
- the legal entities signing contracts;
- the euro amount of fees paid to Moody's in 2018; and
- date a business relationship was first established, the overall duration and the continuity of same.

Moody's rates tens of thousands of issuers, financials instruments, sovereign nations and banks on a regular ongoing basis. The ratings of the Group are conducted on an arm's length basis. The business relationship between Moody's and the Group began before Mr Munsters joined the SB of either entity. The rating service contract between Moody's and the Group are entered into between subsidiaries of each group and not at the parent level. With respect to both companies, the service fees paid by the Group to Moody's are marginal compared to each group's total service fees expenses/revenues or total turnover. Discussions on the contract terms and conditions and their negotiation never rise to the SB level of either company. Furthermore, Moody's has a "Director and Shareholder Affiliation Policy" which ensures that ratings of any company or any pending actions are not discussed at the SB level. Therefore, he does not participate in discussions and does not have an impact on the relationship between the entities.

The following criteria were assessed for PGGM Investment:

- type of business relationship; and
- date a business relationship was first established, the overall duration and the continuity of same.

PGGM has been a long standing shareholder of the Group. The relationship between PGGM and the Group began before Mr Munsters joined the SB of either entity. PGGM's shareholdings are well below the thresholds that would impact independence pursuant to the SB Charter as well as the Afep-Medef Code. As an SB Member of Unibail-Rodamco SE, Mr Munsters considers the interests of all shareholders equally.

Furthermore, as a Non-Executive SB Member at Unibail-Rodamco SE, he is not implicated in the day-to-day operations nor the operational decisions of the Group. He is not and has never been an employee nor Executive Director of the Group. Other than the fees received for his contribution provided as an SB Member, he has not received personal financial remuneration, including any remuneration in the form of shares nor any remuneration related to the performance of the Group (no STI or LTI), from the Group.

Accordingly, Mr Munsters 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 2018; and
- date a business relationship was first established, the overall duration and the continuity of same.

Notably, as a Non-Executive SB Member at Unibail-Rodamco SE 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. Service contracts between the companies are awarded following a tender. They are routine agreements for the companies and entered into on an arm's length basis. With respect to both companies, the service fees paid to Spie by the Group are marginal compared to each group's total turnover. Discussions on service contract terms and conditions and their negotiation never rise to the SB level nor to the Spie Board level. Therefore, she does not participate in negotiations and has no influence over negotiations between the entities. Other than the remuneration received for her contribution provided as an SB Member, she has not received personal financial remuneration, including any remuneration in the form of shares or any remuneration related to the performance of the Company (no STI or LTI), from the Group.

Accordingly, 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 2018;
- the euro amount of fees received in 2018;
- the significance of Global Blue in comparison to other tax free companies used by the Group; and
- date a business relationship was first established, the overall duration and the continuity of same.

Notably, as a Non-Executive SB Member at Unibail-Rodamco SE, he is not implicated in the day-to-day operations nor the operational decisions of the Company. He is not and has never been an employee nor Executive Director of the Company. The service contracts are granted after a tender, are routine agreements for the companies and entered into on an arm's length basis. The existing service contracts between Global Blue and the Group are entered into between subsidiaries of each group and not at the parent level. The business relationship between Global Blue and the Group has been limited in duration and began before Mr Stern joined the SB. With respect to both companies, the service fees paid to the Group by Global Blue are marginal compared to each group's total service fees expenses/revenues or total turnover. Discussions on service contract terms and conditions and their negotiation never rise to the SB level. Therefore, from the Company's standpoint he does not participate in negotiations and does not have an impact on any negotiations with respect to the Company. Other than the fees received for his contribution provided as an SB Member, he has not received personal financial remuneration, including any remuneration in the form of shares nor any remuneration related to the performance of the Company (no STI or LTI), from the Group.

Accordingly, Mr Stern is determined to be independent.

— Succession Planning

Succession planning is key to the long-term competitiveness and growth of the Company. Departure of key people from the MB, top management, and from the SB is an identified risk factor for the Company.

— *Supervisory Board Succession Planning*

The SB succession plan is discussed on a regular basis to ensure proper rotation of members in terms of foreseeable departures as well as to anticipate any unforeseen departures. In order to maintain its diversity (in terms of gender, nationality and experience), the process provides for the definition of profiles for each potential vacancy by the GNC in consultation with the SB and in dialogue with the MB. The profiles must reflect both the requirements included in the SB Member profile as described in Annex A of the SB Charter and any specific additional criteria in light of the Group's strategy and corporate governance principles. Each profile is subject to the approval of the SB. A short list of possible candidates is then determined by the SB Chairman together with a small committee of GNC Members and in consultation with the Group CEO and the Group CRO. Candidate interviews are conducted with the SB Chairman, at least two members of the GNC, other SB Members, the Group CEO and the Group CRO. This process is led by the SB Vice-Chair 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 general meeting.

— *Management Board & Top Management (including the Senior Management Team) Succession Planning*

In order to ensure business continuity both for foreseeable and unforeseeable departures, the GNC spends significant time discussing the MB and top management (including the Senior Management Team) succession plan annually. The Group CEO, the Group CRO and the GNC discuss succession of the critical leadership roles in detail. This discussion includes defining the desired profile of potential replacements with respect to the Group's strategy, diversity and the level of expertise and experience necessary for successful succession. Potential internal successors are discussed at length including steps to be implemented to reinforce such person's continued professional growth. Market screenings are regularly conducted with external consultants to ensure an identifiable pool of candidates for any positions where an immediate successor is not identified. Diversity in terms of gender, nationality and international experience are key points of discussion for the identification of individuals. In 2018, the GNC reinforced the "critical role crisis plan". This addresses the immediate required actions should an unforeseen significant event occur impacting the MB. It also outlines risk mitigation steps and external communication steps. The SB discusses the work done by the GNC at each of its meetings immediately thereafter.

In the event of succession of an MB Member, the process is led by the Group CEO together with the GNC Chairman, and by the GNC Chairman only where succession of the Group CEO is concerned. The desired profile for the role is fine tuned to reflect specific criteria in light of the Group's strategy and corporate governance principles and is subject to the approval of the SB. Candidate interviews are conducted with the Group CEO, the Group CRO, the SB Chairman, and at least two other SB Members.

3.1.2.2 Supervisory Board missions

The functioning of the SB is governed by the Company's Articles of Association and the SB Charter whose main provisions are described in Section 7.6 of this Registration Document and are available on the Company's website.

— Supervisory Board activities in 2018

The SB held ten meetings in 2018 (including its annual strategy seminar and four *ad hoc* meetings) as well as one working session. The SB can meet without the MB (non-executive sessions) whenever deemed necessary. Six non-executive sessions were held in 2018. The member attendance rate was 97%.

In addition to the matters within its statutory scope, the SB discussed all major actions carried out in 2018, 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.) with specific attention to the Westfield acquisition and integration.

SB Members were also informed of the work and recommendations of its specialised committees and that of the Statutory Auditors. The minutes and documents of all the meetings of the AC, GNC and RC are systematically made available to all SB Members through a secure electronic platform.

Principal responsibilities of the Supervisory Board	Key areas discussed, reviewed and/or approved in 2018
Group Strategy	● extensive review and discussion of the Westfield acquisition (completed June 2018) and integration; ● development projects, investment and divestment operations in 2018; ● regular updates: on share price and business activities (operations, finance, human resources, legal, sustainability, development, etc.); ● digital strategy; ● CSR strategy – "Better Places 2030";
Group Financial Policy and Financial Performance and Reporting	● post-Westfield acquisition review and discussion of the disposal programme and transaction synergies (cost and revenue); ● 2018 Group Budget; ● consolidated accounts and quarterly financial statements; ● the Group's 5-year Business Plan, financial resources and borrowing requirements; ● the Group's dividend distribution payment policy and annual allocation/distribution of profits; ● relationship with the Statutory Auditors including auditor's reporting for the coming year; ● non-audit services provided by the Statutory Auditors (including the amount of fees related thereto)
Internal Audit, Risk Management and Control Systems	● post-Westfield acquisition review and restructuring of Group risk management, internal audit, compliance, and insurance programmes; ● 2018 internal audit plan; ● internal audits, internal control system and compliance matters; ● indepth review of the Group's risk management and risk mapping; ● focused review of selected risk management topics (2018 focus: European General Data Protection Regulation (GDPR), Construction and M&A);
Governance and compliance with relevant laws and regulations	● implementation of new Group organization; ● updates to the Group's Compliance programme (including the Group Anti-corruption Programme, Insider Trading Rules, Code of Ethics and Whistleblowing Policy) ● implementation of the GDPR; ● the 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; ● updates to the MB and SB Charters;
Succession Planning	● annual review of the SB and committee profile and composition; ● succession planning of the SB, MB and top management (including the Senior Management Team); ● recruitment and appointment of SB Members: Ms Jill Granoff, Mr Peter Lowy, and Mr John McFarlane; ● appointments of: new Vice-Chair and RC Chair: Ms Mary Harris, new AC Chairman: Mr Jacques Stern, new AC Member: Mr John McFarlane, and new GNC & RC Member: Ms Jill Granoff;
Group Remuneration Policy and performance assessments	● 2018 (and before) MB Member and SMT remuneration (including FI, level of attainment of annual STI and LTI targets); ● 2018 LTI envelope and Company Savings Plan; ● 2019 MB and SMT Remuneration Policy (including revisions to the KPIs for the STI and LTI); ● 2019 SB Remuneration Policy; ● annual evaluation of the functioning and efficiency of the MB; ● annual evaluation of the functioning and efficiency of the SB (self-assessment process);
Human Resources	● re-organisation of the MB and the creation of the Senior Management Team as well as the re-appointment of the MB Members for a 4-year term; ● talent management; ● annual review of gender and international diversity and nondiscrimination policy;
Shareholder Outreach and Engagement	● extensive shareholder engagement and feedback (including as relates to governance and remuneration); ● updates on shareholder composition; ● AGM materials (agenda, resolutions, etc.); ● Registration Document (SB Chairman's report, governance, MB/SB Remuneration Policy, risk management and internal control systems, etc.).

— ***Key Topics***

The following key topics are an important part of the Group's strategy and are closely followed by the SB. They are discussed in detail in other sections of this Registration Document (please refer to the following sections for further detail):

- CSR/Sustainability – Chapter 2;
- International and gender diversity – Chapter 2;
- Westfield Acquisition/Integration (including synergies and the disposal programme) – Chapter 0, Chapter 4 and throughout this Registration Document.

— ***Shareholder Engagement***

As part of the Group's longstanding practice, the SB conducted extensive shareholder engagement in 2018 in relation to the Westfield transaction as well as to discuss governance and remuneration topics. Further, shareholder engagement guidelines were prepared and are available on the Group's website. This provides information to shareholders on the engagement process and highlights the importance of transparent communication as well as the Group's commitment to non-selective disclosure and equal treatment of shareholders.

— ***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 2018, the SB and the MB took the opportunity to visit US assets, notably in the New York region, given the recent acquisition of Westfield. They visited 4 major assets and that of three competitors and discussed in detail Group strategy and key market developments. The SB and MB also held separate strategic meetings during this visit whereby the Group's strategic objectives, growth strategy, challenges and opportunities in retail and the market generally as well as the Group's digital strategy were discussed. The SB and MB also took the opportunity to meet with local retailers.

— ***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. New members also meet with key people within the organization and conduct site visits of Group assets as well as major competitors.

An annual training day is held for all the SB Members which often includes Group asset visits. In 2018, three major sessions were held. The first focused on the duties and obligations of SB Members. The second focused on changes to the legal audit and duties and obligations of AC and SB Members in relation thereto. The third concerned the Westfield transaction specifically tailored for those joining the WFD Unibail-Rodamco NV SB. The three sessions were led by external legal counsel.

— Supervisory Board Member share ownership requirements

In accordance with the Afep-Medef Code and with Article 3.3 of the SB Charter, in order to promote the alignment of interests between shareholders and SB Members, all SB Members must hold within two years of their appointment a number of Stapled Shares at least equal to one year of SB Member fees.

3.1.2.3 Specialised Supervisory Board Committees

In accordance with Article 5 of the SB Charter, the SB has three committees: the Audit Committee, the Governance and Nomination Committee, and the Remuneration Committee 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 Jacques Stern and consists of four independent members.

2018

Number of members

4

Percentage of independent members

100%

Number of Men/Women

3 Men | **1** Woman

Participation rate

100%

Members as at December 31, 2018 and attendance rate

- **Mr Jacques Stern, 4 out of 4 meetings**
- **Mr John McFarlane, 2 out of 2 meetings (1)**
- **Mr Roderick Munsters, 4 out of 4 meetings**
- **Ms Sophie Stabile, 4 out of 4 meetings**

(1) Joined the AC on July 1, 2018.

The AC Members are selected by the SB, upon the recommendation of the GNC. They are appointed by the SB for their strong skills in finance and accounting.

Pursuant to French Commercial Code requirements and Afep-Medef Code, every AC member is an expert in finance and in accounting for listed companies or for other large companies which apply the IFRS accounting standards.

— *Audit Committee Meetings*

Typically, the Group CEO, the Group CFO, the CFO Europe and the Group Chief Resources Officer (Group CRO) attend AC meetings, unless decided otherwise by the AC. Other Senior Management Team Members may also attend meetings. The AC may decide to meet without the MB Members or to meet only with the Group CEO, the Group CFO or the Statutory Auditors. The Group Director of Tax, the Group Director of Consolidation and Accounting, the Group Director of Control, the Group Director of Risk Management and the Group Director of Internal Audit attend AC meetings at the request of the AC.

AC Members receive the meeting documents which include a detailed agenda and comprehensive papers at least three days before each meeting. To allow for optimal preparation for the review of the accounts, the AC meets at least 48 hours prior to the SB Meeting at which the full-year and half-year financial statements are reviewed. The SB is informed of the proceedings and recommendations of the AC at its meeting directly following that of the AC.

— *Audit Committee activities*

The AC met four times in 2018 (three times in the presence of the Statutory Auditors). Three non-executive sessions were held in 2018, two of which were together with the Statutory Auditors. The member attendance rate was 100%.

The AC deals with a number of recurring issues, such as accounting and financial elements (interim and annual financial statements), internal control, risk management and net asset value. It examines and supervises the Company's publication of financial information. It also ensures the relevance and efficiency of the Group's accounting and financial standards, tax and funding policies, internal audit, risk management and control procedures.

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.

Principal responsibilities of the AC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2018
Group Financial Policy	• extensive review and follow-up of financial, borrowing, accounting and tax aspects of Westfield acquisition; • 2018 Group Budget; • the Group's 5-year Business Plan, financial resources and borrowing requirements; • the Group's dividend distribution payment policy and annual allocation and distribution of profits; • relationship with the Statutory Auditors including auditor's reporting for the coming year; • non-audit services provided by the Statutory Auditors (including the amount of fees related thereto);
Financial Performance and Reporting	• post-Westfield acquisition review and discussion of progress on disposal programme and transaction synergies (cost and revenue); • 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 Audit, Risk Management and Control Systems	• post-Westfield acquisition review and restructuring of Group risk management, internal audit, compliance, and insurance programmes; • updates on digital and IT strategy, tools and projects; • 2018 internal audit plan; • internal audits, internal control system and compliance matters; • indepth review of the Group's risk management and risk mapping; • focused review of selected risk management topics (2018 focus: General Data Protection Regulation (GDPR), Construction and M&A);
AC Governance	• annual evaluation of the functioning and efficiency of the AC (self-assessment process); • appointments of: new AC Chairman: Mr Jacques Stern and of new AC Member: Mr John McFarlane.

3.

3.1.2.3.2 The Governance and Nomination Committee (GNC) and the Remuneration Committee (RC)

At the SB meeting of August 29, 2018, pursuant to the Governance, Nomination and Remuneration Committee (GNRC) recommendation, the GNRC was split into two committees the GNC and the RC in order to allow a focused discussion and approach on each committee's scope. Given the interrelatedness of nomination, assessment of MB performance and remuneration, the two committees are currently composed of the same members. The GNC and the RC hold separate meetings since August 29, 2018. Prior to that date, the GNRC held one meeting that covered the scope of both committees.

The composition, functioning and responsibilities of the GNC and the RC are governed by the GNC Charter and RC Charter, respectively, established by the SB.

— *Governance and Nomination Committee and Remuneration Committee composition*

The GNC, chaired by Mr Colin Dyer, and the RC, chaired by Ms Mary Harris, consists of six independent members.

2018

Number of members	Number of Men/Women	Percentage of independent members
6	2 Men / 4 Women	100%

— *Governance and Nomination Committee Meetings*

The Group CEO and the Group CRO typically attend GNC Meetings. The GNC may decide to meet without the Group CEO and/or the Group CRO. At least twice a year, during the annual self-assessment of the GNC as well as during assessment of the MB, the GNC meets without the Group CEO and the Group CRO. The GNC may solicit the advice of external advisers and is free to interview such advisors without MB Members being present as deemed necessary. At least once a year, the Group Director Internal Audit presents a compliance report to the GNC. Additionally, other persons may be invited to attend by the GNC Chairman. Members receive the meeting documents which include a detailed agenda and comprehensive papers at least three days before each meeting. The SB is informed of the GNC's proceedings and recommendations at its meeting directly following that of the GNC.

— *Governance and Nomination Committee activities*

Participation rate

98%

Members as at December 31, 2018 and attendance rate

- **Mr Colin Dyer, 8 out of 8 meetings**
- **Mr Philippe Collombel, 8 out of 8 meetings**
- **Ms Jill Granoff, 4 out of 4 meetings (1)**
- **Ms Mary Harris, 7 out of 8 meetings**
- **Ms Dagmar Kollmann, 8 out of 8 meetings**
- **Ms Jacqueline Tammenoms Bakker, 8 out 8 meetings**

(1) Joined the GNC on June 25, 2018.

The GNC met eight times in 2018 (including four *ad hoc* meetings). Three non-executive sessions were held in 2018. The member attendance rate was 98%.

The GNC is responsible for reviewing and advising the SB on: (a) MB and SB Member profiles and selection criteria, (b) the scope, composition and functioning of the MB and the SB, (c) the independence of SB Members, (d) the (re)appointment of MB and/or SB Members through application of the established succession plans which are regularly discussed, (e) the Group's corporate governance rules and practices, and (f) Group talent management, including MB, Senior Management Team, and top management succession planning.

Principal responsibilities of the GNC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2018
Governance and Compliance with Relevant laws and regulations	• implementation of new Group organization; • annual review and updates to the Group Compliance programme (including the Anti-Corruption Programme, Insider Trading Rules, Code of Ethics and Whistleblowing Policy); • the 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; • updates to the MB and SB Charters.
Succession Planning	• annual review of the SB and committee profile and composition; • succession planning of the SB, MB and top management (including the Senior Management Team); • recruitment and appointment of SB Members: Ms Jill Granoff, Mr Peter Lowy, and Mr John McFarlane; • appointments of: new Vice-Chair and RC Chair: Mary Harris, new AC Chairman: Jacques Stern, new AC Member: Mr John McFarlane, and new GNC & RC Member: Ms Jill Granoff;
Human Resources	• in-depth review and discussion of governance and organisational aspects of the Westfield integration; • re-organisation of the MB and the creation of the Senior Management Team as well as the re-appointment of the MB Members for a 4-year term; • talent management; • annual review of international and gender diversity and non-discrimination policy;
Shareholder Outreach and Engagement	• extensive shareholder engagement and feedback (including as relates to governance and remuneration); • AGM materials (agenda, resolutions, etc.);
GNC Governance	• annual evaluation of the functioning and efficiency of the SB and GNC (self-assessment process).

— *Remuneration Committee Meetings*

The Group CEO and the Group CRO typically attend RC Meetings. The RC may decide to meet without the Group CEO and/or the Group CRO. At least twice a year, during the annual self-assessment of the RC as well as during assessment of and the decision on the MB remuneration, the RC meets without the Group CEO and the Group CRO being present. The RC may solicit the advice of external advisers and is free to interview such advisors without MB Members being present as deemed necessary. Additionally, other persons may be invited to attend by the RC Chair. Members receive the meeting documents which include a detailed agenda and comprehensive papers at least three days before each meeting. The SB is informed of the RC's proceedings and recommendations at its meeting directly following that of the RC.

— *Remuneration Committee activities*

Participation rate

100%

Members as at December 31, 2018 and attendance rate[1]

- **Mr Colin Dyer, 2 out of 2 meetings**
- **Mr Philippe Collombel, 2 out of 2 meetings**
- **Ms Jill Granoff, 2 out of 2 meetings**
- **Ms Mary Harris, 2 out of 2 meetings**
- **Ms Dagmar Kollmann, 2 out of 2 meetings**
- **Ms Jacqueline Tammenoms Bakker, 2 out of 2 meetings**

(1) Committee created August 29, 2018.

Since its creation on August 29, 2018, the RC met two times in 2018 (including one *ad hoc* meeting). One non-executive session was held in 2018. The member attendance rate was 100%.

The RC is responsible for reviewing and advising the SB on (a) the Remuneration Policy for the Group CEO and the other MB Member(s) (Fixed Income, Short-Term Incentives, Long-Term Incentives and other benefits) and (b) the SB Remuneration Policy.

Principal responsibilities of the RC	Key areas discussed, reviewed and/or recommended for approval to the SB in 2018
Company Remuneration Policy and Performance Assessments	• 2018 (and before) MB Member and SMT remuneration (including FI, level of attainment of annual STI and LTI targets); • 2018 LTI envelope and Company Savings Plan; • 2019 MB and SMT Remuneration Policy (including revisions to the KPIs for the STI and LTI); • 2019 SB Remuneration Policy; • annual evaluation of the functioning and efficiency of the MB;
Shareholder Outreach and Engagement	• extensive shareholder engagement and feedback (including as relates to governance and remuneration);
RC Governance	• annual evaluation of the functioning and efficiency of the RC (self-assessment process); • appointment of new RC Chair: Ms Mary Harris.

3.1.2.4 Evaluation of the Supervisory Board

— Supervisory Board annual evaluation process

In accordance with the Afep-Medef Code, an assessment of the SB is carried out annually with a more formal and detailed assessment carried out every three years.

In 2018, the SB conducted a formal annual assessment which consisted of a detailed questionnaire completed by each SB Member on a confidential basis to assess the performance of the SB, its committees and its members (including of the Chairs of the SB and its committees) and of the overall functioning of the SB.

The SB Chairman also met with each SB Member individually to discuss openly and obtain feedback on the individual contributions of each of the SB Members. In addition, the AC, the GNC and the RC carried out a similar evaluation of their composition and functioning.

In order to ensure an objective process, the SB & GNC Chair's assessment was led by the SB Vice-Chair who provided feedback to the full SB in session and individually to the SB & GNC Chair.

The assessment was summarised and discussed during an SB meeting as well as an AC, GNC and RC meeting in the presence of all of its members but in the absence of the MB. The MB was provided with a summary of improvement areas discussed and the SB Chairman and the Group CEO also discussed the summary separately.

— Analysis of the results

The conclusion of this assessment was that the current corporate governance structure and organisation work well. For the 2018 period, the SB Members noted, in particular, the quality of the process, discussion and work related to the Westfield acquisition and integration.

Furthermore, the following areas of improvement were identified and will continue to be a priority in 2019:

- continue focused discussions on the competitive environment as well as industry and market trends with respect to the Group's strategic objectives, particularly in the new markets; 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, 2018, 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, including in another company, in order for the SB to conduct, among other things, a conflict of interest and independence analysis.

The SB and the MB are also subject to the rules established in the Group's Code of Ethics and Anti-Corruption Programme applicable to all Group employees (For more details, please see Section 6.4 of this Registration Document).

— ***Information on related party agreements***

Within the meaning of Article L. 225-86 of the French Commercial Code, no agreements have been authorised by the SB over the financial year ending on December 31, 2018 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).

3.1.3 THE SENIOR MANAGEMENT TEAM

Implemented following the acquisition of the Westfield Group on June 7, 2018, the Senior Management Team is the coordinating body for Unibail-Rodamco SE and WFD Unibail-Rodamco N.V. responsible for the definition of their shared strategy and their business policy and for providing advice on key business decisions.

Composition of the Senior Management Team

As at December 31, 2018, the Senior Management Team is chaired by Christophe Cuvillier, Group CEO, and is composed of nine members:

Members of the Senior Management Team	Main function
Mr Christophe Cuvillier	Group Chief Executive Officer
Mr Olivier Bossard	Group Chief Development Officer
Mr Michel Dessolain	Chief Operating Officer Europe
Mr Peter Huddle*	Chief Operating Officer US
Mr Fabrice Mouchel	Chief Financial Officer Europe
Ms Astrid Panosyan	Group Chief Resources Officer
Mr Gerard Sieben	Chief Financial Officer of WFD Unibail-Rodamco N.V.
Mr Jaap Tonckens	Group Chief Financial Officer
Mr Jean-Marie Tritant	President US

**Will leave the Group on March 31, 2019.*

Roles of the Senior Management Team

The Senior Management Team has the following roles:

- advisory role for the MBs of Unibail-Rodamco SE and WFD Unibail-Rodamco N.V. for the strategic management of the Group, maximizing of economies of scale and of convergence to reinforce the global processes, the coordination of the joint activities at the Group level, advice on the main strategic business decisions, participation in the elaboration of continental policies, facilitation of the sharing of best practices across the Group;
- co-decision-making powers together with the MBs of Unibail-Rodamco SE and WFD Unibail-Rodamco N.V., notably for the Group's 5-year business plans, human resources policies and the definition and harmonization of Group corporate policies;
- make proposal/take the initiative for significant changes for the Group, any investment, divestment, expense, commitment, financing, guarantee or similar legal act, for an amount exceeding €300 million, any decision in respect of amending or terminating the Stapled Share Principle as well as any decision related to financing, credit ratings and risk management policies.

3.2 REMUNERATION AND OTHER BENEFITS GRANTED TO THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BOARDS

REPORT ON THE REMUNERATION POLICY

Dear Shareholders,

With the creation of Unibail-Rodamco-Westfield (URW), 2018 has been a truly transformative year for the Group:

- URW delivered strong operational results despite a challenging business environment and progressed well ahead of schedule and above book value on its disposal program. Good progress has also been made to successfully integrate Unibail-Rodamco and Westfield, in terms of organization, processes, tools and culture, while delivering more than the announced run-rate cost synergies and laying the ground work for the future revenue synergies;
- in terms of governance, the Management Board (MB) went from 6 to 2 members following the acquisition of Westfield, with the 4 former MB members taking on new key responsibilities within the newly created Senior Management Team. 3 new members joined the SB following shareholder approval at the 2018 General Meeting (GM). The Governance, Nomination and Remuneration Committee (GNRC) was split into 2 committees, the Governance and Nomination Committee (GNC), chaired by Mr Colin Dyer, and the Remuneration Committee (RC), chaired by Ms Mary Harris, in order to have a dedicated approach to each topic.

In early 2018, the SB conducted a comprehensive review of the MB Remuneration Policy, which was subsequently approved by more than 80% of shareholders during the 2018 GM. We communicated at the time that there remained a few details in the MB remuneration for 2019 onwards to be finalized. Furthermore, while the current SB Remuneration Policy was approved by 95% of shareholders, the SB also indicated its intention to undertake a review of the SB fee levels as from 2019 in light of the new scope of the Group. As part of a long-standing practice, the SB consulted proactively with shareholders on the Remuneration Policy during the last quarter of 2018 and early 2019. We would like to thank all shareholders who engaged with us for their time, and we look forward to maintaining this dialogue going forward.

On behalf of the SB, we are 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 the shareholder approval (Say on Pay) at the May 17, 2019 GM:

- the Remuneration Policy with respect to:
  - the MB Members: the Group CEO and the Group CFO,
  - the SB Members: the SB Chairman and the non-Chair SB Members;
- the Remuneration Report includes the elements of remuneration due or granted to the MB Members for the 2018 financial year. It reflects the changes to the composition of the MB. The payment of the STI (*ex-ante* approved at the 2018 GM) will be submitted to a binding shareholder ex-post vote at the 2019 GM.

On behalf of the SB, we are confident in the balanced structure of the Group's remuneration scheme, as well as its aligment with the Company strategy and long term value creation for shareholders.

We look forward to receiving your full support at the 2019 GM.

Yours faithfully,

Colin Dyer, SB Chair
Mary Harris, RC Chair & SB Vice-Chair

3.2.1 REMUNERATION POLICY OF THE MANAGEMENT BOARD MEMBERS

This report is part of the SB report on the MB report and provides all details on resolutions No 8 to No 9 to be submitted for approval at the GM to be held on May 17, 2019 pursuant to Article L 225-82-2 of the French Commercial Code. The Remuneration Policy described will take effect subject to shareholder approval.

Governance and principles

The remuneration of the MB Members is determined by the SB, upon the recommendation of the RC, and in accordance with the Afep-Medef Code as revised in June 2018.

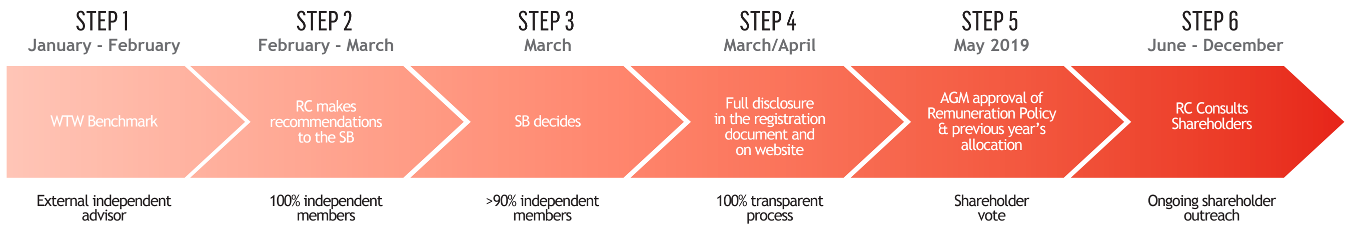
The SB designs the Group's Remuneration Policy in line with the best market practices and shareholder interests. This Policy ensures the alignment of the MB with Shareholders and the Company's strategy by:

(i) establishing competitive remuneration levels;

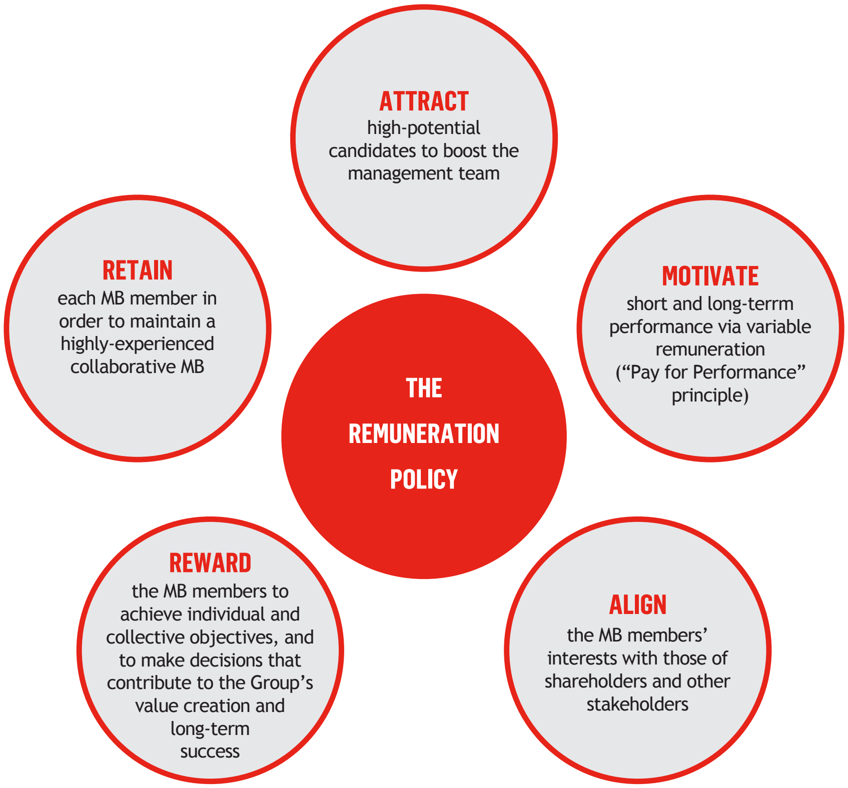
(ii) creating a direct and explicit link between Company performance and each MB Member's remuneration; and

(iii) ensuring a balanced approach between short-term performance and medium/long-term performance.

The RC 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 RC 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 at the start of every mandate (or whenever a specific review is needed) by an external independent advisor. For 2018, this analysis takes into account best governance practices and remuneration levels of 5 benchmark sectors consistent with the new size and the geographical scope of the Group following the acquisition of Westfield;
- **“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 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 understanding by shareholders.

The Remuneration Principles follow the best remuneration governance standards:

Components included	Components Excluded
• Reasonable and balanced remuneration based on benchmarks through an independent consultant	• No welcome bonus
• Cap on STI	• No exceptional remuneration
• Cap on overall LTI allocation	• No employment contract
• Same LTI scheme for employees and MB	• No Service Agreement
• 3-year vesting for Performance Stock Options	• No Additional defined benefits pension scheme “retraite chapeau”
• 3-year vesting for Performance Shares	• No Intra-Group Board fees
• Continuous presence of 2 years prior to vesting for LTI	• No contractual severance package
• Stringent performance conditions over a long period (3 years) on LTI, no reward for under performance	• No Contractual Non-Compete Indemnity
• Obligation to retain shares	• No Discount on Performance Stock-Options subscription price
• Obligation to invest in shares	• No Profit-sharing scheme
• Clawback/Malus	• No reward for under performance

3.

SUMMARY OF MAIN REMUNERATION COMPONENTS FOR 2019

Main remuneration components	Purpose and Link to Strategy	Operation	Maximum Opportunity/Details
Fixed Income (FI)	Attract high-calibre experienced individuals with a competitive remuneration level that reflects the scope, complexity and dynamics of the business.	Set at the start of each 4-year mandate, pursuant to the Afep-Medef Code.	Group CEO: €1,250,000. Group CFO: €800,000.
Short-Term Incentive (STI)	Drive short-term strategy and recognise achievement of annual financial and operational objectives.	Quantitative component: entirely linked to the Group’s financial performance. • **Adjusted Recuring Earning per Share** (AREPS)[(1)]: stretch target top bracket of the Company’s yearly guidance. • **Key Strategic Goals:** Synergies and Disposals for 2019. Qualitative component: individual objectives pre-defined annually by the SB.	**Group CEO: 200% of FI** -80% quantitative. -20% qualitative. **Group CFO: 150% of FI** -70% quantitative. -30% qualitative.
Long-Term Incentive (LTI): • Performance Shares (PS); and • Performance Stock Options (SO).	Retain and align with the medium/long-term value creation objectives of the Company and its shareholders.	**External and Internal Performances** indicators weighted 50/50. **KPIs:** AREPS 45%, TSR 45%, CSR 10%.	**Cap:** 180% of FI. **Long performance period:** minimum of 3 years. **Presence condition:** continuous presence of 2 years preceding vesting or exercise. **Vesting:** 3 years.
Shareholding obligation	Align the MB and shareholder interests.	Retain 30% of capital gains (net of tax) of SO exercised and PS vested.	**Shareholding obligation:** Group CEO 300% of FI, Group CFO 200% of FI.
Supplementary Contribution Scheme	Provide access to a benefits scheme.	Annual contribution paid into a blocked savings account.	Group CEO: €90,000 +10% (FI + STI). Group CFO: €45,000 +10% (FI + STI).
Other benefits	Provide access to a benefits scheme.	Health and life insurance, unemployment insurance, international assignment contribution, company car and company savings plan (no top-up contribution).	Group CEO: approx. €30,000. Group CFO: approx. €30,000.

(1) Please see section related to STI for more details.

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 an 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 RC seek the guidance of an external independent adviser to benchmark market practices and apply the best remuneration governance practices. URW's ability to attract, motivate and retain worldwide leadership through competitive remuneration levels is key to ensure successful integration and strong performance.

Given its unique features among CAC40 and European real estate companies and the new extended geographical scope of the Group, now including the US and the UK markets, the external advisor, Willis Towers Watson (WTW), used a new relevant remuneration benchmark taking a blended approach based on the five following peer groups (see the glossary for a detailed list of companies):

- **France General Industry (CAC40)**

The Group is in mid-range of market capitalisations.

- **Selected European Real Estate**

12 companies – URW is by far the largest listed European real estate company in terms of market capitalisation, portfolio size and development pipeline.

- **Selected UK General Industry**

15 companies – of which a majority (9) have lower market capitalisations and only 6 a higher one.

- **Selected US Real Estate**

12 companies - all but one have a significantly lower market capitalisation and portfolio size, the Group also having by far the largest development pipeline.

- **Selected US General Industry (for information only)**

33 companies – of which a majority (23) have lower market capitalisations and only 10 a higher one.

The FI of the Group CEO and the Group CFO were presented to and approved at the 2018 GM by 81.89% and 83.54% of shareholder votes respectively, and were only applied following the closing of the Westfield Transaction. The FI will remain unchanged for 2019, as follows:

Function	MB Member	Fixed Income 2018 post-closing	Fixed Income 2019
Group CEO	Mr Christophe Cuvillier	€1,250,000	€1,250,000
Group CFO	Mr Jaap Tonckens	€800,000	€800,000

(On a full year basis and before income tax and social security charges).

Short-Term Incentive (STI) linked to performance

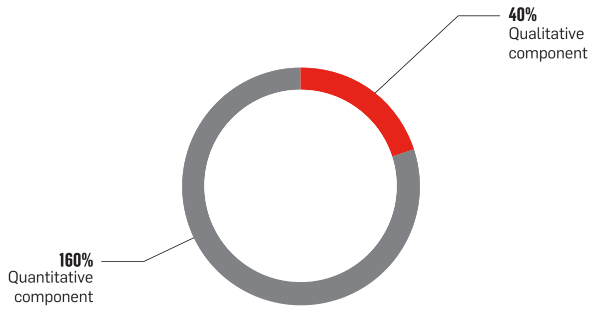
Pursuant to the provisions of Article L225-100 II of the French Commercial Code, payment of the STI is subject to prior approval by the Ordinary GM (ex-post vote).

— Structure of the STI

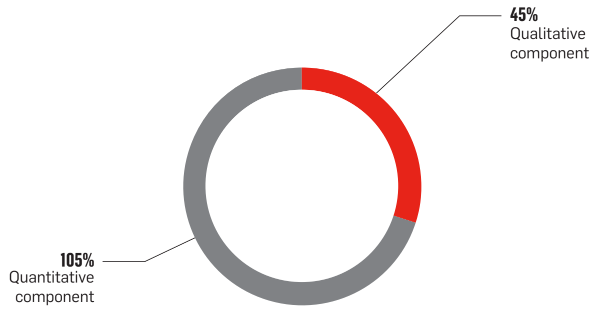
The STI structure for the Group CEO and the Group CFO was presented and approved at the 2018 GM by 81.89% and 83.54% of shareholder votes respectively. It will remain unchanged for 2019.

The STI is capped at 200% of FI for the CEO and 150% for the CFO, with quantitative and qualitative components detailed below:

GROUP CEO
STI Maximum potential award:
200% of FI



GROUP CFO
STI maximum potential award:
150% of FI



— Performance criteria applicable to the STI

The **quantitative component** is entirely linked to the Group's financial performance, which takes into account the following key performance indicators:

- a **"cash flow" component**, (64% and 56% of total STI for the CEO and the CFO respectively) proportional to the growth of the AREPS in line with the Group's financial communication. 100% achievement (stretch target) is met when this component reaches the top bracket of the Company's yearly guidance; and
- a **"Key Strategic Goals"** component (16% and 14% of total STI for the CEO and the CFO respectively), defined annually. For 2019, these will be equally split between:
  - synergies: the attainment of cost and revenue synergies related to the acquisition of Westfield as disclosed to the market. These will be assessed on a "phased-in" basis by the Audit Committee;
  - disposals: the progress in the disposal target as disclosed to the market. As part of its new 5-year business plan, URW plans to dispose of €4 Bn of Continental European assets in the next few years. The quality of the disposal process and transaction will be assessed by the SB in terms of type of assets, value and speed of execution.

The SB decided to reinforce the near-term strategic priorities of URW in the STI and considered that AREPS best reflects the Group's overall performance and all the components of value creation:

- It is directly linked to the Group's strategy and part of its long-standing financial communication. AREPS growth is also a key measure used by our shareholders to evaluate the Company's performance.
- The benefit of AREPS growth versus budget is that it takes into consideration the active portfolio management strategy of opportunistic investments or divestments.
- Furthermore, it includes many components such as NRI, rental uplifts, cost of debt, active management of the balance sheet and impact of deliveries of development projects (a particular know-how of Unibail-Rodamco-Westfield and a key driver of its growth).

AREPS growth is directly impacted by management performance and, therefore, the most relevant and comprehensive incentive KPI for the MB.

The SB decided to remove the Net Asset Value (NAV) as a KPI:

- absolute NAV has proven to lack full alignment with the Group's strategy. URW is a recurring earnings driven operator and developer of prime real estate assets, whereas absolute NAV is more a static measure of the pure real estate value than a reflection of the business dynamics;
- many of URW's income streams related to its assets are not typically valued by appraisers (*e.g.*, Sales Based Rents, JV income streams, pop-up stores and brand events (a key Westfield know-how and part of what will deliver the revenue synergies));
- there is no satisfactory means to assess the NAV performance of the Group relative to its peers in Continental Europe and in the US, *i.e.* on more than 90% of the Group's GMV.

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 RC. For the CFO, they are pre-defined by the CEO and approved by the SB, upon the recommendation of the RC. They are established around two themes:

- **Business Objectives;**
- **People and Personal Development Objectives.**

The MB Members have objectives that vary year to year. Each MB Member has at least one objective related to CSR, to diversity, to development, and to innovation/digital. The level of attainment of each objective is evaluated based on a score of 1 to 5, with the development objective weighted double (*i.e. from 1 to* 10) given the importance of the URW development pipeline. These objectives are precise, quantified and specific. 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. The target attainment level of each objective is a score of 4 (*i.e.* 80%). 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 Options (SO) and Performance Shares (PS) is particularly appropriate as these instruments align the MB Members' interests with that of shareholders. With around 450 beneficiaries in 2019 for the Group in its new dimension (*i.e.* 12% of total staff), LTI is a key component of the Group Remuneration Policy and an effective incentive and retention tool. To ensure simplicity, understanding and equal treatment across countries, LTI instruments were harmonised in 2019.

— Principles

Each year, the SB, upon the recommendation of the RC, 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. The maximum economic value of any grant to MB Members is set at 180% 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.

The SO and PS have a 3 year vesting period. In addition, MB Members have a shareholding obligation.

LTI Principles for MB Members
Maximum potential award economic value: 180% of FI
Presence & Performance conditions
No minimum guaranteed LTI
No reward for under performance
Same scheme as for all other Group beneficiaries to align interests
No discount applied
Compliant with new Afep-Medef Code Recommendations for CSR objectives

— Performance conditions

As from 2019, to reflect the Group's ongoing commitment to sustainability, CSR related performance conditions have been added to the existing performance conditions, Total Shareholder Return (TSR) and Adjusted Recurring Earnings per Share (AREPS), as detailed in the table below:

External Performance Conditions: 50%	Internal Performance Conditions: 50%
KPI no. 1: TSR - weighted 45%: Outperformance of URW's stapled share (dividends reinvested) relative to the TSR Reference index. Following Westfield's acquisition, the composition of the index has been adjusted to reflect URW's new geographical and activity scopes: • 63% Eurozone Retail; • 7% France Offices; • 8% UK Retail; • 22% US Retail.	**KPI no. 2: AREPS growth - weighted 45%:** AREPS compounded growth over the reference period, to measure URW'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.
KPI no. 3a: External CSR - weighted 5%: URW's ESG rating by ISS-Oekom (1), with progressive vesting: • 0% if rating is not 'PRIME' for any of the 3 vesting years; • 33% if rating is 'PRIME' for 1 out of 3 vesting years; • 66% if rating is 'PRIME' for 2 out of 3 vesting years; • 100% if rating is 'PRIME' for the 3 vesting years.	**KPI no. 3b: Internal CSR - weighted 5%:** Overall achievement rate assessed by the SB over the vesting period based on KPIs audited by an external third party, with progressive vesting straight-lined between 0% and 100%: • achievement of CSR commitments on the Continental Europe perimeter(2); • achievement of the integration of the US, the UK and Italy into URW's CSR agenda.

(1) An extensive analysis of the potential reference indices and shareholder consultation was conducted in order to find the most relevant and appropriately challenging external CSR KPI. The ISS-Oekom ESG rating was chosen for the following reasons:
- it is recognized by investors & experts as a strong and credible ESG rating;
- it is a cross-sectoral rating looking at ESG topics across industries;
- it is based both on a qualitative & quantitative approach;
- it has high transparency on its rating & scoring methodology. Further, this evolves over time ensuring that as expectations and market practices evolve, so do the requirements for companies to maintain or progress in the rating.
The "Prime" threshold is awarded to companies achieving the best ESG scores among their sector peers. The threshold is defined based on an "absolute best-in-class approach". As a result "Prime" companies rank among the sustainability leaders in that industry. Of 7,000 issuers noted by ISS-Oekom, only 550 hold prime status (source: ISS-Oekom).
(2) See Section 2 of this Registration Document for details.

MAIN FEATURES OF THE LTI STRUCTURE

Element		SO	PS
Vesting (years)		3*	3*
External Performance Condition	50% of grant	Minimum 3 years TSR External CSR	3 years TSR External CSR
Internal Performance Condition	50% of grant	3 years AREPS growth Internal CSR	3 years AREPS growth Internal CSR
Validity period		8 years	Not applicable
Presence Condition		Continuous presence of 24 months prior to vesting	Continuous presence of 24 months prior to vesting
Share Ownership Requirements		See section below	See section below

* *Subject to the approval of resolutions n°20 and 21 of the 2019 GM, otherwise the vesting periods would remain the same as per the 2018 Remuneration Policy.*

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:
  - MB Members must maintain a personal investment in URW Stapled Shares, equivalent to 30% of the capital gain (net of tax) on the date of exercise of the SO granted, until the end of their last mandate as MB Members;
  - MB Members must retain 30% of the PS vested (after expiry of the holding period where applicable), as a personal investment, until the end of their last mandate as MB Members;
  - this retention obligation applies up to a value equivalent to 300% of his/her gross annual FI for the CEO and 200% for the CFO.

As at December 31, 2018, the MB Members held the following number of URW stapled shares:

MB Member	Total
Christophe Cuvillier	105,637
Jaap Tonckens	13,415

As evidenced in the number of stapled shares held, the MB members have a significant personal investment in the Group, well above the minimum required shareholding obligations. This is indeed a strong assurance that the MB members' interests are aligned with those of shareholders;

- Obligation to invest in shares:
  - in compliance with the Afep-Medef Code, 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 URW Stapled Shares equivalent to at least 50% of his/her gross annual FI in any given year.
  - 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.

Other benefits

Supplementary Contribution Scheme (SCS)

The SCS consists of an annual contribution paid into a blocked savings account available to MB Members at the end of their last mandate.

Supplementary Contribution Scheme	
Group CEO	• a fixed amount of €90,000; and • a variable amount of 10% of the total cash remuneration earned each year (*i.e.* FI for year N plus STI for year N-1).
Group CFO	• a fixed amount of €45,000; and • a variable amount of 10% of the total cash remuneration earned each year (*i.e.* FI for year N plus STI for year N-1).

(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

To align the Group's policies with the highest standards of corporate governance, its Code of Ethics reserves since 2018 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 RC, would assess the relevant MB Member's performance 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 OF THE CHAIRMAN AND SUPERVISORY BOARD MEMBERS

The annual fees of SB Members are intended to attract and retain high calibre individuals with the right degree of expertise and experience. Typically, this includes having been at some point a member of the executive team of a company at least similar in size to URW.

The SB Remuneration Policy is determined by the SB, upon the recommendation of the RC and, in the case of the SB Chairman's fees, in his absence.

The annual fees of SB Members are designed to only be reviewed, under RC supervision, at long intervals. They might be reviewed in the event of significant changes in the Company or the market. In order to ensure a reasonable remuneration while attracting and maintaining diverse and international members, an analysis is conducted by an external independent advisor. This analysis compares the fees of independent directors and chairpersons in the home countries of the SB Members as well as in countries where they have extensive experience (France, Netherlands, Germany, UK and USA).

While attendance is of course mandatory for the SB Chairman, SB Member attendance is also key for the proper functioning of the SB and its Committees. Accordingly, a significant portion (67%) of the annual fees received by the other SB Members is based on attendance at both SB and Committee Meetings. Furthermore, a "Physical Presence Rule" applies to this variable portion. Attendance by phone should not occur for more than 30% of scheduled meetings. The SB Members will not be paid the variable portion for those meetings attended by phone above this threshold.

On account for the time spent on international travel, all SB Members also receive an out of country indemnity for time spent on their duties as SB Members outside their country of residence.

In order to ensure a high standard of supervision and monitoring of the 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.

To promote alignment between SB Members 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 fees.

In early 2018, the SB communicated its intention to conduct a review of the SB Member fees, led by the RC under the guidance of an external independent advisor, in view of the new scope and complexities of the Group as a result of the Westfield acquisition. Indeed, as at end 2018, the Group's portfolio was valued at €65.2 Bn (+51% vs. end 2017) and had the largest development pipeline in the industry (€11.9 Bn). As a result, and subject to the 2019 GM approval, the remuneration structure in the table below will apply as from January 1, 2019.

	SB Member Remuneration[1]	
	2019 onwards	
SB Chairperson Basic Annual Fee	€225,000	
Other SB Member Basic Annual Fee	€75,000	
	Fixed (33%)	Variable (67%) *according to attendance*
	€25,000	€50,000
Additional SB Vice-Chairperson Fee	€18,000	
Additional AC Chairperson Fee	€20,000	
Additional AC Member Fee	€18,000	
	Fixed (33%)	Variable (67%) *according to attendance*
	€6,000	€12,000
Additional GNC or RC Chairperson Fee	€10,000	
Additional GNC or RC Member Fee	€9,000	
	Fixed (33%)	Variable (67%) according to attendance
	€3,000	€6,000
Out of Country Indemnity	European travel	€1,500 per event
	Inter-continental travel US East Coast	€3,000 per event
	US West Coast	€5,000 per event
Ad hoc meetings and other additional special task pursuant to SB request	By call €1,000	Physical €1,500
Short-Term Incentive	None	
Long-Term Incentive or any remuneration related to 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.

With the above adjustments, the SB Chairperson and other SB Member fees will remain lower than their median respective benchmark in most European countries and in the US.

Subject to the 2019 GM approval, the SB fee envelope, in addition to the SB Chairperson fees, will be set at €1.4 Mn for 2019 vs. €1.2 Mn for 2018. This allows the flexibility to recruit one additional SB Member and include additional meetings/travel if needed.

3.2.3 REMUNERATION REPORT FOR 2018 FINANCIAL YEAR – SAY ON PAY

3.2.3.1 Remuneration Report of the MB for 2018 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 2018 to the CEO and the other MB Members are submitted to the approval of the shareholders.

2018 is a transition year comprised of 2 distinct sequences:

- a pre-Transaction period from January 1 to June 6, 2018 concerning the 6 MB Members at that time;
- a post-Transaction period from June 7 to December 31, 2018 concerning the 2 MB Members of the new Group.

The remuneration report of the MB for the 2018 financial year submitted to the say on pay will therefore cover the following scopes and durations:

- Remuneration for the full year for Christophe Cuvillier and Jaap Tonckens;
- Prorated remuneration for Olivier Bossard, Fabrice Mouchel, Astrid Panosyan and Jean-Marie Tritant, corresponding to their tenure as MB members from January 1 to June 6, 2018.

3.

The 2018 GM approved the structure of the 2018 STI, to be measured against 2 sets of objectives, each weighted equally.

(On a 100% basis)	Maintain business momentum on Unibail-Rodamco's current scope -50%	Succesfully drive the integration of Westfield -50%
Quantitative	Pro-forma Unibail-Rodamco REPS on a standalone basis, based on the guidance communicated to investors in January 2018	• Completion of the Transaction; • Capture of cost synergies as announced to the market (on a "phased-in basis")(1).
Qualitative	Individual objectives around three themes (as per 2017 Remuneration Policy): • People Developer and Engagement; • Value Creator; • Business Operator; including at least three components related to the Group's CSR ambition.	Collective MB objectives: • Implement the 5-year BP process on the ex-Westfield scope; • Retain key managers; • Implement the new Group organization. Individual objectives such as: • Define the new corporate identity and plan the roll out of the Westfield brand on key assets in Continental Europe; • Deliver the opening balance sheet of Westfield and the closing balance sheet of the New Group; • Define the new leadership model and organize the first joint talent review.

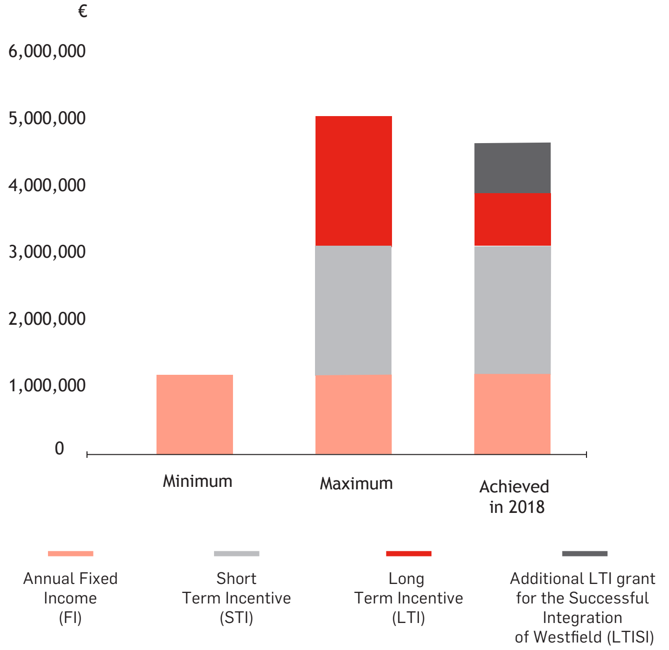
(1) Calculation confirmed by the AC Chairman

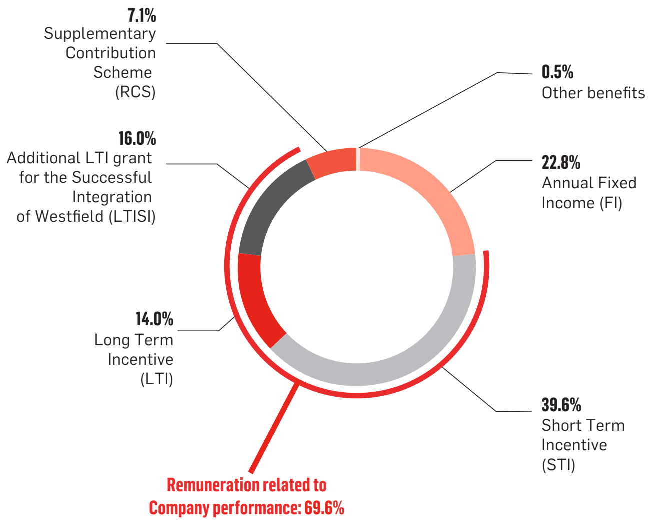
2018 QUALITATIVE ACHIEVEMENTS

Mr Christophe Cuvillier	**Among significant targets achieved:**
	• Successfully closed the Westfield Transaction (investors, negotiations, financing) with a 94.7% approval rate at the 2018 UR GM; • Achieved very strong results in 2018 (AREPS above guidance, €2.0 Bn of asset disposals ahead of schedule and above book value, target run-rate cost synergies already exceeded); • Defined the joint strategy and vision for the new Group, including the portfolio strategy (Retail, Offices and Residential); • Westfield integration: led the overall integration, ensuring the setting up of the US and European platforms and of the global functions (International Leasing, Digital, Commercial Partnerships); prepared the roll out of the Westfield brand in Continental Europe (first ten flagships to be simultaneously rebranded in September 2019 and eight additional in 2020); • CSR: received the 2018 EPRA Gold award for most Outstanding Contribution to Society; achieved the first post-closing ESG assessment by ISS-Oekom with a B- rating, the highest among real estate companies worldwide.
Mr Jaap Tonckens	**Among significant targets achieved:**
	• Successfully closed the Westfield Transaction (investors, negotiations, financing) with a 94.7% approval rate at the 2018 UR GM; • Delivered planned divestments ahead of schedule, representing a total NDP of €2.0 Bn, at a blended NIY of 4.6%, with a weighted average premium of +8.9% to the H1-2018 book value ; • Actively engaged in shareholder outreach: over 60% of the shareholder base met during the year; • Westfield integration: ensured the capture of €75 Mn of annual run-rate cost synergies, ahead of target and of schedule; defined the operating model for the Finance function; supported the design of the Finance convergence projects for consolidation and treasury functions, including the IT roadmap; • Successfully led the Group's inaugural US$ bond issue; • Led the process to high quality year-end closing of the Group's 2018 consolidated accounts; • CSR: received the EPRA Gold Award for sustainability Best Practices Recommendations for the 7th consecutive year.
Mr Olivier Bossard	**Among significant targets achieved:**
	• Achieved significant progress on the construction of Trinity and Shift scheduled to be delivered in H2-2019, as well as the extension of Westfield Valley Fair (H2-2019) and Westfield Mall of the Netherlands (H1-2020); • Secured main construction contracts for projects to be launched in 2018-2019 and achieved major milestones on post 2020 projects in Continental Europe (certificates delivered for Neo (Brussels); city agreement for Palais des Congrès extension...); • Conducted the strategic portfolio review to significantly increase the densification of key retail assets where relevant; set up the team in charge of the densification strategy in Europe; conducted a detailed review of development projects in the US, the UK and Italy; • CSR: 100% of development projects in Continental Europe conducted a Life Cycle Assessment analysis in the design phase (versus 80% in 2017); key CSR initiatives on the Gaité Project (Paris) to be implemented on a larger scale on future projects (low carbon cement, wood structure for the residential component, shared energy production...).
Mr Fabrice Mouchel	**Among significant targets achieved:**
	• Achieved a combination of very low cost of debt (1.6%, including 7 months of Westfield financial expenses) and long average maturity (7.5 years), the average cost of debt of UR on a standalone basis being 1.2% (1.4% in 2017); • Ensured the financing of the Westfield acquisition at very attractive conditions: 1.27% for €3.0 Bn of senior bonds with a 10 year average maturity, and 2.4% for the €2.0 Bn hybrid issuance with a 6.4 year maturity (1st hybrid issued by a REIT in Europe); • Managed the relationship with rating agencies, both S&P and Moody's confirming the Group's "A" long term rating with a stable outlook; • Defined the new Group's treasury policy and organization; • Westfield integration: organized the Controlling function at global level and supervised the completion of the reporting and the 5-year Business Plan process across the Group; actively contributed to the IT finance convergence roadmap in the US and the UK on treasury, performance and asset management tools, and pursued tool and process improvements on UR's legacy scope regarding reporting and planning; • CSR: signed a €400 Mn bilateral "green" Revolving Credit Facility (RCF).

Ms Astrid Panosyan	**Among significant targets achieved:**
	• Led the Integration Management Office's effort regarding the fundamentals of the organization of the new Group, including governance principles, key decision making processes, and "Day 1" business continuity; • Led the HR effort to support integration across the new Group: international mobilities to accelerate best practice sharing; talent retention plan and talent review process for top talent, accelerated training on cross cultural management, Operating Management and key processes, first management convention in September 2018 with 400 employees of the new Group; • Ensured the design of the corporate values of the new Group, to be unveiled in S1-2019: survey organized throughout the organization with a 70% participation rate, workshops organized with 400 employees; • Ensured the implementation in May 2018 of GDPR in the most critical systems in Continental Europe. Ensured the update and circulation of the Compliance book for Governance, Organisation & Corporate Rules across the new Group including the Code of Ethics and procedures for Anti-Corruption and Anti Money Laundering; • Led the IT convergence effort for "Day 1" (Corporate web site, common email addresses…) and designed, together with business partners, the IT convergence roadmap, the 2019 budget and post-merger priorities (Consolidation, Treasury, Controlling). Ensured the success of ongoing projects in Continental Europe (Operational and Financial Planning ERP, Leasing solutions, HRIS…); • CSR: in continental Europe, maintained the momentum for Better Places 2030. URW was confirmed in the main ESG indices and ratings with numerous awards. Designed the new Group's CSR strategy and governance.
Mr Jean-Marie Tritant	**Among significant targets achieved:**
	As COO Europe (until June 6, 2018): • Delivered the H1 2018 budget on all main KPIs: NRI like for like growth, MGR uplift, rotation rate,... • Continued the successful roll out of the digital rstrategy, with 5.3 Mn loyalty members as at June 30, 2018 (+1.3 Mn versus FY 2017); CRM solution in place in all URW shopping centres in Continental Europe. **As President URW US (since June 7, 2018):** • Set up the new governance structure and on-boarded the US leadership team; • Set up the new Operating Management Function, the new global platforms for Digital Marketing and International Leasing, and launched the reorganization of the Leasing function; • Delivered the first 5-year Business Plan exercise in the US for all US standing assets and development projects.

— Elements of Remuneration due or granted for the 2018 financial year to Mr Christophe Cuvillier, Group Chief Executive Officer (Group CEO) and Chairman of the Management Board, (General Meeting of 2019, resolution No 5)





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 2018 financial year) See Section 3.2.1 for details	€1,141,865	FI paid in respect of the 2018 financial year is a pre-closing and post-closing pro-rated FI: • the FI before the Westfield Transaction (the "Transaction") was determined by the SB on March 7, 2017 and approved at the 2017 GM. It was set at €1,000,000. • the FI subject to the successful completion of the Transaction was determined by the SB on March 5, 2018, upon the recommendation of the RC, based on benchmarks provided by an external consultant. It was set at €1,250,000 as of the closing date of the Transaction and for the whole duration of the new four year-mandate . **This post-closing FI was presented in the 2018 Remuneration Policy, approved by 81.89% of shareholder votes at the 2018 GM.**
	Reminder	In early 2018, in view of the acquisition of Westfield, the SB conducted a comprehensive review of the MB's Remuneration Policy. Given the new Group's unique features among CAC40 and European real estate companies and the extended geographical scope which now includes the US and the UK markets, WTW, the independent advisor used by the SB to set the right remuneration levels, used new relevant remuneration benchmarks taking a blended approach based on five peer groups: France General Industry (CAC40), Selected European Real Estate, Selected UK General Industry, Selected Real Estate and for information only, Selected US General Industry. These benchmarks showed that the Group CEO's total remuneration was significantly below the median. The Group CEO's new post-closing total target remuneration has been defined at the median of the French CAC40 and below the median of Selected UK General Industry and of Selected US Real Estate. **The Post-closing 2018 Remuneration Policy was approved by 81,89% of shareholder votes at the 2018 GM.**
Short-Term Incentive - STI (Paid in respect of the 2018 financial year) See Section 3.2.1 for details	€1,979,388	The gross STI was determined by the SB on March 19, 2019, upon the recommendation of the RC, and is before income tax and social security charges. The STI integrates quantitative and qualitative components to ensure a comprehensive incentive structure aligned with the best market practices. **The quantitative component** is capped at 120% of the *prorata* FI for the pre-closing period and at 160% of the *prorata* FI for the post-closing period. It takes into account the UR standalone *proforma* performance, the successful completion of the Westfield Transaction and the realization of the first announced cost synergies: • *Pro-forma* Unibail-Rodamco REPS (Recurring Earnings per Share) on a standalone basis, based on the guidance communicated to investors in January 2018. A 100% achievement (stretch target) is met when this component reaches the annual guidance communicated to investors **(Weight: 50% of the quantitative STI)**; • Deal Completion **(Weight: 25% of the quantitative STI)**; Capture of cost synergies related to the acquisition of Westfield, as disclosed to the market. A 100% achievement (stretch target) is reached when 100% of the phased-in cost synergies for the year are captured (calculation confirmed by the AC Chairman) (Weight: 25% of the quantitative STI).

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments

2018 STI Quantitative component

Components	Targets for 100% achievement	Achievement 2018	% achievement	% weighting	% STI
REPS	€12.90	€12.91	100.1%	50%	50.05%
Deal completion	Yes	Completed	100.0%	25%	25.00%
Phased-in Cost Synergies	€35.2 Mn	€48.9 Mn	177.8% (1) capped at 140% (1)	25%	35.00%
Total STI quantitative achievement					
• Before global cap application					110.05%
• After global cap application					100.00%
Total STI amount					€1,653,968

(1) Every euro above targets counts double.

The REPS for UR on a standalone basis is €12.91 exceeding the top bracket of the guidance (€12.90). The acquisition of Westfield was successfully closed on June 7, 2018. Since the acquisition, €48.9 Mn of phased-in synergies had been achieved as at December 31, 2018, versus €35.2 Mn planned, thanks to gains on OneMarket significantly above expectations, and other synergies captured ahead of target: excluding OneMarket, Phased-in Cost synergies would have been €29.4Mn in 2018 vs. €28.8Mn targeted for 100% achievement.

The qualitative component is capped at 30% of the prorata FI for the pre-closing period and at 40% of the prorata FI for the post-closing period. It is determined according to the achievement of several individual objectives, pre-defined by the SB upon, the recommendation of the RC.

Following an assessment by the SB, the level of achievement of the 2018 qualitative objectives is 78.7% i.e. a qualitative component of €325,420.

The total 2018 STI is therefore €1,979,388, i.e. 173% of FI.

The STI structure was approved by 81.89% of the shareholder votes at the 2018 GM.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Long-Term Incentive – LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2018 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) See Section 3.4 for details		In accordance with the 2018 MB Remuneration Policy, the economic value of SO and PS granted to the Group CEO in 2018 must not exceed 150% of his pre closing FI. In 2018, the Group CEO received 2 grants amounting to 150% of the FI paid in respect of the pre-closing FI: a regular annual LTI Grant, and an additional LTI grant for the Successful integration of Westfield (LTISI). The Group CEO is bound by an obligation to hold shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy.

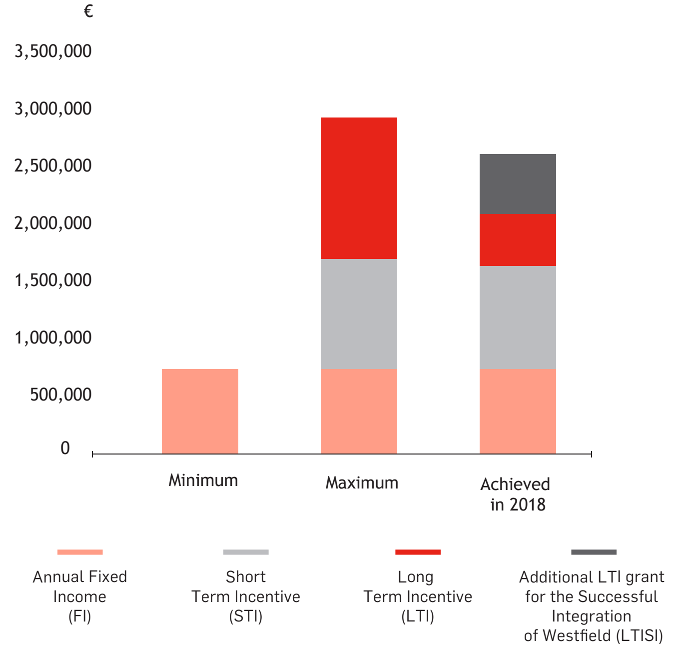
Regular Annual LTI Grant
Performance Stock Options (SO) and Performance Shares (PS)
	€700,013	**Regular annual LTI:**
		The vesting of the 2018 SO and PS are subject to (See Section 3.4 for details - regarding the pre-closing vesting period):
		• a 2-year continuous presence condition at date of vesting or exercise;
		• For the 2018 part of the vesting period
		  • external performance condition 50%: TSR to be tested over the pre- and post-closing periods;
		  • internal performance condition 50%: REPS - UR standalone;
		• For the remaining part of the vesting period
		  • external performance conditions for 50% – TSR (45%) and CSR (5%);
		  • internal performance conditions for 50% - AREPS (45%) and CSR (5%).
		This LTI grant amounts to an economic value of 70% of the pre-closing 2018 FI:
		SO
		On March 5, 2018, the SB, upon the recommendation of the RC, granted 42,500 SO to Mr Cuvillier, for an economic value of €204,424.
		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 granted to the Group CEO must not exceed 8% of the total number of SO granted each year. In 2018, the CEO received 6.74% of the total number of SO granted.

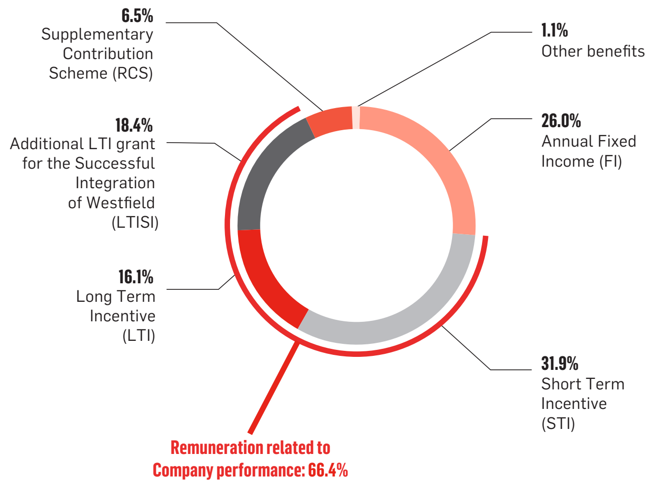
Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
		PS On March 5, 2018, the SB, upon the recommendation of the RC, granted 5,616 PS to Mr Cuvillier, for an economic value of €495,589. The PS are subject to a three-year vesting period and a two-year holding period as well as to the presence and performance conditions described above. The PS granted to the Group CEO must not exceed 8% of the total number of PS granted per year. In 2018, the Group CEO received 6.8% of the total number of PS granted. **The structure and performance conditions of the 2018 regular LTI grant were presented in the 2018 Remuneration Policy applicable to the Group CEO, which was approved by 81.89% of the shareholder votes at the 2018 GM.**
Additional LTI grant for the Successful Integration of Westfield (LTISI) subject to the completion of the Transaction (PS)	€799,960	**LTISI:** **Additional LTI grant for the Successful Integration of Westfield subject to the completion of the Transaction.** On May 24, 2018, the SB, upon the recommendation of the RC, granted 6,472 PS to Mr Cuvillier, for an economic value of €799,960, *i.e.* 80% of his pre-closing 2018 FI. These additional PS are subject to a three-year vesting period and a two-year holding period, a two-year presence condition at date of vesting as well as to the following performance conditions: • 25%: Completion of the Transaction; • 25%: Attainment of the annual Budget going forward (compounded AREPS over the vesting period, based on the compounded annual guidance ranges communicated to the market; • 25%: Capture of announced phased-in synergies (60% cost synergies and 40% revenue synergies); • 25%: Successful integration. The LTISI PS granted to the Group CEO must not exceed 20% of the total number of LTISI PS. In 2018, the Group CEO received 17% of the total number of LTISI PS granted. **The LTISI was approved by 97.88% of the shareholder votes at the 2018 GM.**
Supplementary Contribution Scheme - SCS	€354,187	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	€24,371	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 2018 financial year to Mr Jaap Tonckens, Group Chief Financial Officer (Group CFO) and Management Board Member, (General Meeting of 2019, 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 2018 financial year) See Section 3.2.1 for details	€735,119	FI paid in respect of the 2018 financial year is a pre-closing and post-closing pro-rated FI: • the FI before the Westfield Transaction (the "Transaction") was determined by the SB on March 7, 2017 and approved at the 2017 GM. It was set at €650,000; • the FI subject to the successful completion of the Transaction was determined by the SB on March 5, 2018, upon the recommendation of the RC, based on benchmarks provided by an external consultant. It was set at €800,000 as of the closing date of the Transaction and for the whole duration of the new four year-mandate. **This post-closing FI was presented in the 2018 Remuneration Policy, approved by 83.54% of shareholder votes at the 2018 GM.**
	Reminder	In early 2018, in view of the acquisition of Westfield, the SB conducted a comprehensive review of the MB's Remuneration Policy. Given the new Group's unique features among CAC40 and European real estate companies and the extended geographical scope which now includes the US and the UK markets, WTW, the independent advisor used by the SB to set the right remuneration levels, used new relevant remuneration benchmarks taking a blended approach based on five peer groups: France General Industry (CAC40), Selected European Real Estate, Selected UK General Industry, Selected Real Estate and, for information only Selected US General Industry. For the Group CFO, who was asked to relocate to the US, the benchmark concluded that his Pre-closing 2018 Total Direct Compensation was significantly below the median of Selected US Real Estate and Selected US General Industry, while post-closing his new post closing remuneration in 2018 and his Total Direct Compensation going forward would remain below the median of the US Selected Real Estate. **The Post-closing 2018 Remuneration Policy was approved by 83.54% of shareholder votes at the 2018 GM.**
Short-Term Incentive - STI (Paid in respect of the 2018 financial year) See Section 3.2.1 for details	€901,662	The gross STI was determined by the SB on March 19, 2019, upon the recommendation of the RC, and is before income tax and social security charges. The STI integrates quantitative and qualitative components to ensure a comprehensive incentive structure aligned with the best market practices. **The quantitative component** is capped at 70% of the *prorata* FI for the pre closing period and at 105% of the *prorata* FI for the post-closing period. It takes into account the UR standalone *proforma* performance, the successful completion of the Westfield Transaction and the realization of the first announced cost synergies: • *Pro-forma* Unibail-Rodamco REPS (Recurring Earnings per Share) on a standalone basis, based on the guidance communicated to investors in January 2018. A 100% achievement (stretch target) is met when this component reaches the annual guidance communicated to investors **(Weight: 50% of the quantitative STI)**; • Deal Completion **(Weight: 25% of the quantitative STI)**; • Capture of cost synergies related to the acquisition of Westfield, as disclosed to the market. A 100% achievement (stretch target) is reached when 100% of the phased-in cost synergies for the year are captured (calculation confirmed by the AC Chairman) **(Weight: 25% of the quantitative STI)**.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments

2018 STI Quantitative component

Components	Targets for 100% achievement	Achievement 2018	% achievement	% weighting	% STI
REPS	€12.90	€12.91	100.1%	50%	50.05%
Deal completion	Yes	Completed	100.0%	25%	25.00%
Phased-in Cost Synergies	€35.2Mn	€48.9 Mn	177.8% (1) capped at 140% (1)	25%	35.00%
Total STI quantitative achievement					
• Before global cap application					110.05%
• After global cap application					100.00%
Total STI amount					**€673,472**

(1) Every euro above targets counts double.

The REPS for UR on a standalone basis is €12.91 exceeding the top bracket of the guidance (€12.90). The acquisition of Westfield was successfully closed on June 7, 2018. Since the acquisition, €48.9 Mn of phased-in synergies had been achieved as at December 31, 2018, versus €35,2 Mn planned, thanks to gains on OneMarket significantly above expectations, and other synergies captured ahead of target: excluding OneMarket, Phased-in Cost synergies would have been €29.4Mn in 2018 vs. €28.8Mn targeted for 100% achievement.

The qualitative component is capped at 30% of the *prorata* FI for the pre closing period and at 45% of the *prorata* FI for the post-closing period. It is determined according to the achievement of several individual qualitative objectives, pre-defined by the SB upon the recommendation of the RC.

Following an assessment by the SB, the level of achievement of the 2018 qualitative objectives is 79.1% i.e. a qualitative component of €228,189.

The total 2018 STI is therefore €901,662, *i.e.* 123% of FI.

The STI structure was approved by 83.54% of the shareholder votes at the 2018 GM

Long-Term Incentive LTI:

Performance Stock Options (SO) and Performance Shares (PS)

(Granted during the 2018 financial year)

(Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson)

See Section 3.4 or details

In accordance with the MB Remuneration Policy, the economic value of SO and PS granted to the CFO in 2018 must not exceed 150% of his pre-closing FI. In 2018, the Group CFO received 2 grants amounting to 150% of the pre-closing FI: a regular annual LTI Grant, and an additional LTI grant for the Successful integration of Westfield (LTISI).

MB Members are bound by an obligation to hold shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy.

Regular Annual LTI Grant — €455,014

Performance Stock Options (SO) and Performance Shares (PS)

Regular Annual LTI:

The vesting of the 2018 SO and PS are subject to (See Section 3.4 for details – regarding the pre-closing vesting period):

- a 2-year continuous presence condition at date of vesting or exercise;
- For the 2018 part of the vesting period
  - external performance condition 50%: TSR to be tested over the pre- and post-closing periods;
  - internal performance condition 50%: REPS - UR standalone;
- For the remaining part of the vesting period
  - external performance conditions for 50% – TSR (45%) and CSR (5%);
  - internal performance conditions for 50% - AREPS (45%) and CSR (5%).

This LTI grant amounts to an economic value of 70% of the pre-closing 2018 FI:

SO

On March 5, 2018, the SB, upon the recommendation of the RC, granted 28,600 SO to Mr Tonckens, for an economic value of €137,566.

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 5, 2018, the SB, upon the recommendation of the RC, granted 3,779 PS to Mr Tonckens, for an economic value of €317,448.

The PS are subject to a four-year vesting period and a two-year holding period as well as to the presence and performance conditions described above.

The structure and performance conditions of the 2018 regular LTI grant were presented in the 2018 Remuneration Policy applicable to the Group CFO which was approved by 83.54% of the shareholder votes at the 2018 GM.

Additional LTI grant for the Successful Integration of Westfield (LTISI) subject to the completion of the Transaction (PS)	€519,946	**LTISI:** **Additional LTI grant for the Successful Integration of Westfield subject to the completion of the Transaction.** On May 24, 2018, the SB, upon the recommendation of the RC, granted 4,418 PS to Mr Tonckens, for an economic value of €519,946 *i.e.*: 80% of his pre-closing 2018 FI. These additional PS are subject to a four-year vesting period, a two-year presence condition at date of vesting as well as the following performance conditions: • 25%: Completion of the Transaction; • 25%: Attainment of the annual Budget going forward (compounded AREPS over the vesting period, based on the compounded annual guidance ranges communicated to the market; • 25%: Capture of announced phased-in synergies (60% cost synergies and 40% revenue synergies); • 25%: Successful integration. The LTISI PS granted to the MB Members must not exceed 65% of the total number of LTISI PS. **The LTISI was approved by 97.88% of the shareholder votes at the 2018 GM.**
Supplementary Contribution Scheme - SCS	€183,512	Mr Tonckens 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 €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	€30,028	Mr Tonckens benefits from an expatriate health insurance policy, an International Assignment Extra-Compensation and a company car.
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.

— Elements of Remuneration due or granted for the 2018 financial year to Mr Olivier Bossard, Chief Development Officer and Management Board Member until June 6, 2018, (General Meeting of 2019, resolution No 6)

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Annual Fixed Income - FI (Paid in respect of the 2018 financial year - January 1 to June 6, 2018) *See Section 3.2.1 for details*	€207,619	The full pre-closing 2018 FI amounts to €480,000 and was determined by the SB on March 7, 2017, upon the recommendation of the RC and approved at the 2017 GM. The gross amount of €207,619 represents the *pro-rata temporis* 2018 FI remuneration (January 1 to June 6, 2018) when Olivier Bossard was a MB Member, before the end of his mandate when he took on new key responsibilities within the newly created Senior Management Team.
Short-Term Incentive - STI (Paid in respect of the 2018 financial year - January 1 to June 6, 2018) *See Section 3.2.1 for details*	€195,162	The gross STI was determined by the SB on March 19, 2019, upon the recommendation of the RC, and is before income tax and social security charges. The STI amount of €195,162 is also pro-rated similar to FI. The STI integrates quantitative and qualitative components to ensure a comprehensive incentive structure aligned with the best market practices. **The quantitative component** is capped at 70% of the *prorata* FI for the pre closing period. It takes into account the UR standalone *proforma* performance, the successful completion of the Westfield Transaction and the realization of the first announced cost synergies: • *Pro-forma* Unibail-Rodamco REPS (Recurring Earnings per Share) on a standalone basis, based on the guidance communicated to investors in January 2018. A 100% achievement (stretch target) is met when this component reaches the annual guidance communicated to investors **(Weight: 50% of the quantitative STI)**; • Deal Completion **(Weight: 25% of the quantitative STI)**; • Capture of cost synergies related to the acquisition of Westfield, as disclosed to the market. A 100% achievement (stretch target) is reached when 100% of the phased-in cost synergies for the year are captured (calculation confirmed by the AC Chairman) **(Weight: 25% of the quantitative STI)**.

	2018 STI Quantitative component				
Components	Targets for 100% achievement	Achievement 2018	% achievement	% weighting	% STI
REPS	€12.90	€12.91	100.1%	50%	50.05%
Deal completion	Yes	Completed	100.0%	25%	25.00%
Phased-in Cost Synergies	€35.2 Mn	€48.9 Mn	177.8% (1) capped at 140% (1)	25%	35.00%
Total STI quantitative achievement					
• Before global cap application					110.05%
• After global cap application					100.00%
Total STI amount					**€145,333**

(1) Every euro above targets counts double

The REPS for UR on a standalone basis is €12.91 exceeding the top bracket of the guidance (€12.90). The acquisition of Westfield was successfully closed on June 7, 2018. Since the acquisition, €48.9 Mn of phase-in synergies had been achieved as at December 31, 2018, versus €35.2 Mn planned, thanks to gains on OneMarket significantly above expectations, and other synergies captured ahead of target: excluding OneMarket, Phased-in Cost synergies would have been €29.4Mn in 2018 vs. €28.8Mn targeted for 100% achievement.

The qualitative component is capped at 30% of the *prorata* FI for the pre closing period. It is determined according to the achievement of several individual objectives, pre-defined by the SB upon the recommendation of the RC.

Following an assessment by the SB, the level of achievement of the 2018 qualitative objectives is 80.0% i.e. a qualitative component of €49,829.

The total 2018 STI is therefore €195,162, *i.e.* 94% of FI.

The STI structure was approved by 83.54% of the shareholder votes at the 2018 GM.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Long-Term Incentive - LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2018 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See Section 3.4 for details*		In accordance with the MB Remuneration Policy, the economic value of SO and PS granted to the CDO in 2018 must not exceed 150% of his pre-closing FI. In 2018, the CDO received 2 grants amounting to 150% of his pre-closing FI: a regular annual LTI Grant, and an additional LTI grant for the Successful integration of Westfield (LTISI). MB Members are bound by an obligation to hold shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy.

Regular Annual LTI Grant Performance Stock Options (SO) and Performance Shares (PS)	€336,035	Regular Annual LTI:
		The vesting of the 2018 SO and PS are subject to (See Section 3.4 for details – regarding the pre-closing vesting period):
		• a 2-year continuous presence condition at date of vesting or exercise;
		• For the 2018 part of the vesting period
		  • external performance condition 50%: TSR to be tested over the pre- and post-closing periods;
		  • internal performance condition 50%: REPS - UR standalone;
		• For the remaining part of the vesting period
		  • external performance conditions for 50% – TSR (45%) and CSR (5%);
		  • internal performance conditions for 50% - AREPS (45%) and CSR (5%).
		This LTI grant amounts to an economic value of 70% of the pre-closing 2018 FI:
		SO
		On March 5, 2018, the SB, upon the recommendation of the RC, granted 20,400 SO to Mr Bossard, for an economic value of €98,124.
		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 5, 2018, the SB, upon the recommendation of the RC, granted 2,696 PS to Mr Bossard, for an economic value of €237,911.
		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 structure and performance conditions of the 2018 regular LTI grant were presented in the 2018 Remuneration Policy which was approved by 83.54% of the shareholder votes at the 2018 GM.

Additional LTI grant for the Successful Integration of Westfield (LTISI) subject to the completion of the Transaction (PS)	€383,912	**LTISI:** **Additional LTI grant for the Successful Integration of Westfield subject to the completion of the Transaction.** On May 24, 2018, the SB, upon the recommendation of the RC, granted 3,106 PS to Mr Bossard, for an economic value of €383,912 *i.e.*: 80% of his pre-closing 2018 FI. These additional PS are subject to a three-year vesting period and a two-year holding period, a two-year presence condition at date of vesting as well as to the following performance conditions: • 25%: Completion of the Transaction; • 25%: Attainment of the annual Budget going forward (compounded AREPS over the vesting period, based on the compounded annual guidance ranges communicated to investors; • 25%: Capture of announced phased-in synergies (60% cost synergies and 40% revenue synergies); • 25%: Successful integration. The LTISI PS granted to the MB Members must not exceed 65% of the total number of LTISI PS. **The LTISI was approved by 97.88% of the shareholder votes at the 2018 GM.**
Supplementary Contribution Scheme - SCS (Paid in respect of the 2018 financial year - January 1 to June 6, 2018)	€113,762	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 *prorata temporis* 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 (Paid in respect of the 2018 financial year - January 1 to June 6, 2018)	€15,736	Mr Bossard benefits from a company car and an unemployment contribution (GSC type).

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
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 2018 financial year to Mr Fabrice Mouchel, Deputy Chief Financial Officer and Management Board Member until June 6, 2018, (General Meeting of 2019, resolution No 6)

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Annual Fixed Income - FI (Paid in respect of the 2018 financial year - January 1 to June 6, 2018) *See Section 3.2.1 for details*	€173,016	The full pre-closing 2018 FI amounts to €400,000 and was determined by the SB on March 7, 2017, upon the recommendation of the RC and approved at the 2017 GM. The gross amount of €173,016 represents the *prorata temporis* 2018 FI remuneration (January 1 to June 6, 2018), when Fabrice Mouchel was a MB Member, before the end of his mandate when he took on new key responsibilities within the newly created Senior Management Team.
Short-Term Incentive - STI (Paid in respect of the 2018 financial year - January 1 to June 6, 2018) *See Section 3.2.1 for details*	€169,227	The gross STI was determined by the SB on March 19, 2019, upon the recommendation of the RC, and is before income tax and social security charges. The STI amount of €169,227 is also pro-rated similar to FI. The STI integrates quantitative and qualitative components to ensure a comprehensive incentive structure aligned with the best market practices. **The quantitative component** is capped at 70% of the *prorata* FI for the pre closing period. It takes into account the UR standalone *proforma* performance, the successful completion of the Westfield Transaction and the realization of the first announced cost synergies: • *Pro-forma* Unibail-Rodamco REPS (Recurring Earnings per Share) on a standalone basis, based on the guidance communicated to investors in January 2018. A 100% achievement (stretch target) is met when this component reaches the annual guidance communicated to investors **(Weight: 50% of the quantitative STI)**; • Deal Completion **(Weight: 25% of the quantitative STI)**; • Capture of cost synergies related to the acquisition of Westfield, as disclosed to the market. A 100% achievement (stretch target) is reached when 100% of the phased-in cost synergies for the year are captured (calculation confirmed by the AC Chairman) **(Weight: 25% of the quantitative STI)**.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments

2018 STI Quantitative component					
Components	Targets for 100% achievement	Achievement 2018	% achievement	% weighting	% STI
REPS	€12.90	€12.91	100.1%	50%	50.05%
Deal completion	Yes	Completed	100.0%	25%	25.00%
Phased-in Cost Synergies	€35.2 Mn	€48,9 Mn	177.8% (1) capped at 140% (1)	25%	35.00%
Total STI quantitative achievement					
• Before global cap application					110.05%
• **After global cap application**					**100.00%**
Total STI amount					**€121,111**

(1) Every euro above targets counts double

The REPS for UR on a standalone basis is €12.91, exceeding the top bracket of the guidance (€12.90). The acquisition of Westfield was successfully closed on June 7, 2018. Since the acquisition, €48.9 Mn of phased-in synergies had been achieved as at December 31, 2018, versus €35.2 Mn planned, thanks to gains on OneMarket significantly above expectations, and other synergies captured ahead of target: excluding OneMarket, Phased-in Cost synergies would have been €29.4Mn in 2018 vs. €28.8Mn targeted for 100% achievement.

The qualitative component is capped at 30% of the *prorata* FI for the pre closing period. It is determined according to the achievement of several individual objectives, pre-defined by the SB upon the recommendation of the RC.

Following an assessment by the SB, the level of achievement of the 2018 qualitative objectives is 92.7% i.e. a qualitative component of €48,116.

The total 2018 STI is €169,227, *i.e.* 98% of FI.

The STI structure was approved by 83.54% of the shareholder votes at the 2018 GM.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Long-Term Incentive - LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2018 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See Section 3.4 for details*		In accordance with the MB Remuneration Policy, the economic value of SO and PS granted to the Deputy CFO in 2018 must not exceed 150% of his pre-closing FI. In 2018, the Deputy CFO received 2 grants amounting to 150% of his pre-closing FI: a regular annual LTI Grant, and an additional LTI grant for the Successful integration of Westfield (LTISI). MB Members are bound by an obligation to hold shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy.

Regular Annual LTI Grant
Performance Stock Options (SO) and Performance Shares (PS)
	€280,058	**Regular Annual LTI:**
		The vesting of the 2018 SO and PS are subject to (See Section 3.4 for details – regarding the pre-closing vesting period):
		• a 2-year continuous presence condition at date of vesting or exercise;
		• For the 2018 part of the vesting period
		  • external performance condition 50%: TSR to be tested over the pre- and post-closing periods;
		  • internal performance condition 50%: REPS - UR standalone;
		• For the remaining part of the vesting period
		  • external performance conditions for 50% – TSR (45%) and CSR (5%);
		  • internal performance conditions for 50% - AREPS (45%) and CSR (5%).
		This LTI grant amounts to an economic value of 70% of the pre-closing 2018 FI:
		SO
		On March 5, 2018, the SB, upon the recommendation of the RC, granted 17,000 SO to Mr Mouchel, for an economic value of €81,770.
		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.

3.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
		PS On March 5, 2018, the SB, upon the recommendation of the RC, granted 2,247 PS to Mr Mouchel, for an economic value of €198,288. 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 structure and performance conditions of the 2018 regular LTI grant were presented in the 2018 Remuneration Policy which was approved by 83.54% of the shareholder votes at the 2018 GM.**
Additional LTI grant for the Successful Integration of Westfield (LTISI) subject to the completion of the Transaction (PS)	€319,885	**LTISI:** **Additional LTI grant for the Successful Integration of Westfield subject to the completion of the Transaction.** On May 24, 2018, the SB, upon the recommendation of the RC, granted 2,588 PS to Mr Mouchel, for an economic value of €319,885 *i.e.*: 80% of his pre-closing 2018 FI. These additional PS are subject to a three-year vesting period and a two-year holding period, a two-year presence condition at date of vesting as well as to the following performance conditions: • 25%: Completion of the Transaction; • 25%: Attainment of the annual Budget going forward (compounded AREPS over the vesting period, based on the compounded annual guidance ranges communicated to the market; • 25%: Capture of announced phased-in synergies (60% cost synergies and 40% revenue synergies); • 25%: Successful integration. The LTISI PS granted to the MB Members must not exceed 65% of the total number of LTISI PS. **The LTISI was approved by 97.88% of the shareholder votes at the 2018 GM.**
Supplementary Contribution Scheme - SCS (Paid in respect of the 2018 financial year - January 1 to June 6, 2018)	€102,302	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 *prorata temporis* 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 (Paid in respect of the 2018 financial year - January 1 to June 6, 2018)	€14,687	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 2018 financial year to Ms Astrid Panosyan, Chief Resources Officer and Management Board Member until June 6, 2018, (General Meeting of 2019, resolution No 6)

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Annual Fixed Income - FI (Paid in respect of the 2018 financial year - January 1 to June 6, 2018) *See Section 3.2.1 for details*	€173,016	The full pre-closing 2018 FI amounts to €400,000 and was determined by the SB on March 7, 2017, upon the recommendation of the RC and approved at the 2017 GM. The gross amount of €173,016 represents the *pro-rata temporis* 2018 FI remuneration (January 1 to June 6, 2018), when Astrid Panosyan was a MB Member, before the end of her mandate when she took on new key responsibilities within the newly created Senior Management Team.
Short-Term Incentive - STI (Paid in respect of the 2018 financial year - January 1 to June 6, 2018) *See Section 3.2.1 for details*	€164,919	The gross STI was determined by the SB on March 19, 2019, upon the recommendation of the RC, and is before income tax and social security charges. The STI amount of €164,919 is also pro-rated similar to FI. The STI integrates quantitative and qualitative components to ensure a comprehensive incentive structure aligned with the best market practices. **The quantitative component** is capped at 70% of the *pro rata* FI for the pre closing period. It takes into account the UR standalone *proforma* performance, the successful completion of the Westfield Transaction and the realization of the first announced cost synergies: • *Pro-forma* Unibail-Rodamco REPS (Recurring Earnings per Share) on a standalone basis, based on the guidance communicated to investors in January 2018. A 100% achievement (stretch target) is met when this component reaches the annual guidance communicated to investors **(Weight: 50% of the quantitative STI)**; • Deal Completion **(Weight: 25% of the quantitative STI)**; • Capture of cost synergies related to the acquisition of Westfield, as disclosed to the market. A 100% achievement (stretch target) is reached when 100% of the phased-in cost synergies for the year are captured (calculation confirmed by the AC Chairman) **(Weight: 25% of the quantitative STI)**.

2018 STI Quantitative component

Components	Targets for 100% achievement	Achievement 2018	% achievement	% Weighting	% STI
REPS	€12.90	€12.91	100.1%	50%	50.05%
Deal completion	Yes	Completed	100.0%	25%	25.00%
Phased-in Cost Synergies	€35.2 Mn	€48.9 Mn	177.8% (1) capped at 140% (1)	25%	35.00%
Total STI quantitative achievement					
• Before global cap application					110.05%
• **After global cap application**					**100.00%**
Total STI amount					**€121,111**

(1) Every euro above targets counts double

The REPS for UR on a standalone basis is €12.91, exceeding the top bracket of the guidance (€12.90). The acquisition of Westfield was successfully closed on June 7, 2018. Since the acquisition, €48.9 Mn of phase-in synergies had been achieved as at December 31, 2018, versus €35.2 Mn planned, thanks to gains on OneMarket significantly above expectations, and other synergies captured ahead of target: excluding OneMarket, Phased-in Cost synergies would have been €29.4Mn in 2018 vs. €28.8Mn targeted for 100% achievement.

The qualitative component is capped at 30% of the *prorata* FI for the pre closing period. It is determined according to the achievement of several individual objectives, pre-defined by the SB upon the recommendation of the RC.

Following an assessment by the SB, the level of achievement of the 2018 qualitative objectives is 84.4% i.e. a qualitative component of 43,808.

The total 2018 STI is therefore €164,919, *i.e.* 95% of FI

The STI structure was approved by 83.54% of the shareholder votes at the 2018 GM

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Long-Term Incentive - LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2018 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*		In accordance with the MB Remuneration Policy, the economic value of SO and PS granted to the CRO in 2018 must not exceed 150% of her pre-closing FI. In 2018, the CRO received 2 grants amounting to 150% of her pre-closing FI: a regular annual LTI Grant, and an additional LTI grant for the Successful integration of Westfield (LTISI). MB Members are bound by an obligation to hold shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy.

Regular Annual LTI Grant
Performance Stock Options (SO) and Performance Shares (PS)
	€280,058	Regular Annual LTI:
		The vesting of the 2018 SO and PS are subject to (See Section 3.4 for details – regarding the pre-closing vesting period):
		• a 2-year continuous presence condition at date of vesting or exercise;
		• For the 2018 part of the vesting period
		  • external performance condition 50%: TSR to be tested over the pre- and post-closing periods;
		  • internal performance condition 50%: REPS - UR standalone;
		• For the remaining part of the vesting period
		  • external performance conditions for 50% – TSR (45%) and CSR (5%);
		  • internal performance conditions for 50% - AREPS (45%) and CSR (5%).
		This LTI grant amounts to an economic value of 70% of the pre-closing 2018 FI:
		SO
		On March 5, 2018, the SB, upon the recommendation of the RC, granted 17,000 SO to Ms Panosyan, for an economic value of €81,770.
		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 5, 2018, the SB, upon the recommendation of the RC, granted 2,247 PS to Ms Panosyan, for an economic value of €198,288.
		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 structure and performance conditions of the 2018 regular LTI grant were presented in the 2018 Remuneration Policy which was approved by 83.54% of the shareholder votes at the 2018 GM.

Additional LTI grant for the Successful Integration of Westfield (LTISI) subject to the completion of the Transaction (PS)	€319,885	**LTISI:** **Additional LTI for the successful integration of Westfield subject to the completion of the Transaction** On May 24, 2018, the SB, upon the recommendation of the RC, granted 2,588 PS to Ms Panosyan, for an economic value of €319,885 *i.e.* 80% of her pre-closing 2018 FI. These additional PS are subject to a three-year vesting period and a two-year holding period, a two-year presence condition at date of vesting as well as to the following performance conditions: • 25%: Completion of the Transaction; • 25%: Attainment of the annual Budget going forward (compounded AREPS over the vesting period, based on the compounded annual guidance ranges communicated to the market; • 25%: Capture of announced phased-in synergies (60% cost synergies and 40% revenue synergies); • 25%: Successful integration. The LTISI PS granted to the MB Members must not exceed 65% of the total number of LTISI PS. **The LTISI was approved by 97.88% of the shareholder votes at the 2018 GM.**
Supplementary Contribution Scheme - SCS (Paid in respect of the 2018 financial year - January 1 to June 6, 2018)	€102,302	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 *prorata temporis* 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 (Paid in respect of the 2018 financial year - January 1 to June 6, 2018)	€15,535	Ms Panosyan benefits from a company car and an unemployment contribution (GSC type).

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
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 2018 financial year to Mr Jean-Marie Tritant, Chief Operating Officer and Management Board Member until June 6, 2018, (General Meeting of 2019, resolution No 6)

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Annual Fixed Income - FI (Paid in respect of the 2018 financial year - January 1 to June 6, 2018) *See Section 3.2.1 for details*	€259,524	The full pre-closing 2018 FI amounts to €600,000 and was determined by the SB on March 7, 2017, upon the recommendation of the RC and approved at the 2017 GM. The gross amount of €259,524 represents the *pro-rata temporis* 2018 FI remuneration (January 1 to June 6, 2018), when Jean-Marie Tritant was a MB Member, before the end of his mandate when he took on new key responsibilities within the newly created Senior Management Team.
Short-Term Incentive - STI (Paid in respect of the 2018 financial year - January 1 to June 6, 2018) *See Section 3.2.1 for details*	€246,133	The gross STI was determined by the SB on March 19, 2019, upon the recommendation of the RC, and is before income tax and social security charges. The STI amount of €246,133 is also pro-rated similar to FI. The STI integrates quantitative and qualitative components to ensure a comprehensive incentive structure aligned with the best market practices. **The quantitative component** is capped at 70% of the *prorata* FI for the pre closing period. It takes into account the UR standalone *proforma* performance, the successful completion of the Westfield Transaction and the realization of the first announced cost synergies: ● *Pro-forma* Unibail-Rodamco REPS (Recurring Earnings per Share) on a standalone basis, based on the guidance communicated to investors in January 2018. A 100% achievement (stretch target) is met when this component reaches the annual guidance communicated to investors **(Weight: 50% of the quantitative STI)**; ● Deal Completion **(Weight: 25% of the quantitative STI)**; ● Capture of cost synergies related to the acquisition of Westfield as disclosed to the market. A 100% achievement (stretch target) is reached when 100% of the phased-in cost synergies for the year are captured (calculation confirmed by the AC Chairman) **(Weight: 25% of the quantitative STI)**.

	2018 STI Quantitative component				
Components	Targets for 100% achievement	Achievement 2018	% achievement	% weighting	% STI
REPS	€12.90	€12.91	100.1%	50%	50.05%
Deal completion	Yes	Completed	100.0%	25%	25.00%
Phased-in Cost Synergies	€35.2 Mn	€48.9 Mn	177.8% (1) capped at 140% (1)	25%	35.00%
Total STI quantitative achievement					
Before global cap application					110.05%
After global cap application					**100.00%**
Total STI amount					**€181,667**

(1) *Every euro above targets counts double*

The REPS for UR on a standalone basis is €12.91, exceeding the top bracket of the guidance (€12.90). The acquisition of Westfield was successfully closed on June 7, 2018. Since the acquisition, €48.9 Mn of phase-in synergies had been achieved as at December 31, 2018, versus €35.2 Mn planned, thanks to gains on OneMarket significantly above expectations, and other synergies captured ahead of target: excluding OneMarket, Phased-in Cost synergies would have been €29.4Mn in 2018 vs. €28.8Mn targeted for 100% achievement.

The qualitative component is capped at 30% of the *prorata* FI for the pre closing period. It is determined according to the achievement of several individual objectives, pre-defined by the SB upon the recommendation of the RC.

Following an assessment by the SB, the level of achievement of the 2018 qualitative objectives is 82.8% i.e. a qualitative component of €64,466.

The total 2018 STI is therefore €246,133, *i.e.* 95% of FI

The STI structure was approved by 83.54% of the shareholder votes at the 2018 GM

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Long-Term Incentive - LTI: Performance Stock Options (SO) and Performance Shares (PS) (Granted during the 2018 financial year) (Economic value at the allocation date according to IFRS 2 requirements, based on the evaluation conducted by Willis Towers Watson) *See Section 3.4 for details*		In accordance with MB Remuneration Policy, the economic value of SO and PS granted to the COO in 2018 must not exceed 150% of his pre-closing FI. In 2018, the COO received 2 grants amounting to 150% of his pre-closing FI: a regular annual LTI Grant, and an additional LTI for the Successful integration of Westfield (LTISI). MB Members are bound by an obligation to hold shares and an obligation to invest in shares as described in Section 3.2.1 of the Remuneration Policy

Regular Annual LTI Grant Performance Stock Options (SO) and Performance Shares (PS)	€420,043	Regular Annual LTI:
		The vesting of the 2018 SO and PS are subject to (See Section 3.4 for details – regarding the pre-closing vesting period):
		• a 2-year continuous presence condition at date of vesting or exercise;
		• For the 2018 part of the vesting period
		  • external performance condition 50%: TSR to be tested over the pre- and post-closing periods;
		  • internal performance condition 50%: REPS - UR standalone;
		• For the remaining part of the vesting period
		  • external performance conditions for 50% – TSR (45%) and CSR (5%);
		  • internal performance conditions for 50% - AREPS (45%) and CSR (5%).
		This LTI grant amounts to an economic value of 70% of the pre-closing 2018 FI:
		SO
		On March 5, 2018, the SB, upon the recommendation of the RC, granted 25,500 SO to Mr Tritant, for an economic value of €122,655.
		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 5, 2018, the SB, upon the recommendation of the RC, granted 3,370 PS to Mr Tritant, for an economic value of €297,388.
		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 structure and performance conditions of the 2018 regular LTI grant were presented in the 2018 Remuneration Policy which was approved by 83.54% of the shareholder votes at the 2018 GM.

Additional LTI grant for the Successful Integration of Westfield (LTISI) subject to the completion of the Transaction (PS)	€479,951	**LTISI:** **Additional LTI grant for the Successful Integration of Westfield subject to the completion of the Transaction.** On May 24, 2018, the SB, upon the recommendation of the RC, granted 3,883 PS to Mr Tritant, for an economic value of €479,951 *i.e.* 80% of his pre-closing 2018 FI. These additional PS are subject to a three-year vesting period and a two-year holding period, a two-year presence condition at date of vesting as well as to the following performance conditions: • 25%: Completion of the Transaction; • 25%: Attainment of the annual Budget going forward (compounded AREPS over the vesting period, based on the compounded annual guidance ranges communicated to the market; • 25%: Capture of announced phased-in synergies (60% cost synergies and 40% revenue synergies); • 25%: Successful integration. The LTISI PS granted to the MB Members must not exceed 65% of the total number of LTISI PS. **The LTISI was approved by 97.88% of the shareholder votes at the 2018 GM.**
Supplementary Contribution Scheme - SCS (Paid in respect of the 2018 financial year - January 1 to June 6, 2018)	€130,952	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 *prorata temporis* plus STI for year N-1).
Group life and health insurance	n/m	Mr Tritant 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.

Elements of Remuneration	Amounts or countable valuations submitted to shareholders	Comments
Benefits in Kind (Paid in respect of the 2018 financial year - January 1 to June 6, 2018)	€16,701	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 2018 Financial Year (General Meeting 2019 - resolution No 7)

— *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 – mandate commenced April 25, 2017 Mr Colin Dyer	2017[1][2]	2018[1]
SB Chairman Fees	€135,000	€180,000
GNC Chairman Fees[3]	€51,000[4]	€66,750[4]
TOTAL FEES	**€186,000**	**€246,750**

(1) Before withholding tax.
(2) Fees calculated by quarter.
(3) GNRC split into 2 committees (GNC + RC) on August 29, 2018. Prior to this, Mr Dyer chaired the GNRC.
(4) Including the out of country indemnities.

REMUNERATION OF THE SB MEMBERS FOR 2017 AND 2018 FINANCIAL YEARS

SB Members	2017[(1)]	2018[(1)]
Mr Philippe Collombel[(2)]	€50,167	€78,000
Ms Jill Granoff[(3)]	n/a	€50,250
Ms Mary Harris	€84,000	€94,750
Ms Dagmar Kollmann	€79,556	€85,500
Mr Peter Lowy[(4)]	n/a	€24,000
Mr John McFarlane[(4)]	n/a	€36,500
Mr Roderick Munsters[(2)]	€62,111	€87,000
Ms Sophie Stabile	€88,111[(5)]	€79,500
Mr Jacques Stern	€83,500	€96,000
Ms Jacqueline Tammenoms Bakker	€81,056	€87,000
Mr Jean-Louis Laurens[(6)]	€105,000	€56,500
Mr Alec Pelmore[(6)]	€87,000	€49,000
Mr Yves Lyon-Caen[(7)]	€18,944	n/a
TOTAL (EXCLUDING SB CHAIRMAN FEES)	**€739,445**	**€824,000**
Percentage used of the annual envelope approved by GM	84.51%	69.83%

(1) Including the out of country indemnities, if any, and before withholding tax.
(2) Mandate commenced April 25, 2017.
(3) Mandate commenced May 17, 2018.
(4) Mandate commenced June 7, 2018.
(5) Including additional fees for special tasks in relation with the Westfield Transaction.
(6) Stepped down June 7, 2018 to join the WFD Unibail-Rodamco NV SB.
(7) Mandate ended April 25, 2017.

3.2.4 SUMMARY TABLE OF THE ELEMENTS OF REMUNERATION OF THE CHIEF EXECUTIVE OFFICER (GROUP CEO) AND THE OTHER MANAGEMENT BOARD MEMBERS

Pursuant to the AMF 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 2014 through to 2018, *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 2017 and 2018 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] Group Chief Executive Officer (since April 25, 2013) (Chief Operating Officer between June 1, 2011 and April 25, 2013)	Year 2014	Year 2015	Year 2016	Year 2017	**Year 2018**
Fixed Income	€850,504	€882,654	€913,988	€1,000,000	€1,141,865
Short-Term Incentive (STI)*	€962,099	€1,323,981	€1,359,192	€1,500,000	€1,979,388
Pension	€269,400	€274,475	€313,797	€325,919	€354,187
Other benefits	€20,796	€20,772	€21,209	€24,212	€24,371
Remuneration due in respect of the financial year	**€2,102,799**	**€2,501,882**	**€2,608,186**	**€2,850,131**	**€3,499,810**
Evolution year N vs, year N-1 (in %)	*14.0%*	*19.0%*	*4.2%*	*9.3%*	*22.8%*
Annual SO IFRS valuation allocated during the financial year**	€307,717	€349,737	€359,522	€301,907	€204,424
Evolution year N vs, year N-1 (in %)	*-8.9%*	*13.7%*	*2.8%*	*-16.0%*	*-32.3%*
Annual PS IFRS valuation allocated during the financial year**	€184,652	€242,547	€261,654	€286,365	€495,589
Evolution year N vs, year N-1 (in %)	*19.0%*	*31.4%*	*7.9%*	*9.4%*	*73.1%*
	2,595,168	**€3,094,166**	**€3,229,362**	**€3,438,403**	**€4,199,823**
Evolution year N vs, year N-1 (in %)	*11.0%*	*19.2%*	*4.4%*	*6.5%*	*22.1%*
*LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018****					*€799,960*

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 Year N+1.*

** *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by 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.*

*** *Approved by 97.88% of the shareholder votes at the 2018 GM.*

(1) Member of Unibail-Rodamco SE Management Board since June 2011, Mr Christophe Cuvillier was appointed Group CEO and Chairman of the Management Board effective as of April 25, 2013.His mandate was renewed for another 4-year term on May 17, 2018.

Mr Jaap Tonckens[1] Group Chief Financial Officer (Management Board Member since September 1, 2009)	Year 2014	Year 2015	Year 2016	Year 2017	**Year 2018**
Fixed Income	€550,000	€550,000	€550,000	€650,000	€735,119
Short-Term Incentive (STI)*	€470,249	€527,450	€538,945	€650,000	€901,662
Pension	€141,250	€147,025	€152,745	€163,895	€183,512
Other benefits	€4,715	€30,209	€23,612	€23,790	€30,028
Remuneration due in respect of the financial year	**€1,166,214**	**€1,254,684**	**€1,265,302**	**€1,487,685**	**€1,850,321**
Evolution year N vs, year N-1 (in %)	*6.2%*	*7.6%*	*0.8%*	*17.6%*	*24.4%*
SO IFRS valuation allocated during the financial year**	€184,630	€209,842	€215,713	€181,144	€137,566
Evolution year N vs, year N-1 (in %)	*-8.9%*	*13.7%*	*2.8%*	*-16.0%*	*-24.1%*
PS IFRS valuation allocated during the financial year**	€108,177	€146,328	€157,100	€165,791	€317,448
Evolution year N vs, year N-1 (in %)	*16.2%*	*35.3%*	*7.4%*	*5.5%*	*91.5%*
	€1,459,021	**€1,610,854**	**€1,638,115**	**€1,834,620**	**€2,305,335**
Evolution year N vs, year N-1 (in %)	*4.7%*	*10.4%*	*1.7%*	*12.0%*	*25.7%*
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018***				-	€519,946

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 Year N+1.*

** *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by 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.*

*** *Approved by 97.88% of the shareholder votes at the 2018 GM.*

(1) His mandate was renewed for another 4-year term on May 17, 2018.

Mr Olivier Bossard[1] Chief Development Officer (Member of the Management Board from April 25, 2013 to June 6, 2018)	Year 2014	Year 2015	Year 2016	Year 2017	**Year 2018**
Fixed Income	€400,000	€400,000	€400,000	€480,000	€207,619
Short-Term Incentive (STI)*	€333,611	€378,400	€388,000	€480,000	€195,162
Pension	€115,000	€118,361	€122,840	€131,800	€113,762
Other benefits	€14,688	€19,413	€19,595	€19,788	€15,736
Remuneration due in respect of the financial year	**€863,299**	**€916,174**	**€930,435**	**€1,111,588**	**€532,279**
Evolution year N vs, year N-1 (in %)	*n/a*	*6.1%*	*1.6%*	*19.5%*	*-52.1%*
SO IFRS valuation allocated during the financial year**	€147,704	€167,874	€172,571	€144,915	€98,124
Evolution year N vs, year N-1 (in %)	*n/a*	*13.7%*	*2.8%*	*-16.0%*	*-32.3%*
PS IFRS valuation allocated during the financial year**	€88,613	€116,396	€125,565	€137,385	€237,911
Evolution year N vs, year N-1 (in %)	*n/a*	*31.4%*	*7.9%*	*9.4%*	*73.2%*
	€1,099,616	**€1,200,444**	**€1,228,571**	**€1,393,888**	**€868,313**
Evolution year N vs, year N-1 (in %)	*n/a*	*9.2%*	*2.3%*	*13.5%*	*n/r*
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018***			-	-	€383,912

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.
n/r means not relevant due to prorated remuneration.

* *Short Term Incentive indicated in column "Year N" is Short Term Incentive due in respect of Year N and paid Year N+1.*
** *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by 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.*
*** *Approved by 97.88% of the shareholder votes at the 2018 GM.*
(1) *Mr Olivier Bossard was appointed Chief Development Officer effective as of April 25, 2013. His mandate as Member of the Management Board ended on June 6, 2018, The Fixed Income, STI, Pension and other benefits for 2018 are reported prorata temporis.*

Mr Fabrice Mouchel[1] Deputy Chief Financial Officer (Member of the Management Board from April 25, 2013 to June 6, 2018)	Year 2014	Year 2015	Year 2016	Year 2017	**Year 2018**
Fixed Income	€320,000	€360,000	€360,000	€400,000	€173,016
Short-Term Incentive (STI)*	€280,338	€340,560	€349,200	€400,000	€169,227
Pension	€101,000	€109,034	€115,056	€119,920	€102,302
Other benefits	€10,691	€14,657	€17,127	€17,366	€14,687
Remuneration due in respect of the financial year	**€712,029**	**€824,251**	**€841,383**	**€937,286**	**€459,232**
Evolution year N vs, year N-1 (in %)	*n/a*	*15.8%*	*2.1%*	*11.4%*	*-51.0%*
SO IFRS valuation allocated during the financial year**	€123,087	€153,884	€158,190	€132,839	€81,770
Evolution year N vs, year N-1 (in %)	*n/a*	*25.0%*	*2.8%*	*-16.0%*	*-38.4%*
PS IFRS valuation allocated during the financial year**	€73,832	€106,736	€115,144	€125,996	€198,288
Evolution year N vs, year N-1 (in %)	*n/a*	*44.6%*	*7.9%*	*9.4%*	*57.4%*
	€908,948	**€1,084,871**	**€1,114,717**	**€1,196,121**	**€739,290**
Evolution year N vs, year N-1 (in %)	*n/a*	*19.4%*	*2.8%*	*7.3%*	*n/r*
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018***			-	-	€319,885

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.
n/r means not relevant due to prorated remuneration.

* *Short Term Incentive indicated in column "Year N" is Short Term Incentive due in respect of Year N and paid Year N+1.*
** *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by 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.*
*** *Approved by 97.88% of the shareholders during the 2018 GM.*
(1) *Mr Fabrice Mouchel was appointed Deputy Chief Financial Officer effective as of April 25, 2013. His mandate as Member of the Management Board ended on June 6, 2018. The Fixed Income, STI, Pension and other benefits for 2018 are reported prorata temporis.*

Ms Astrid Panosyan[(1)]

Chief Resources Officer (Member of the Management Board from September 1, 2015 to June 6, 2018)	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
Fixed Income	n/a	€120,000	€360,000	€400,000	€173,016
Short-Term Incentive (STI)*	n/a	€113,400	€348,552	€400,000	€164,919
Pension	n/a	€0 €	€115,020	€119,855	€102,302
Other benefits	n/a	€3,928	€14,325	€16,794	€15,535
Remuneration due in respect of the financial year	**n/a**	**€237,328**	**€837,897**	**€936,649**	**€455,772**
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*n/a*	*11.8%*	*-51.3%*
SO IFRS valuation allocated during the financial year**	n/a	n/a	€158,190	€132,839	€81,770
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*n/a*	*-16.0%*	*-38.4%*
PS IFRS valuation allocated during the financial year**	n/a	n/a	€115,144	€125,996	€198,288
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*n/a*	*9.4%*	*57.4%*
	N/A	**€237,328**	**€1,111,231**	**€1,195,484**	**€735,830**
Evolution year N vs, year N-1 (in %)	*n/a*	*n/a*	*n/a*	*7.6%*	*n/r*
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018***			-	-	€319,885

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.
n/r means not relevant due to prorated remuneration.

* *Short Term Incentive indicated in column "Year N" is Short Term Incentive due in respect of Year N and paid Year N+1.*
** *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by 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.*
*** *Approved by 97.88% of the shareholder votes at the 2018 GM.*
(1) *Ms Astrid Panosyan was appointed 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 prorata temporis. Her mandate as Member of the Management Board ended on June 6, 2018. The Fixed Income, STI, Pension and other benefits for 2018 are reported prorata temporis.*

Mr Jean-Marie Tritant[(1)]

Chief Operating Officer (Member of the Management Board from April 25, 2013 to June 6, 2018)	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
Fixed Income	€450,000	€450,000	€500,000	€600,000	€259,524
Short-Term Incentive (STI)*	€377,657	€430,200	€488,600	€600,000	€246,133
Pension	€123,750	€127,766	€138,020	€153,860	€130,952
Other benefits	€15,905	€19,903	€21,243	€22,015	€16,701
Remuneration due in respect of the financial year	**€967,312**	**€1,027,869**	**€1,147,863**	**€1,375,875**	**€653,311**
Evolution year N vs, year N-1 (in %)	*n/a*	*6.3%*	*11.7%*	*19.9%*	*-52.5%*
SO IFRS valuation allocated during the financial year**	€147,704	€167,874	€194,142	€163,030	€122,655
Evolution year N vs, year N-1 (in %)	*n/a*	*13.7%*	*15.6%*	*-16.0%*	*-24.8%*
PS IFRS valuation allocated during the financial year**	€88,613	€116,396	€141,299	€154,674	€297,388
Evolution year N vs, year N-1 (in %)	*n/a*	*31.4%*	*21.4%*	*9.5%*	*92.3%*
	€1,203,629	**€1,312,139**	**€1,483,304**	**€1,693,579**	**1,073,354 €**
Evolution year N vs, year N-1 (in %)	*n/a*	*9.0%*	*13.0%*	*14.2%*	*n/r*
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018***			-	-	€479,951

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.
n/r means not relevant due to prorated remuneration.

* *Short Term Incentive indicated in column "Year N" is Short Term Incentive due in respect of Year N and paid Year N+1.*
** *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by 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.*
*** *Approved by 97.88% of the shareholder votes at the 2018 GM.*
(1) *Mr Jean-Marie Tritant was appointed Chief Operating Officer effective as of April 25, 2013. His mandate as Member of the Management Board ended on June 6, 2018, The Fixed Income, STI, Pension and other benefits for 2018 are reported prorata temporis.*

3.2.4.2 Details of the remuneration paid in 2017 and 2018 (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 & Group Chief Executive Officer (since April 25, 2013)

	Financial year 2017		Financial year 2018	
	Amount due	Amount paid	Amount due	Amount paid
Fixed Income	€1,000,000	€1,000,000	€1,141,865	€1,141,865
Short-Term Incentive (STI)	€1,500,000	€1,359,192	€1,979,388	€1,500,000
Pension	€325,919	€325,919	€354,187	€354,187
Other benefits	€24,212	€24,212	€24,371	€24,371
Total direct remuneration	**€2,850,131**	**€2,709,323**	**€3,499,810**	**€3,020,421**
SO IFRS valuation allocated during the financial year*	€301,907	€301,907	€204,424	€204,424
PS IFRS valuation allocated during the financial year*	€286,365	€286,365	€495,589	€495,589
	€3,438,403	**€3,297,595**	**€4,199,823**	**€3,720,435**
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018* **		-	€799,960	€799,960

* *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by WTW), notably after taking into account any discount related to performance criteria and the probability of presence in the 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.*

** *Approved by 97.88% of the shareholder votes at the 2018 GM.*

MR JAAP TONCKENS

MB Member & Group Chief Financial Officer (since September 1, 2009)

	Financial year 2017		Financial year 2018	
	Amount due	Amount due	Amount due	Amount paid
Fixed Income	€650,000	€650,000	€735,119	€735,119
Short-Term Incentive (STI)	€650,000	€538,945	€901,662	€650,000
Pension	€163,895	€163,895	€183,512	€183,512
Other benefits	€23,790	€23,790	€30,028	€30,028
Total direct remuneration	**€1,487,685**	**€1,376,630**	**€1,850,321**	**€1,598,659**
SO IFRS valuation allocated during the financial year*	€181,144	€181,144	€137,566	€137,566
PS IFRS valuation allocated during the financial year*	€165,791	€165,791	€317,448	€317,448
	€1,834,620	**€1,723,565**	**€2,305,335**	**€2,053,673**
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018* **		-	€519,946	€519,946

* *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by WTW), notably after taking into account any discount related to performance criteria and the probability of presence in the 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.*

** *Approved by 97.88% of the shareholder votes at the 2018 GM.*

MR OLIVIER BOSSARD

MB Member & Chief Development Officer (from April 25, 2013 to June 6, 2018)

	Financial year 2017		Financial year 2018	
	Amount due	Amount paid	Amount due	Amount paid
Fixed Income	€480,000	€480,000	€207,619	€207,619
Short-Term Incentive (STI)	€480,000	€388,000	€195,162	€480,000 €
Pension	€131,800	€131,800	€113,762	€113,762
Other benefits	€19,788	€19,788	€15,736	€15,736
Total direct remuneration	**€1,111,588**	**€1,019,588**	**€532,279**	**€817,117**
SO IFRS valuation allocated during the financial year*	€144,915	€144,915	€98,124	€98,124
PS IFRS valuation allocated during the financial year*	€137,385	€137,385	€237,911	€237,911
	€1,393,888	**€1,301,888**	**€868,313**	**€1,153,151**
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018* **		-	€383,912	€383,912

* *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by WTW), notably after taking into account any discount related to performance criteria and the probability of presence in the 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.*

** *Approved by 97.88% of the shareholder votes at the 2018 GM.*

His mandate ended on June 6, 2018. The Total direct remuneration for 2018 was applied prorata temporis.

3.

MR FABRICE MOUCHEL

MB Member & Deputy Chief Financial Officer (from April 25, 2013 to June 6, 2018)

	Financial year 2017		Financial year 2018	
	Amount due	Amount paid	Amount due	Amount paid
Fixed Income	€400,000	€400,000	€173,016	€173,016
Short-Term Incentive (STI)	€400,000	€349,200	€169,227	€400,000
Pension	€119,920	€119,920	€102,302	€102,302
Other benefits	€17,366	€17,366	€14,687	€14,687
Total direct remuneration	**€937,286**	**€886,486**	**€459,232**	**€690,004**
SO IFRS valuation allocated during the financial year*	€132,839	€132,839	€81,770	€81,770
PS IFRS valuation allocated during the financial year*	€125,996	€125,996	€198,288	€198,288
	€1,196,121	**€1,145,321**	**€739,290**	**€970,063**
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018* **		-	€319,885	€319,885

* *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by WTW), notably after taking into account any discount related to performance criteria and the probability of presence in the 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.*

** *Approved by 97.88% of the shareholder votes at the 2018 GM.*

His mandate ended on June 6, 2018. The Total direct remuneration for 2018 was applied prorata temporis.

MS ASTRID PANOSYAN

MB Member & Chief Resources Officer (since September 1, 2015 to June 6, 2018)

	Financial year 2017		Financial year 2018	
	Amount due	Amount paid	Amount due	Amount paid
Fixed Income	€400,000	€400,000	€173,016	€173,016
Short-Term Incentive (STI)	€400,000	€348,552	€164,919	€400,000
Pension	€119,855	€119,855	€102,302	€102,302
Other benefits	€16,794	€16,794	€15,535	€15,535
Total direct remuneration	€936,649	€885,201	€455,772	€690,852
SO IFRS valuation allocated during the financial year*	€132,839	€132,839	€81,770	€81,770
PS IFRS valuation allocated during the financial year*	€125,996	€125,996	€198,288	€198,288
	€1,195,484	**€1,144,036**	**€735,830**	**€970,910**
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018* **		-	€319,885	€319,885

* *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by WTW), notably after taking into account any discount related to performance criteria and the probability of presence in the 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.*

** *Approved by 97.88% of the shareholder votes at the 2018 GM.*

Her mandate ended on June 6, 2018. The Total direct remuneration for 2018 was applied prorata temporis.

MR JEAN-MARIE TRITANT

MB Member & Chief Operating Officer (from April 25, 2013 to June 6, 2018)

	Financial year 2017		Financial year 2018	
	Amount due	Amount paid	Amount due	Amount paid
Fixed Income	€600,000	€600,000	€259,524	€259,524
Short-Term Incentive (STI)	€600,000	€488,600	€246,133	€600,000
Pension	€153,860	€153,860	€130,952	€130,952
Other benefits	€22,015	€22,015	€16,701	€16,701
Total direct remuneration	€1,375,875	€1,264,475	€653,311	€1,007,178
SO IFRS valuation allocated during the financial year*	€163,030	€163,030	€122,655	€122,655
PS IFRS valuation allocated during the financial year*	€154,674	€154,674	€297,388	€297,388
	€1,693,579	**€1,582,179**	**€1,073,354**	**€1,427,221**
LTISI (Additional PS in view of successful integration of Westfield) only applicable for 2018* **		-	€479,951	€479,951

* *The value corresponds to the value of the SO, PS and Additional PS at the time they were allocated according to IFRS 2 requirements (based on the evaluation conducted by WTW), notably after taking into account any discount related to performance criteria and the probability of presence in the 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.*

** *Approved by 97.88% of the shareholder votes at the 2018 GM.*

His mandate ended on June 6,2018. The Total direct remuneration for 2018 was applied prorata temporis.

3.2.4.3 Performance Stock Options (SO)

— Performance Stock Options (SO) granted during financial years 2014 to 2018 (Table no. 4 of AMF/Afep-Medef recommendations)

On March 5, 2018, the SB, upon the recommendation of the RC, granted to Group employees and MB Members a total of 630,135 SO, representing 0.62% of the fully diluted share capital on December 31, 2018.

151,000 SO (23.96% of the total SO granted) were allocated to the MB Members, of which 42,500 (6.74%) to the CEO, as detailed in the table below:

Plan Number	Plan performance n°7			Plan performance n°8			Plan performance n°8			Plan performance n°8			Plan performance n°9		
Date of Grant	March 3, 2014			March 3, 2015			March 8, 2016			March 7, 2017			**March 5, 2018**		
Opening of exercise period (at the opening of trading day)	March 4, 2018			March 4, 2019			March 9, 2020			March 8, 2021			March 6, 2022		
End of exercise period (at the end of the trading day)	March 3, 2021			March 3, 2022			March 8, 2023			March 7, 2024			March 5, 2025		
Exercise Price per SO	€186.10			€256.81			€227.24			€218.47			€190.09		
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			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	Number of SO granted	Value of SO granted*	Variation 2018 vs 2017 in value
Christophe Cuvillier Group 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%	42,500	€204,425	-32.2%
Jaap Tonckens Group 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%	28,600	€137,566	-24.0%
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%	20,400	€98,124	-32.2%
Fabrice Mouchel Deputy Chief Financial 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%	17,000	€81,770	-38.4%
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%	17,000	€81,770	-38.4%
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%	25,500	€122,655	-24.7%

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 MB since June 2011, Mr Christophe Cuvillier was appointed Chairman of the MB and Chief Executive Officer effective April 25, 2013.*

(2) *Mr Olivier Bossard was appointed Chief Development Officer effective April 25, 2013.*

(3) *Mr Fabrice Mouchel was appointed Deputy Chief Financial Officer effective April 25, 2013.*

(4) *Ms Astrid Panosyan was appointed Chief Resources Officer effective September 1, 2015.*

(5) *Mr Jean-Marie Tritant was appointed Chief Operating Officer effective April 25, 2013.*

PERFORMANCE STOCK OPTIONS (SO) EXERCISED BY MB MEMBERS DURING THE 2018 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 Group CEO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr Jaap Tonckens Group CFO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mr Olivier Bossard CDO	Plan Performance n°6 Tranche 2011	1,000	March 2, 2018	€141.54	1,000	77.96%	63.62%	Yes
Mr Fabrice Mouchel Deputy CFO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Ms Astrid Panosyan CRO	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
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 MB Members is presented in Section 3.4.

On March 5, 2018, a total of 82,539 PS were granted to Group employees and MB Members, of which 19,955 (24.17%) to MB Members, of which 5,616 (6.8%) to the CEO.

On May 24, 2018, an Additional LTI grant for the Succeful Integration of Westfield (LTISI), subject to completion of the Transaction was granted to employees and MB Members. A total of 38,130 PS were granted, of which 23,055 (60.46%) to MB Members, of which 6,472 (16.9%) to the CEO.

The grant of PS to MB Members is presented in detail in Tables no. 6 and 7 in accordance with the recommendations of the AMF/Afep-Medef Code.

DETAILS OF THE PERFORMANCE SHARES GRANTED TO EACH MANAGEMENT BOARD (MB) MEMBER DURING FINANCIAL YEAR 2018 (ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE) (TABLE NO. 6 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

	Performance Shares Plan no. 2 - Tranche 2018 (March 5, 2018) and Additional LTI Grant (May 24, 2018)				
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
Mr **Christophe Cuvillier**	5,616 6,472	€495,589 €799,960	March 6, 2021 May 25, 2021	March 6, 2023 May 25, 2023	Mandatory Mandatory
Mr **Jaap Tonckens**	3,779 4,418	€317,448 €519,946	March 6, 2022[3] May 25, 2022	March 6, 2022 May 25, 2022	Mandatory Mandatory
Mr **Olivier Bossard**	2,696 3,106	€237,911 €383,912	March 6, 2021 May 25, 2021	March 6, 2023 May 25, 2023	Mandatory Mandatory
Mr **Fabrice Mouchel**	2,247 2,588	€198,288 €319,885	March 6, 2021 May 25, 2021	March 6, 2023 May 25, 2023	Mandatory Mandatory
Ms **Astrid Panosyan**	2,247 2,588	€198,288 €319,885	March 6, 2021 May 25, 2021	March 6, 2023 May 25, 2023	Mandatory Mandatory
Mr **Jean-Marie Tritant**	3,370 3,883	€297,388 €479,951	March 6, 2021 May 25, 2021	March 6, 2023 May 25, 2023	Mandatory Mandatory
TOTAL PLAN MARCH 5, 2018 **TOTAL PLAN MAY 24, 2018**	**19,955** **23,055**	**€1,744,912** **€2,823,540**			

(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) The first potential share transfer date is subject to the attainment of the performance condition on the third anniversary of the date of grant. If the performance condition is not met, all rights shall be definitively lost on the following day

(3) For non-French tax resident beneficiaries, the first potential share transfer is on the day following the fourth anniversary of the date of grant. If the performance condition is not met, all rights will be definitively lost on the day following the fourth anniversary of the date of grant.

PERFORMANCE SHARES (PS) BECOMING DEFINITIVELY AVAILABLE TO EACH MB MEMBER DURING FINANCIAL YEAR 2018 (TABLE NO. 7 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

Management Board Members	Plan number and date	Number of PS being definitely available during the 2018 financial year	Acquisition condition
Mr Christophe Cuvillier	Performance Shares Plan no. 1 - March 4, 2013	**2,500**	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
	Performance Shares Plan no. 2 - March 5, 2018	n/a	Yes
Mr Jaap Tonckens	Performance Shares Plan no. 1 - March 4, 2013	**1,500**	Yes
	Performance Shares Plan no. 1 - March 3, 2014	**1,536**	Yes
	Performance Shares Plan no. 1 - March 3, 2015	n/a	Yes
	Performance Shares Plan no. 2 - April 21, 2016	n/a	Yes
	Performance Shares Plan no. 2 - March 7, 2017	n/a	Yes
	Performance Shares Plan no. 2 - March 5, 2018	n/a	Yes
Mr Olivier Bossard	Performance Shares Plan no. 1 - March 4, 2013	**1,200**	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
	Performance Shares Plan no. 2 - March 5, 2018	n/a	Yes
Mr Fabrice Mouchel	Performance Shares Plan no. 1 - March 4, 2013	**900**	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
	Performance Shares Plan no. 2 - March 5, 2018	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
	Performance Shares Plan no. 2 - March 5, 2018	n/a	Yes
Mr Jean-Marie Tritant	Performance Shares Plan no. 1 - March 4, 2013	**1,200**	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
	Performance Shares Plan no. 2 - March 5, 2018	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 2018 FINANCIAL YEAR

MB Member	Plan number	Number of PS being vested during the 2018 financial year	Overall market performance of URSE[(1)]	Performance of the applicable reference index[(1)]	Achievement of the Performance Condition
Mr Christophe Cuvillier	Performance Shares Plan no. 1 - March 3, 2015	2,561	n/a	n/a	Yes
Group CEO	Performance Shares Plan no. 2 - April 21, 2016 Performance Shares Plan no. 2 - March 7, 2017 Performance Shares Plan no. 2 - March 5, 2018	n/a			
Mr Jaap Tonckens	Performance Shares Plan no. 1 - March 3, 2014	1,536	32.75%	32.73%	Yes
Group CFO	Performance Shares Plan no. 1 - March 3, 2015 Performance Shares Plan no. 2 - April 21, 2016 Performance Shares Plan no. 2 - March 7, 2017 Performance Shares Plan no. 2 - March 5, 2018	n/a			
Mr Olivier Bossard	Performance Shares Plan no. 1 - March 3, 2015	1,229	n/a	n/a	Yes
CDO	Performance Shares Plan no. 2 - April 21, 2016 Performance Shares Plan no. 2 - March 7, 2017 Performance Shares Plan no. 2 - March 5, 2018	n/a			
Mr Fabrice Mouchel	Performance Shares Plan no. 1 - March 3, 2015	1,127	n/a	n/a	Yes
Deputy CFO	Performance Shares Plan no. 2 - April 21, 2016 Performance Shares Plan no. 2 - March 7, 2017 Performance Shares Plan no. 2 - March 5, 2018	n/a			
Ms Astrid Panosyan	n/a	n/a[(2)]	n/a	n/a	n/a
CRO	Performance Shares Plan no. 2 - April 21, 2016 Performance Shares Plan no. 2 - March 7, 2017 Performance Shares Plan no. 2 - March 5, 2018				
Mr Jean-Marie Tritant	Performance Shares Plan no. 1 - March 3, 2015	1,229	n/a	n/a	Yes
COO	Performance Shares Plan no. 2 - April 21, 2016 Performance Shares Plan no. 2 - March 7, 2017 Performance Shares Plan no. 2 - March 5, 2018	n/a			

(1) 4 years vesting period and no holding period for a non French resident.
(2) Ms Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015.

INFORMATION ON THE PERFORMANCE STOCK OPTIONS (SO) ON DECEMBER 31, 2018 (TABLE NO. 8 OF AMF/AFEP-MEDEF RECOMMENDATIONS)

	Performance Plan no. 6	Performance Plan no. 7				Performance Plan no. 8			Performance Plan no. 9
Plans	2011 Tranche	2011 Tranche	2012 Tranche	2013 Tranche	2014 Tranche	2015 Tranche	2016 Tranche	2017 Tranche	2018 Tranche
Date of General Meeting authorisation	May 14, 2009	April 27, 2011	April 27, 2011	April 27, 2011	April 27, 2011	April 23, 2014	April 23, 2014	April 23, 2014	April 25, 2017
Date of grant	March 10, 2011	June 9, 2011	March 14, 2012	March 4, 2013	March 3, 2014	March 3, 2015	March 8, 2016	March 7, 2017	March 5, 2018
Total number of shares granted	769,009 (1)	26,000	672,202	617,066	606,087	623,085	611,608	611,611	630,135
Effective grant as a % of the fully diluted shares(2)	0.82%	0.03%	0.70%	0.63%	0.61%	0.62%	0.60%	0.61%	0.62%
Effective grant to the MB Members(3) as a % of the fully diluted shares(2)	0.17%	0.03%	0.16%	0.11%	0.15%	0.15%	0.15%	0.15%	0.15%
to MB Members:	76,500	26,000	97,750	124,100	125,800	127,500	148,750	148,750	151,000
Mr Christophe Cuvillier	n/a	26,000 (4)	29,750	42,500	42,500	42,500	42,500	42,500	42,500
Mr Jaap Tonckens	26,520	0	25,500	25,500	25,500	25,500	25,500	25,500	28,600
Mr Olivier Bossard(5)(6)	18,360	0	15,300	20,400	20,400	20,400	20,400	20,400	20,400
Mr Fabrice Mouchel(5)(6)	13,260	0	11,900	15,300	17,000	18,700	18,700	18,700	17,000
Ms Astrid Panosyan(6)(7)	n/a	n/a	n/a	n/a	n/a	n/a	18,700	18,700	17,000
Mr Jean-Marie Tritant(5)(6)	18,360	0	15,300	20,400	20,400	20,400	22,950	22,950	25,500
End of vesting period (at the opening of the trading day)(8)(9)	March 11, 2015	June 10, 2015	March 15, 2016	March 4, 2017	March 4, 2018	March 4, 2019	March 9, 2020	March 8, 2021	March 6, 2022
Expiry date (at the end of the trading day)(8)(9)	March 10, 2018	June 9, 2018	March 14, 2019	March 4, 2020	March 3, 2021	March 3, 2022	March 8, 2023	March 7, 2024	March 5, 2025
Strike price *(€)*	141.54	152.03	146.11	173.16	186.10	256.81	227.24	218.47	190.09
Exercise terms (if the plan has more than one tranche)	See Section 3.4	See Section 3.4	See Section 3.4	See Section 3.4	See Section 3.4	See Section 3.4	See Section 3.4	See Section 3.4	See Section 3.4
Number of SO subscribed	586,383	26,000	488,975	355,337	17,728	0	1,913	0	0
Number of SO cancelled	182,626	0	156,067	151,211	193,606	175,963	119,216	69,492	18,685
OUTSTANDING STOCK OPTIONS	**0**	**0**	**27,160**	**110,518**	**389,015**	**439,897**	**490,479**	**542,119**	**611,450**

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.

(1) After taking into account the adjustment applied on May 10, 2011.
(2) On the basis of the fully diluted shares as at December 31, N-1.
(3) MB Members at the time of the grant.
(4) 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).
(5) These beneficiaries were employees up to April 25, 2013.
(6) These beneficiaries are no longer MB Members since June 7, 2018.
(7) Ms Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015.
(8) Provided that the performance and presence conditions are met.
(9) Indicative dates which must be adjusted to take into account non business days.

INFORMATION ABOUT PERFORMANCE SHARES (PS) ON DECEMBER 31, 2018 (TABLE NO. 9 OF AFEP-MEDEF RECOMMENDATIONS/TABLE NO. 10 OF AMF RECOMMENDATIONS)

Plan	2013	2014	2015	2016	2017	2018	Additional LTISI
Date of grant	March 4, 2013	March 3, 2014	March 3, 2015	April 21, 2016	March 7, 2017	March 5, 2018	May 24, 2018
Total number of PS granted:	36,056	36,516	37,554	36,745	39,770	82,539	38,130
To MB Members:	7,300	7,579	7,682	8,963	9,680	19,955	23,055
Mr Christophe Cuvillier	2,500	2,561	2,561	2,561	2,766	5,616	6,472
Mr Jaap Tonckens	1,500	1,536	1,536	1,536	1,659	3,779	4,418
Mr Olivier Bossard (1)(2)	1,200	1,229	1,229	1,229	1,327	2,696	3,106
Mr Fabrice Mouchel(1)(2)	900	1,024	1,127	1,127	1,217	2,247	2,588
Ms Astrid Panosyan(2)(3)	n/a	n/a	n/a	1,127	1,217	2,247	2,588
Mr Jean-Marie Tritant(1)(2)	1,200	1,229	1,229	1,383	1,494	3,370	3,883
Starting date of the vesting period	March 4, 2013	March 3, 2014	March 3, 2015	April 21, 2016	March 7, 2017	March 5, 2018	May 24, 2018
Vesting date and if any starting date of the holding period(4)							
for French tax residents(5)	March 4, 2016	March 3, 2017	March 3, 2018	April 21, 2019	March 7, 2020	March 5, 2021	May 24, 2021
for non-French tax residents(5)	March 4, 2017	March 3, 2018	March 3, 2019	April 21, 2020	March 7, 2021	March 5, 2022	May 24, 2022
End of holding period (at the end of the trading day)(4)							
for French tax residents	March 4, 2018	March 3, 2019	March 3, 2020	April 21, 2021	March 7, 2022	March 5, 2023	May 24, 2023
for non-French tax residents(6)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Number of Performance Shares vested (unavailable)	0	18,706	18,699	0	0	0	0
Number of Performance Shares vested (available)	28,424	8,231	0	0	0	0	0
Number of cancelled/expired PS	7,632	9,579	10,413	7,060	4,522	2,444	122
Outstanding PS (unvested)	0	0	8,442	29,685	35,248	80,095	38,008

(1) These beneficiaries were employees up to April 25, 2013.
(2) These beneficiaries are no longer MB Members since June 7, 2018.
(3) Ms Astrid Panosyan was appointed as Chief Resources Officer effective September 1, 2015.
(4) Indicative dates which must be adjusted to take into account non business days.
(5) Provided that the performance and presence conditions are met.
(6) Holding period is not applicable.

On March 19, 2019, a total of 748,372 SO and 172,174 PS were granted to Group employees and MB members of which 42,500 SO and 9,774 PS for the Group CEO and 27,200 SO and 6,255 PS for the Group CFO. The economic value of these grants represents 70% of their FI.

INFORMATION REQUIRED BY THE AMF ON THE SITUATION OF MB MEMBERS ON DECEMBER 31, 2018 (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: GM 2022	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: GM 2022	No	Yes	No	No	No
Mr Olivier Bossard **Chief Development Officer** First appointed: April 25, 2013 End of mandate: June 6, 2018	No	Yes	No	No	No
Mr Fabrice Mouchel **Deputy Chief Financial Officer** First appointed: April 25, 2013 End of mandate: June 6, 2018	No	Yes	No	No	No
Ms Astrid Panosyan **Chief Resources Officer** First appointed: September 1, 2015 End of mandate: June 6, 2018	No	Yes	No	No	No
Mr Jean-Marie Tritant **Chief Operating Officer** First appointed: April 25, 2013 End of mandate: June 6, 2018	No	Yes	No	No	No

3.3 SUPPLEMENTARY INFORMATION

3.3.1 HOLDING AND TOP TEN GRANTS OF PERFORMANCE SO AND PS

3.3.1.1 Number of shares/Performance Stock Options/Performance Shares held by MB Members on December 31, 2018 (Article 17 of appendix 1 of Regulation EC 809/2004)

Management Board members	URW stapled shares owned(1)	SO non exercised	PS subject to vesting period
Mr Christophe Cuvillier	105,637	212,500	17,415
Mr Jaap Tonckens	13,415	130,600	12,928
Mr Olivier Bossard(2)	n/a	n/a	n/a
Mr Fabrice Mouchel(2)	n/a	n/a	n/a
Ms Astrid Panosyan(2)	n/a	n/a	n/a
Mr Jean-Marie Tritant(2)	n/a	n/a	n/a

(1) Including the stapled shares equivalent to the number of units held in the Company Savings Plan.
(2) No longer MB Members since June 7, 2018.

3.3.1.2 Top ten SO and PS grants in the 2018 financial year (Table no. 9 – AMF recommendations)

TOP TEN PERFORMANCE STOCK OPTIONS GRANTS/EXERCISES (EXCLUDING EXECUTIVE OFFICERS) IN THE 2018 FINANCIAL YEAR (ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE)

	Top ten of Stock Options grants during the 2018 year	Top ten Stock Options exercises during the 2018 year
Number of granted Stock Options/and subscribed or purchased option(1)	102,660	32,945
Weighted average price	€190.09	€164.35
Plan no. 5 Tranche 2009	-	-
Plan no. 6 Tranche 2010	-	-
Plan no. 6 Tranche 2011	-	12,120
Plan no. 7 Tranche 2012	-	2,100
Plan no. 7 Tranche 2013	-	2,575
Plan no. 7 Tranche 2014	-	16,150
Plan no. 9 Tranche 2018	102,660	-

(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 SHARES GRANTS/AVAILABLE (EXCLUDING EXECUTIVE OFFICERS) IN THE 2018 FINANCIAL YEAR (ARTICLE L. 225-197-4 OF THE FRENCH COMMERCIAL CODE)

	Top ten of Performance Shares grants during the 2018 year(1)	Top ten Performance Shares being definitely available during the 2018 year(1)
Number of Performance Shares granted/available	23,276	6,640

(1) The number of top grants exceeds 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 GROUP SHARES (ARTICLE 223-26 OF THE AMF GENERAL REGULATION)

Name	Date	Nature of the transaction	Number	Unit price
MB MEMBERS				
Mr Christophe Cuvillier Group CEO	04/03/2018	Performance Shares definitively vested	2,561	€187.45
	27/04/2018	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	165.65	€150.92
Mr Jaap Tonckens Group CFO	04/03/2018	Performance Shares definitively vested	1,536	€187.45
	27/04/2018	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	165.65	€150.92
	05/10/2018	Acquisition of Stapled Shares	1,000	€164.08
Mr Olivier Bossard(1) CDO	02/03/2018	Exercise of SO	1,000	€141.54
	04/03/2018	Performance Shares definitively vested	1,229	€187.45
	27/04/2018	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	165.65	€150.92
Mr Fabrice Mouchel(1) Deputy CFO	04/03/2018	Performance Shares definitively vested	1,127	€187.45
	27/04/2018	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	165.65	€150.92
Ms Astrid Panosyan (1) CRO	27/04/2018	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	165.65	€150.92
Mr Jean-Marie Tritant(1) COO	04/03/2018	Performance Shares definitively vested	1,229	€187.45
	27/04/2018	Subscription to units of the Company Savings Plan (Unibail-Rodamco shares)	165.65	€150.92
SB MEMBERS				
Mr Philippe Collombel SB Member	06/02/2018	Acquisition of Unibail-Rodamco shares	274	€189.95
Ms Jill Granoff SB Member	06/09/2018	Acquisition of Stapled Shares	343	$203.27
Mr Roderick Munsters SB Member	27/03/2018	Acquisition of Unibail-Rodamco shares	100	€179.86
	05/10/2018	Acquisition of Stapled Shares	100	€164.76
Ms Sophie Stabile SB Member	05/02/2018	Acquisition of Unibail-Rodamco shares	70	€195.65
Mr Jacques Stern SB Member	28/12/2018	Acquisition of Stapled Shares	525	€133.39

(1) These persons are no longer MB Members since June 7, 2018. The transactions made after this date are not reported.

3.4 PERFORMANCE STOCK OPTION, PERFORMANCE SHARE PLANS AND EMPLOYEE SHAREHOLDING

The LTI equity compensation is an essential part of the Group's Remuneration Policy. It is a significant retention tool designed to strengthen the loyalty and engagement of beneficiaries in the Group's performance while aligning their interests with long-term value creation objectives of the Company and its shareholders, in particular following the Westfield Transaction.

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 every beneficiary, whether an MB Member or an employee.

Grants are not automatic in number nor frequency. They vary from year to year, both in terms of beneficiaries and of stapled shares allocated. In 2018, there were 351 LTI beneficiaries, *i.e.* 17.31% of the Group employees (pre-closing).

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 OPTION AND PERFORMANCE SHARE PLANS

Authorisation prior to the General Meeting of shareholders

The General Meeting (GM) 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).

Determination by the Supervisory Board

On an annual basis, the SB, upon the recommendation of the RC:

- determines the overall envelope of SO and PS to be granted taking into account the thresholds set by the GM, 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;
- 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,
  - within 10 trading days preceding or following the date on which the consolidated financial statements or the annual financial statements are made public, and
  - within the period between the date on which corporate bodies become aware of inside information;

- except for legitimate reasons, no grant may occur beyond a period of 120 days following the date of publication of the annual financial statements;
- the absence of any discount;
- a continuous presence condition of 24 months just prior to the exercise of SO or the delivery of PS;
- stringent performance conditions, calculated over a long period (minimum 3 years), directly linked to the Company's performance and long-term strategy: no reward for under-performance;
- a cap on the grants to the Group CEO and the Group CFO;
- a cap on the overall grant to restrict the potential dilutive effect and the financial cost to the Company.

In view of the major impact of the Transaction on URW's structure, and as the LTI is an essential retention tool, which represents a significant portion of the remuneration of approx. 450 key employees and MB Members, the SB, upon recommendation of the RC, decided to maintain all existing terms and conditions of the LTI grants (presence condition, vesting period, holding, strike price, etc.) and adapt them to the new Group's context, and in particular:

- roll over all outstanding LTI plans into rights to receive URW stapled shares, to align the interests of shareholders and beneficiaries;
- test the performance conditions of the 2012-2016 grants, for which all or most of the vesting period had already elapsed, and
- adapt the performance conditions to the new scope of the Group for the remaining vesting period, for the 2017 and 2018 LTI grants.

Current authorisations - Potential dilutive effect

- Performance Stock Options current authorisation.

The authorisation of the General Meeting in force for the 2018 SO plan, was granted on April 25, 2017 (resolution no. 22). A new resolution (no. 20) to renew the current authorisation is submitted to the GM to be held on May 17, 2019

- Performance Shares current authorisation.

The authorisation of the GM for:

  - the 2018 PS plan was granted on April 21, 2016 (resolution no. 15),
  - the 2018 Additional LTI plan (LTISI) was granted on May 17, 2018 (resolution no. 23);

A new resolution (no. 21) to renew the current authorisation is submitted to the GM to be held on May 17, 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 5.83% of the fully-diluted capital as at December 31, 2018.

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.

Performance condition

The SB ensures that the LTI promotes overall performance and does not encourage excessive risk taking. Measuring and taking into account the performance of the Company over the long-term to align shareholders' interests with those of the beneficiaries, be they employees or MB Members.

Regarding the 2017 and 2018 LTI grants, the SB confirmed the following:

2017 LTI grants:

  - for the 2017 vesting period, performance condition met,
  - for the 2018 vesting period, apply the same performance conditions as the 2018 LTI grants,
  - for the remaining vesting period (2019 and beyond), apply the same performance conditions as the 2019 LTI grants to be approved by the 2019 GM;

2018 LTI grants:

- For the 2018 vesting period,
  - internal condition 50%: REPS – UR standalone,
  - external condition 50%: relative TSR to be tested over the pre- and post-closing periods,
- For the remaining vesting period (2019 and beyond), apply the same perofrmance conditions as the 2019 LTI grants to be approved by the 2019 GM

2019 LTI grants: for further details, see the Remuneration Policy.

3.

— Performance Shares special features

Since the 2017 grants, the PS plan has a single test of the performance condition at the expiry of the 3-year period from grant date.

— For French tax resident beneficiaries

Notwithstanding the reduction authorised by “Loi Macron”, the SB maintained for grants prior to 2019, 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.

If the performance and presence conditions are met at the end of the vesting period, stapled shares are transferred, at the earliest, three years after their allocation, and the beneficiaries have unrestricted ownership, at the earliest, five years after the allocation date.

— For non-French tax resident beneficiaries

The reference period used to calculate the performance conditions is the same as that applicable to French tax residents. For grants prior to 2019, the vesting period is four years with no holding period. If the performance and presence conditions are met, stapled shares are transferred at the earliest four years after the allocation date to beneficiaries who then have unrestricted ownership.

3.5 REPORT OF THE SUPERVISORY BOARD ON THE CORPORATE GOVERNANCE

	Text references	Sections of the Registration Document
Governance		
List of all the terms of office and duties carried out in any company by each company officers	L.225-37-4 of the French Commercial Code	3.1.
Related party agreements	L.225-37-4 of the French Commercial Code	3.1.2.5.
Reference to the resolutions voted under the *ex-ante* vote	L.225-82-2 of the French Commercial Code	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	7.6.5.2.1.
"Comply or Explain"	L.225-37-4 of the French Commercial Code	Chapter 3 introduction
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 effect in the event of a take-over bid or a public exchange offer	L.225-37-5 of the French Commercial Code	7.8.
Observations by the Supervisory Board on the Management Board report and the statutory financial statements	L.225-68 of the French Commercial Code	Notice of meeting
Remuneration		
Information on the remuneration policy	L.225-82-2 of the French Commercial Code	3.2.
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 officers	L.225-37-3 of the French Commercial Code	3.2.

4.

ACTIVITY REVIEW

4.1 MANAGEMENT DISCUSSION & ANALYSIS[1]

4.1.1 WESTFIELD CORPORATION ACQUISITION

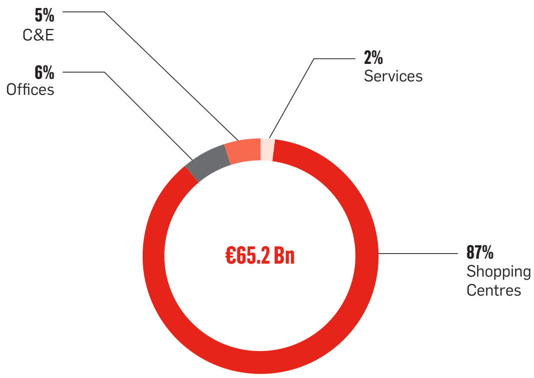
On June 7, 2018, Unibail-Rodamco ("UR") announced it had completed the acquisition of Westfield Corporation ("WFD"), to create Unibail-Rodamco-Westfield ("URW" or "the Group"), the premier global developer and operator of flagship shopping destinations. URW combines two of the strongest and most respected names in the real estate industry to build on their legacies. The acquisition of WFD is a natural extension of UR's strategy of concentration, differentiation and innovation.

As at December 31, 2018, URW owned and operated 93 shopping centres in 13 countries, of which 56 are Flagships[2] in the most dynamic cities in Europe and in the United States. In 2018, URW's assets attracted circa 1.2 billion visits. The Group's total proportionate portfolio, including its services business, is valued at €65.2 Bn (€62.7 Bn[3] under IFRS).

	Proportionate	IFRS
Shopping Centres	87%	86%
Offices & Others	6%	6%
Convention & Exhibition	5%	5%
Services	2%	2%

Figures may not add up due to rounding.

The Group provides a unique platform for retailers and brand events and offers an unparalleled experience for customers. It will leverage the world-famous Westfield brand by gradually rebranding UR Flagship assets. Looking forward, URW's development pipeline stands at €11.9 Bn as at December 31, 2018. Capitalising on its "Better Places 2030" agenda, to be implemented across the entire Group, URW's development projects are designed to create places that respect the highest environmental standards and contribute to better cities.



4.1.2 BUSINESS REVIEW AND 2018 RESULTS

4.1.2.1 Accounting principles and scope of consolidation

— Accounting principles

The Group's consolidated financial statements as at December 31, 2018 were prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable in the European Union as at such date.

URW applied for the first time IFRS 9 and IFRS 15, with a limited impact on the Group's financial statements.

No other changes were made to the accounting principles applied for the preparation of the financial statements under IFRS since December 31, 2017.

The Group also prepared financial statements in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis, instead of being accounted for using the equity method under IFRS. Unibail-Rodamco-Westfield believes that these financial statements in a proportionate format give to stakeholders a better understanding of the underlying operations of URW and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK. The Group has now structured its internal operational and financial reporting according to this proportionate format.

Therefore, and for the first time, the business review and 2018 results are presented based on the financial statements on a proportionate basis, with no impact on the net results.

(1) *The Management Discussion & Analysis (MD&A) is based on the Financial statements prepared on a proportionate basis.*

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

(3) *In terms of consolidated GMV as at December 31, 2018, including values of shares in assets accounted for using the equity method andservices. URW's US and UK service businesses, airport activities and Development, Design & Construction business were valued by PWC for the opening balance sheet as at May 31, 2018 and included in the consolidated Gross Market Value (GMV) as at December 31, 2018.*

Where applicable, 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

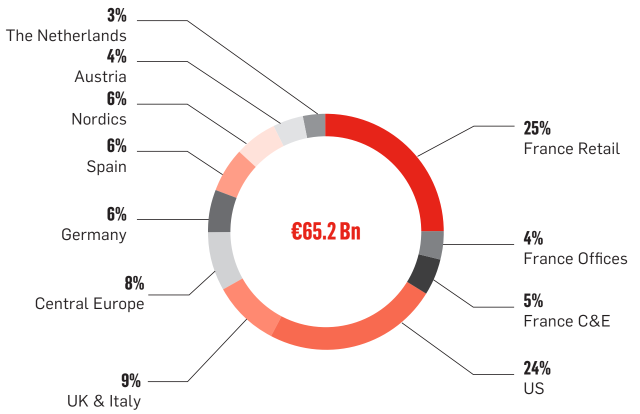
The principal changes in the scope of consolidation since December 31, 2017, were the acquisition of WFD, which has been included since June 1, 2018 and the disposal of four shopping centres in Spain, two office buildings in France (Tour Ariane and Capital 8) and two office buildings in Poland (Skylight and Lumen).

Operational reporting

URW operates in nine regions: France, the United States of America ("US"), Central Europe(2), Spain, the United Kingdom ("UK"), the Nordics, Austria, Germany and The Netherlands. In addition, the Group has significant development projects in two more countries: Italy and Belgium.

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

The chart below shows the split of proportionate Gross Market Value (GMV) per region as at December 31, 2018.



Figures may not add up due to rounding.

4.1.2.2 Business review by segment

Due to the completion of the WFD acquisition on June 7, 2018, URW has been operating as one Group since that date only. Consequently, the Business Review by Segment presented below has been prepared on the basis of UR's perimeter prior to the transaction. While the results from WFD have been included in URW's accounts only since June 1, 2018, a separate section ("Westfield business review") has been added in order to give investors an overview of WFD's most significant business events in 2018. Unless otherwise indicated, all references in following sections are to UR's operations on a stand-alone basis for 2018.

Shopping centres

Unless otherwise indicated, all references to footfall, tenant sales, rents, leases signed, vacancy and occupancy cost ratios relate to the period ended December 31, 2018, and comparisons relate to the same period in 2017.

Shopping centre activity

ECONOMIC ENVIRONMENT

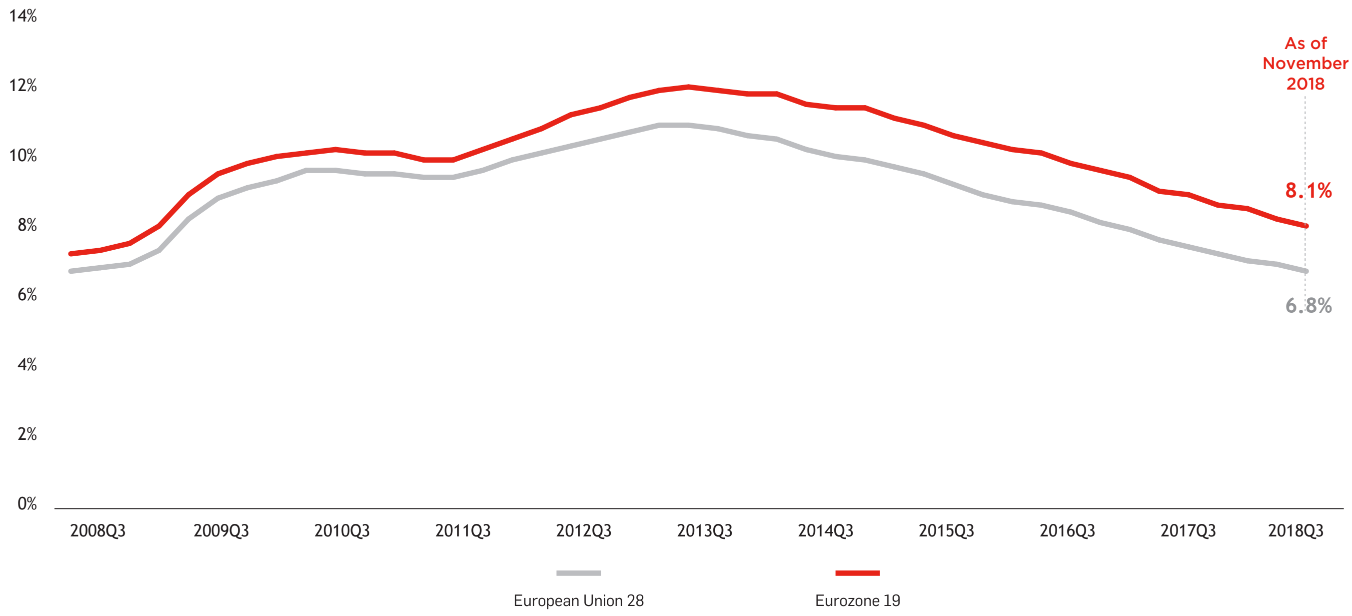
Economic growth in Europe moderated slightly in 2018 compared to 2017, mainly due to the withdrawal of economic stimulus and a slowdown of global trade growth. GDP growth, both for the European Union (EU-28) and the Eurozone-19, is forecast to reach +2.1% in 2018(3), vs. +2.4% in 2017(4). The weighted average forecast for 2018 GDP growth in UR regions is +2.2%. Inflation in 2018 is expected to have reached +2.0% in the EU-28 and +1.8% in the Eurozone-19.

GDP in both the EU-28 and the Eurozone-19 is forecast to grow by +1.9% in 2019. Fading world trade growth is expected to have a dampening effect on growth in general, as will slowing labour market improvements. The key external risks to these forecasts relate to trade and other policies of the US administration, retaliatory tariffs and geopolitical tensions. Within Europe, the principal risks relate to public finances in Italy, Brexit, the European Parliament elections in May 2019, withdrawal of quantitative easing by the European Central Bank and the prospect of higher interest rates.

The EU-28 unemployment rate was 6.7% in November 2018(5), down from 7.3% in November 2017. This is the lowest unemployment rate recorded in the EU-28 since the start of the Eurostat's monthly reports in January 2000. The Eurozone-19 unemployment rate was 7.9% in November 2018, down from 8.7% in November 2017. This is the lowest rate recorded since October 2008.

(1) EPRA Best Pratices Recommendations are available on the EPRA website: www.epra.com
(2) Central Europe includes Ring-Center, accounted for using the equity method.
(3) Source: European Commission, European Economic Forecast, Autumn 2018 (released in November 2018). https://ec.europa.eu/info/sites/info/files/economy-finance/ip089_en_0.pdf
(4) Source: Eurostat, National Accounts Data. http://ec.europa.eu/eurostat/web/national-accounts/data/main-tables
(5) Source: Eurostat, November 2018 (released on January 9, 2019). https://ec.europa.eu/eurostat/documents/2995521/9477410/3-09012019-AP-EN.pdf/1f232ebb-1dcc-4de2-85d1-5765fae86ea8

UNEMPLOYMENT RATES IN THE EU-28 AND THE EUROZONE-19 (2008-2018)



	GDP		Unemployment
Region/Country	2018 Forecast	2017 Actual	November 2018
European Union (EU-28)	**2.1%**	**2.4%**	**6.7%**
Eurozone-19	**2.1%**	**2.4%**	**7.9%**
France	1.7%	2.2% p	8.9%
Czech Republic	3.0%	4.3%	1.9%
Poland	4.8%	4.8%	3.8%
Slovakia	4.0%	3.2%	6.0%
Spain	2.6%	3.1% p	14.7%
Sweden	2.4%	2.1%	6.2%
Finland	2.9%	2.8%	7.1%
Denmark	1.2%	2.3%	4.9%
Austria	2.7%	2.6%	4.7%
Germany	1.7%	2.2%	3.3%
The Netherlands	2.8%	2.9% p	3.5%

p = provisional (flagged by the National Statistical Institutes to signal that data are still being treated or validated).
Sources: European Economic Forecast, Autumn, 2018. Eurostat, National Accounts Data.

FOOTFALL(1)

The number of visits to UR's shopping centres was up by +1.8%. Excluding assets in a disposal process, footfall grew by +2.0%.

In France, footfall grew by +4.1% through November 30, 2018, despite the "yellow vest" demonstrations since mid-November, outperforming the French national footfall index(2) by +556 bps.

Footfall growth in the Nordics (+3.2%), Central Europe (+2.9%) and Spain (+0.9%) was partly offset by a drop in Germany (-1.9%), Austria (-1.4%) and the Netherlands (-1.3%).

(1) *Footfall data do not include Jumbo and Zlote Tarasy as they are not managed by UR. Footfall in UR's shopping centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For the 2018 reporting period, shopping centres excluded due to delivery or ongoing works were Galerie Gaîté, Les Boutiques du Palais, La Part-Dieu, Wroclavia, CH Ursynow, Mall of The Netherlands and Gropius Passagen.*
(2) *Reference is the CNCC (Conseil national des centres commerciaux) index.*

TENANT SALES[1]

Through November 30, 2018, UR's tenant sales increased by +3.0% and by +3.8% for Flagship centres, outperforming the aggregate national sales index[2] by +205 bps and +283 bps, respectively. Excluding assets in a disposal process, UR's tenant sales grew by +3.1%.

Region	Tenant Sales Growth (%) (Nov. 2018)	Performance versus National Sales Index (bps)
France	+3.4	+380
Central Europe	+8.2	+544
Spain	+3.9	+213
Nordics	+2.3	(14)
Austria	(2.0)	(366)
Germany	(0.1)	(148)
TOTAL	**+3.0**	**+205**

- In France, tenant sales increased by +3.4%, outperforming the IFLS index by +380 bps and the CNCC index by +520 bps. The main contributors to sales growth were recent deliveries: Carré Sénart (+38.4%) and Le Forum des Halles (+13.0%). These were partially offset by So Ouest (-4.6%), due to closing of M&S in June 2017 with new tenants in the restructured unit opening only in Q4-2018.
- In Central Europe, tenant sales increased by +8.2%, primarily due to Centrum Chodov (+43.3%) and Aupark (+4.1%). Sales of UR's tenants in Warsaw (Arkadia and Galeria Mokotow) remained stable despite the introduction of the partial Sunday trading ban in Poland in March 2018.
- Spanish tenant sales grew by +3.9% compared to the national sales index at +1.8%. Strong sales increase was recorded in La Vaguada (+9.4%) and Parquesur (+1.5%), while La Maquinista and Splau remained stable.
- In the Nordics, although the performance of fashion and department stores in the region was weak, tenant sales increased by +2.3%, due to an outstanding performance of Mall of Scandinavia (+6.4%).
- In Austria, tenant sales (-2.0%) continued to be impacted by the bankruptcy of a major electronics retailer in December 2017 and a new tenant in that unit opening only in August 2018.
- In Germany, tenant sales remained broadly flat throughout the portfolio.

In terms of sectors, sport (+9.7%), food (+9.6%), dining (+5.7%) and health & beauty (+4.9%) posted the highest sales increases, illustrating the importance of UR's approach to offering visitors a differentiated experience whilst providing a strong convenience offer at the same time and expanding these growth sectors in its shopping centres. Sales of fashion apparel, the sector with the most GLA within UR's shopping centres, remained stable.

Through December 31, 2018, tenant sales in UR's shopping centres increased by +2.7%, compared to the same period in 2017, in part as a result of lower growth in France in December (+0.7%) due to the "yellow vest" protests.

UR'S TOP TEN TENANTS AS A PERCENTAGE OF TOTAL RETAIL RENTS

% of total rents	15.6%
Largest tenant	4.8%
Inditex	
H&M	
Printemps	
Fnac Darty	
Mango	
Vivarte	
Sephora	
Foot Locker Inc	
Ceconomy	
Deichmann	

(1) Tenant sales data do not include Jumbo and Zlote Tarasy as they are not managed by UR. Tenant sales performance in UR's shopping centres (except The Netherlands) in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For the 2018 reporting period, shopping centres excluded due to delivery or ongoing works were Galerie Gaîté, Les Boutiques du Palais, La Part-Dieu, Wroclavia, CH Ursynow and Gropius Passagen. Primark sales are based on estimates.

(2) Based on latest national indices available (year-on-year evolution) as at November 2018: 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 2018), 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.

LEASING

UR signed 1,319 deals (1,431[1]) with a Minimum Guaranteed Rent uplift[2] of +11.7% (+14.4% in Flagship[3] assets) vs. +13.6%[4] in 2017 (+16.8% in Flagship assets).

The rotation rate[5] amounted to 11.5%, above the Group's target of 10.0%.

With a strategy based on differentiation and exclusive retail destinations, UR's leasing teams signed 173 leases[6] in standing assets with International Premium Retailers (IPRs)[7] (vs. 179), whose share in UR's rotation reached 16.4%.

Many leading retailers chose the Group's shopping centres for market entries, including:

- Victoria's Secret in Le Forum des Halles, Parquesur and Bonaire;
- Hugo in Mall of Scandinavia;
- Boggi in Parly 2 and Pasing Arcaden;
- Daniel Wellington in Shopping City Süd and CentrO;
- Snipes in Rosny 2;
- Gant in Donau Zentrum; and
- Decathlon in Shopping City Süd.

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:

- Polo Ralph Lauren in Parly 2;
- Abercrombie & Fitch in Parly 2;
- Mercedes-Benz in Parly 2;
- Scalpers in Amstelveen;
- Monki in Donau Zentrum; and
- Scotch & Soda in Täby Centrum.

Furthermore, UR continued to curate Digital Native Vertical Brands: Daniel Wellington opened four stores in UR's assets in 2018 and NYX Professional Make Up operated 21 stores in UR's portfolio as at December 31, 2018.

Finally, the Group enhanced the cross-fertilization of retailer relationships between the US and Continental Europe in 2018 by accelerating the development of US retailers such as Victoria's Secret, Abercrombie & Fitch, and Polo Ralph Lauren.

Dialogue with the IPRs about global scale has clearly accelerated since the acquisition of Westfield, with a great acceptance by retailers. URW's objective is to capitalize on the benefits of these global discussions with the retailer network in order to further enhance the Group's portfolio and provide customers with a unique appeal. The Group will rename IPRs "Influencer Brands" from 2019 which will consist of unique retailers that will have a positive impact on URW's shopping centres in the future.

COMMERCIAL PARTNERSHIPS[8]

Commercial Partnerships' gross revenues amounted to €44.7 Mn (+6%), driven by double digit media income growth in most regions. Major highlights include:

- accelerated deployment of large digital screens in Central Europe and Austria with seven new screens;
- successful organization of Christmas markets across Continental Europe, with 27 markets in total, the largest one in CentrO attracting two million visitors;
- new experiential spaces, *e.g.* in Le Forum des Halles with three new spaces. The first activations included the 70th anniversary of Scrabble and the Iberia art exhibition "Destination 131".

DESTINATIONS AND INNOVATION

The roll-out of destination concepts continued, including:

- Fresh!: the Group's second Fresh! opened in November in Mall of The Netherlands, with a buy & eat food market of 2,500 sqm combining the best local high street concepts and a programme of culinary events;
- The Family Experience: a fourth Family Experience was launched in October in Arkadia, with a 1,000 sqm external playground.

URW Link initiated a pilot project with Too Good To Go: following a successful PoC (Proof of Concept) in Euralille, a partnership was signed for the entire French portfolio to tackle the issue of unsold food items. The objective is to save at least 50,000 meals in 2019.

In addition, URW Link also signed partnerships with start-ups incubated in previous years such as:

- Sous les Fraises: following its participation in the URW Link programme in 2016, it opened the first urban farm of 270 sqm on the roof of So Ouest, which has already produced and sold locally more than one ton of fruits and vegetables;

(1) On a proportionate basis. The number of leases signed on standing assets based on the IFRS perimeter was 1,350 in 2017.
(2) Minimum Guaranteed Rent (MGR) uplift: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.
(3) UR'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, Mall of The Netherlands, Ruhr Park, Gropius Passagen, CentrO and Pasing Arcaden.
(4) On a proportionate basis. The MGR uplift based on the IFRS perimeter was +14.7% in 2017.
(5) Rotation rate: (number of re-lettings and number of assignments and renewals with new concepts)/number of stores. Short term leases are excluded.
(6) Excluding pipeline.
(7) IPR: retailer with strong and international brand recognition and a differentiating store design and product approach, which UR believes will increase the appeal of the shopping centres.
(8) Previously "Brand Events". Commercial Partnerships include: media (digital and non-digital), retail (kiosks, pop-ups, seasonal markets), brand experience (experiential, brand partnerships) and others (vending machines and tax refunds).

- PHENIX: after successful tests in Les Quatre Temps and Aéroville, PHENIX will operate permanently in Rosny 2, in order to substantially increase the treatment rate of waste by applying circular economy principles.

Lastly, a partnership with Uber is being tested in Le Forum des Halles, with ten parking spots dedicated to charging Uber Green cars (electric vehicles).

MARKETING AND DIGITAL

UR's efforts have been focused on pursuing the customer engagement strategy through experiential events, stronger loyalty card enrollment and an active CRM strategy.

Events

UR partnered with Disney to celebrate the 90th Mickey Mouse anniversary across 18 assets in eight countries. Activations included an interactive exhibition and a Hidden Mickey Treasure Hunt, which attracted more than 58,000 participants and more than 13,500 new loyalty program members.

UR organized also a number of Christmas events across Europe:

- Centrum Chodov invited the BAFTA winner Bill Nighy for the *Love Actually* themed Christmas light-up show;
- Parly 2 turned on its Christmas lights with Anaïs Delva, the French voice of Elsa from Disney's *Frozen*, with a +25% footfall impact;
- Amstelveen hosted a Christmas Parade attended by 55,000 people (the busiest day in the history of the centre). It was also broadcast on national TV;
- Donau Zentrum turned on Christmas lights with a performance of a children's choir and local rising star Rose May Alaba, with a +10% footfall impact.

Digital marketing

UR's loyalty programme reached seven million members, with three million new customers signed up in 2018. 95% of the new members came through digital (websites, apps and wifi).

In 2018, UR's digital channels generated 74 million interactions with:

- 53 million web sessions (stable);
- 21 million app sessions (8.9 million).

UR also reached a new milestone of its "engaging the visitor" strategy, with the goal to better target visitors by providing them with a personalized content based on their interests and shops visited. 63 shopping centres have now been equipped with the Salesforce CRM solution (37 as at December 31, 2017) to facilitate email campaigns, achieving an opening rate of 22.8% (vs. the retail benchmark of 20%) and a click rate of 3.6% (vs. 2.5%).

Relying on start-ups (Wifit Media, Captain Wallet), specialists (Orange, Google Pay) and in-house capabilities, geofenced communication was successfully tested at the end of 2018 and will be rolled out throughout Europe in 2019.

A deal was signed with Playplay, a French start-up specialized in easy video production. UR also signed a deal with the Conde Nast Group, to provide exclusive and curated content on the latest fashion, beauty, and design trends. The tailor-made articles and videos can be displayed on UR's websites, apps, emails and social media channels. Following tests in France, Spain and the Czech Republic in H2-2018 and Q1-2019, they will be rolled-out in other markets if customer engagement figures prove successful.

— *Net Rental Income*

Total consolidated Net Rental Income (NRI) of the shopping centre portfolio amounted to €1,465.8 Mn, an increase of +4.7%, mainly due to a strong like-for-like growth of +4.0% and the positive impact of deliveries in Central Europe, France and Spain. Excluding assets in a disposal process, NRI increased by +5.1% and +4.4% on a like-for-like basis.

	Net Rental Income *(€Mn)*			
	Proportionate			
Region	2018	2017	*(%)*	IFRS 2017
France	651.1	618.1	5.3%	609.8
Central Europe	211.6	173.9	21.7%	172.4
Spain	155.5	161.3	-3.6%	161.0
Nordics	141.5	145.8	-2.9%	145.8
Austria	107.6	103.2	4.3%	103.2
Germany	139.6	136.0	2.7%	92.6
The Netherlands	59.0	61.7	-4.4%	61.7
TOTAL NRI	**1,465.8**	**1,399.9**	**4.7%**	**1,346.4**

Figures may not add up due to rounding.

The total net change in NRI amounted to +€65.9 Mn due to:

- +€39.5 Mn from the delivery of shopping centres or new units, predominantly in Central Europe (Wroclavia, Centrum Chodov and Arkadia), France (mainly the Carré Sénart and Parly 2 extensions and new units in Les Quatre Temps) and Spain (Glòries) in H2-2017;
- +€9.7 Mn from the acquisition of additional units, mainly in Central Europe, Spain and France;
- -€3.1 Mn due to assets moved to the pipeline, mainly in France, The Netherlands and Austria;
- -€6.6 Mn due to a negative currency translation effect from SEK;
- -€23.3 Mn due to disposals of assets, mainly in Spain (Barnasud in 2017 and El Faro, Bahia Sur, Los Arcos and Vallsur in July 2018), France (the Channel Outlet Stores and L'Usine Roubaix in 2017) and the Nordics (Eurostop Arlanda, Arninge Centrum and Eurostop Örebro in 2017);
- +€49.7 Mn of like-for-like growth. This +4.0% like-for-like NRI(1) growth exceeded indexation by +260 bps.

	Net Rental Income *(€Mn)* Like-for-like		
Region	**2018**	2017	(%)
France	549.8	526.1	4.5%
Central Europe	168.7	159.9	5.5%
Spain	133.1	129.4	2.8%
Nordics	147.5	140.6	4.9%
Austria	102.5	97.7	4.9%
Germany	139.6	136.0	2.7%
The Netherlands	48.2	50.0	-3.5%
TOTAL NRI LFL	**1,289.3**	**1,239.6**	**4.0%**

Figures may not add up due to rounding.

	Net Rental Income Like-for-like evolution *(%)*			
Region	Indexation	Renewals, relettings net of departure	Other	Total
France	1.1%	1.2%	2.2%	4.5%
Central Europe	1.8%	2.1%	1.7%	5.5%
Spain	1.5%	2.6%	-1.2%	2.8%
Nordics	2.1%	1.4%	1.4%	4.9%
Austria	2.3%	0.6%	2.0%	4.9%
Germany	1.0%	-0.3%	1.9%	2.7%
The Netherlands	1.0%	2.2%	-6.8%	-3.5%
TOTAL	**1.4%**	**1.3%**	**1.3%**	**4.0%**

Figures may not add up due to rounding.

The +4.0% like-for-like NRI growth (+5.0% for Flagships) reflects a doubling of indexation (+1.4%) vs. 2017, as well as the growth of +1.3% in renewals and relettings and "Other". "Other" in France was +2.2%, as a result of reversal of provisions for doubtful debtors. The increase in "Other" in Central Europe resulted from higher Sales Based Rents (SBR) and Specialty leasing income, in Austria from lower non-rechargeable expenses, and in Germany from indemnities. In The Netherlands, the -6.8% in "Other" is due to the booking of provisions for doubtful debtors.

Across the portfolio, SBR represented 2.6% (€38.1 Mn) of NRI, vs. 2.9%(2) (€41.0 Mn) in 2017, a decrease mainly due to the settlement in 2017 of higher than expected SBR in the Nordics, Spain and Germany.

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

(2) On a proportionate basis. The SBR represented 3.0% in 2017 based on IFRS.

— *Leasing activity in 2018*

UR signed 1,319 leases on standing assets for €198.6 Mn of MGR, a slight decline vs. 2017 (1,431[(1)]), as some negotiations with retailers take more time, although the leasing pace accelerated in Q4. The MGR uplift on renewals and relettings was +11.7% (+13.6%)[(2)], in line with the target for the period. This uplift was primarily due to a strong reversion in Spain and France, partially offset by the limited uplifts in the Nordics, The Netherlands and Germany. The MGR uplift was +12.3% excluding assets in a disposal process, and +14.4% (+16.8%) in Flagship assets.

	Lettings/re-lettings/renewals excl. Pipeline				
				MGR uplift	
Region	nb of leases signed	sqm	MGR *(€Mn)*	*(€Mn)*	*(%)*
France	424	128,390	79.4	9.7	16.6%
Central Europe	265	69,459	31.7	3.0	11.4%
Spain	190	79,231	26.0	2.8	17.8%
Nordics	182	67,415	24.4	-	0.1%
Austria	93	25,211	13.0	1.4	12.6%
Germany	118	32,425	19.5	0.7	4.5%
The Netherlands	47	12,870	4.6	0.1	1.7%
TOTAL	**1,319**	**415,001**	**198.6**	**17.6**	**11.7%**

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, 2018, the total annualized MGR from UR's shopping centre portfolio increased to €1,501.0 Mn (€1,489.5[(3)] Mn as at December 31, 2017).

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	43.2	2.9%	42.5	2.8%
2019	278.1	18.5%	131.2	8.7%
2020	306.4	20.4%	130.2	8.7%
2021	291.8	19.4%	125.7	8.4%
2022	213.0	14.2%	190.4	12.7%
2023	127.4	8.5%	159.6	10.6%
2024	50.0	3.3%	90.6	6.0%
2025	53.6	3.6%	132.8	8.8%
2026	29.0	1.9%	105.9	7.1%
2027	19.5	1.3%	100.4	6.7%
2028	23.9	1.6%	81.9	5.5%
2029	8.5	0.6%	32.5	2.2%
Beyond	56.6	3.8%	177.2	11.8%
TOTAL	**1,501.0**	**100%**	**1,501.0**	**100%**

Figures may not add up due to rounding.

(1) On a proportionate basis. The number of leases signed on standing assets based on IFRS was 1,350 in 2017.
(2) On a proportionate basis. The MGR uplift based on IFRS was +14.7% in 2017.
(3) On a proportionate basis. The total annualized MGR based on IFRS was €1,341.2 Mn as at December 31, 2017.

The Estimated Rental Values (ERV) of vacant space in operation in the portfolio decreased to €42.0 Mn (from €45.5[1] Mn as at December 31, 2017).

The EPRA vacancy rate[2] decreased to 2.4% as at December 31, 2018 (2.6%)[3]. The decrease is mainly due to The Netherlands, the Nordics (lettings in Täby Centrum, Solna and Nacka), France (lettings in Le Forum des Halles, Parly 2, Vélizy 2 and Lyon Confluence) and Germany. The increase of vacancy in Central Europe was due primarily to the eviction of a number of tenants and some bankruptcies, though vacancy remains at very low levels.

	Vacancy			
	Proportionate			IFRS
	December 31, 2018			
Region	(€Mn)	(%)	% December 31, 2017	% December 31, 2017
France	19.8	2.6%	2.8%	2.8%
Central Europe	2.7	1.2%	0.4%	0.4%
Spain	1.8	0.9%	1.0%	1.0%
Nordics	4.7	3.1%	4.2%	4.2%
Austria	1.1	0.9%	1.0%	1.0%
Germany	8.9	3.8%	4.0%	2.6%
The Netherlands	3.1	5.1%	6.5%	6.5%
TOTAL	**42.0**	**2.4%**	**2.6%**	**2.4%**

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

The OCR[4] was 15.5% (15.2%)[5].

	OCR		
	Proportionate		IFRS
Region	2018	2017	2017
France	15.8%	15.5%	15.4%
Central Europe	15.4%	15.6%	16.4%
Spain	13.6%	13.1%	13.1%
Nordics	15.2%	15.4%	15.4%
Austria	17.1%	16.7%	16.7%
Germany	15.6%	15.3%	13.6%
The Netherlands*	-	-	-
TOTAL	**15.5%**	**15.2%**	**15.1%**

* *Tenant sales not available in The Netherlands.*

(1) *On a proportionate basis. The ERV of vacant space in operation on the total portfolio based on IFRS was €37.8 Mn in 2017.*
(2) *EPRA vacancy rate: Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.*
(3) *On a proportionate basis. The EPRA vacancy rate based on the IFRS perimeter was 2.4% as at December 31, 2017.*
(4) *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 are estimates.*
(5) *On a proportionate basis. The OCR based on IFRS was 15.1% as at December 31, 2017.*

— *Average rent/sqm and Appraisers' view on NRI Growth*

The table below contains quantitative data used by UR's appraisers, and disclosed in the *"Property portfolio and Net Asset Value"* note.

Shopping centres – December 31, 2018		Rent (€ per sqm)(1)	CAGR of NRI(2)
France	Max	896	13.9%
	Min	162	2.0%
	Weighted average	514	4.1%
Central Europe	Max	602	3.0%
	Min	140	2.1%
	Weighted average	384	2.6%
Spain	Max	547	3.8%
	Min	128	1.4%
	Weighted average	346	3.3%
Nordics	Max	468	3.6%
	Min	184	2.6%
	Weighted average	374	3.1%
Germany	Max	480	3.8%
	Min	159	2.0%
	Weighted average	302	3.0%
Austria	Max	406	3.0%
	Min	376	2.4%
	Weighted average	390	2.7%
The Netherlands	Max	405	3.4%
	Min	168	2.4%
	Weighted average	270	2.6%
UNIBAIL-RODAMCO	**Max**	**896**	**13.9%**
	Min	**128**	**1.4%**
	Weighted average	**405**	**3.4%**

(1) Average annual rent (minimum guaranteed rent + sales based rent) per asset per sqm.
(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).

— Offices

— *Office property market in 2018*

Unless otherwise indicated, all references to take-up, vacancy, investment transaction, rents and leasing relate to the period ended December 31, 2018, and comparisons relate to the same period in 2017.

TAKE-UP

After a very strong performance in 2017, the take-up at the end of 2018 in the Paris region was down by -5% to 2.5 million sqm(1), in line with the 10-year average.

The Inner Paris sector remains the most dynamic sector with 41.5% of the total take-up at 1,038,000 sqm, including 458,500 sqm in the Paris Central Business District (CBD), down slightly compared to last year but +15% above the 10-year average.

The La Défense market saw a take-up of 135,000 sqm (-24%), due to a lack of major transactions.

AVAILABLE SUPPLY

For the first time since 2008, the immediate supply in the Paris Region stood below 3 million sqm at 2.9 million sqm, of which only 23% was new or refurbished as new and only 6% in La Défense.

The vacancy rate(2) in the Paris region decreased further to 5.5% (6.5%).

Differences remain significant between sub-markets, with Paris CBD and La Défense well below the average at 1.5% and 4.6%, respectively.

RENTAL VALUES

Rental values remained at a high level in the Paris Region, especially in the Paris CBD, where prime rents stood at around €850/sqm (and the Lazard transaction at €840/sqm on 175 boulevard Haussmann, for 10,563 sqm).

In the La Défense market, prime rents did not exceed €530/sqm (MSD signed on Carré Michelet, a refurbished as new building, for 9,900 sqm). Nevertheless, prime rents may increase in 2019 with the delivery of prime new buildings and face rents expected to be signed between €550 and €580/sqm.

The average level of incentives for new building lettings in the Paris Region decreased to 20% in Q4-2018, compared to 21% in the same period last year. In Paris CBD, lease incentives decreased from 16% to 14%, and in La Défense from 28% to 23%.

INVESTMENT MARKET

The total completed volume of transactions in the Paris region increased by almost +12% to €19.1(3) Bn (€17.1 Bn) as a result of strong investor appetite for Paris offices for the fourth consecutive year.

This volume was driven by €10.9 Bn of transactions in H2, compared to €8.1 Bn in H1.

55 large transactions (over €100 Mn) were recorded (45). Large transactions accounted for approximately two-thirds of total investments. The largest transactions in 2018 were:

- Capital 8 and 54-56 rue La Boétie in Paris 8th;
- Kosmo in Neuilly-sur-Seine; and
- Windows, Tour Ariane and Tour Pacific in La Défense.

European investors, primarily investment funds, insurance companies and SCPIs, drove the market in 2018, as in 2017.

Strong demand, ample availability of financing and limited supply of high quality office buildings continued to compress yields for prime office assets. In La Défense, prime yields fell by about 25 bps to around 4.00%, and prime yields in Paris CBD fell by about 25 bps to around 3.00%.

— *Office division activity in 2018*

Consolidated NRI amounted to €134.3 Mn, a -4.6% decrease due primarily to the impact of disposals in 2017 and 2018, partially offset by good leasing activity.

	Net Rental Income *(€Mn)*		
Region	**2018**	2017	%
France	117.7	123.6	-4.8%
Nordics	11.0	12.4	-11.1%
Other countries	5.6	4.9	16.1%
TOTAL NRI	**134.3**	**140.8**	**-4.6%**

Figures may not add up due to rounding.

The decrease of -€6.5 Mn breaks down as follows:

- -€9.5 Mn mainly due to the impact of disposals in 2017 (So Ouest Plaza in October and the Arlanda hotel in the Nordics in August) and 2018 (Capital 8 in November and Tour Ariane in December);
- -€0.7 Mn due to currency effects in Sweden;
- -€0.4 Mn due to assets moved to pipeline in France;
- +€0.4 Mn mainly due to the delivery of the Wroclavia offices in Q4-2017;
- the like-for-like NRI growth was +€3.7 Mn (+4.5%) mainly due to good leasing performance and the reversal of provisions for doubtful debtors and litigation.

(1) Source: Immostat.
(2) Source: BNP Paribas Immobilier.
(3) Source: Cushman & Wakefield.

Region	Net Rental Income *(€Mn)* Like-for-like 2018	2017	%
France	69.6	67.1	3.7%
Nordics	11.7	10.9	7.3%
Other countries	5.1	4.6	9.6%
TOTAL NRI LFL	**86.3**	**82.6**	**4.5%**

Figures may not add up due to rounding.

31,030 weighted square meters (wsqm) were leased in standing assets, including 10,879 in France and 12,012 in the Nordics (renewals and relettings in Täby Centrum and Solna).

In addition, a lease agreement with Nestlé for the entire 43,293 sqm Shift building was signed in H1-2018.

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

	Lease expiry schedule			
Office	MGR *(€Mn)* at date of next break option	As a % of total	MGR *(€Mn)* at expiry date	As a % of total
Expired	1.0	0.9%	0.9	0.8%
2019	29.2	25.7%	19.9	17.5%
2020	7.6	6.7%	4.8	4.2%
2021	6.4	5.7%	3.8	3.3%
2022	7.7	6.8%	7.3	6.4%
2023	2.9	2.5%	4.9	4.3%
2024	0.6	0.5%	0.6	0.5%
2025	32.0	28.1%	7.0	6.2%
2026	3.0	2.6%	2.6	2.3%
2027	0.7	0.6%	11.8	10.4%
2028	13.1	11.5%	33.1	29.1%
2029	8.0	7.0%	13.3	11.7%
Beyond	1.7	1.5%	3.6	3.2%
TOTAL	**113.7**	**100%**	**113.7**	**100%**

Figures may not add up due to rounding.

The ERV of vacant office space in operation amounted to €5.5 Mn as at December 31, 2018, corresponding to a financial vacancy[1] of 4.4% (4.6%), of which €2.9 Mn or 2.9% (3.3%) in France. The decrease in France is mainly due to the disposal of Tour Ariane and the restructuring in Le Sextant (asset moved to the pipeline), partially offset by newly vacant units in Les Villages and the impact of the acquisition of Rosny 2 offices.

— Convention & Exhibition

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

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

2018 was characterized by the following shows:

— *Annual shows*

- The 55th edition of the International Agriculture show ("SIA") attracted 672,600 visitors, +9% vs. 2017;
- The 3rd edition of Vivatech attracted over 100,000 visitors (+47% vs. 2017) of more than 125 nationalities.

— *Biennial shows*

- The 26th edition of Eurosatory, the Land and Airland Defence and Security Exhibition, attracted 57,000 visitors. With 1,802 exhibitors (+15% compared to 2016), it maintained its position as the leading international exhibition in its field;
- SIAL, the European leader in the food sector, was a success in October in Paris Nord Villepinte with 310,000 visitors (+100% vs. the 2016 edition);
- In spite of a shorter duration of the show (from 16 to 11 days), the 120th edition of the Mondial Paris Motor Show at Paris Expo Porte de Versailles attracted more than one million visitors and remains the most visited automobile event in the world.

(1) EPRA Vacancy rate = Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.

— *Triennial show*

- One of the world's leading shows, the International Exhibition for Equipment and Techniques for Construction and Materials Industries ("INTERMAT") attracted more than 173,000 visitors, including 30% from outside France from 160 countries.

Following the opening of the Paris Convention Centre in H2-2017, several large corporate events took place in 2018, including the Google Cloud Summit and Microsoft Tech Summit.

In the Congress segment, the Paris Convention Centre hosted the annual EASL (European Association for Study of the Liver) congress, which attracted ca. 10,000 delegates and 250 media representatives from all over the world. The ISMRM (International Society for Magnetic Resonance in Medicine) congress welcomed 7,000 professionals, +20% vs. the 2017 edition in Hawaii, and the ERS (European Respiratory Society) congress gathered 22,800 delegates (+3% vs. 2017 in Milano). The EADV (European Academy of Dermatology and Venereology) congress held in Palais des Congrès de Paris welcomed 13,000 delegates (record session), +19% vs. 2017 in Geneva.

In total, 721 events were held in Viparis venues during 2018, of which 259 shows, 90 congresses and 372 corporate events.

Viparis's EBITDA[1] came to €160.9 Mn, an increase of +€8.8 Mn (+5.8%) compared to 2016. Adjusted for the impact of the triennial Intermat exhibition, growth was +0.7%.

The second phase (2017-2019) of renovation works on the Porte de Versailles site continued, with the construction of the new Pavilion 6 and two new hotels (Novotel & Mama Shelter) scheduled to open in H2-2019.

The NRI from hotels amounted to €6.1 Mn (€11.6 Mn in 2017), mainly due to the closure in August 2017 of the Pullman Montparnasse hotel for renovation works.

— Westfield business review

This section provides an overview of the most significant business events for WFD in 2018. While the Group's accounts reflect WFD's activity only from June 1, 2018, in this section references are to events over the entire 12-month period ended December 31, 2018, and unless otherwise indicated, all references to tenant sales, rents, leases signed, vacancy and occupancy cost ratios relate to the period ended December 31, 2018, and comparisons relate to the same period in 2017.

— *United States*

ECONOMIC ENVIRONMENT

US macro-economic indicators continued to be robust. The estimated full year 2018 US GDP growth[2] is +3.1% (+2.2%). The inflation rate[3](CPI) was +2.2% (1.8%). The unemployment rate[3] at the end of December 2018 was 3.9%. The University of Michigan Consumer Sentiment Index averaged 98.4 in 2018, the best year since 2000, although in December, for the first time in two years, respondents reported more negative than positive news about job prospects. GDP growth for 2019 is expected to be +2.2%[4]. The principal uncertainties for the economic outlook relate to the ongoing trade disputes, the effect of the US government shutdown, the diminishing impact of the Tax Cuts and Jobs Act of 2017 and political uncertainties.

Retail sales growth, including e-commerce[5], was strong at +4.6% through November 2018, compared to the same period in 2017.

TENANT SALES

Total tenant sales increased by +7.0% through November 2018, outperforming the Census Bureau index for the same period by +240 bps.

Total tenant sales in 2018 increased by +5.7%, of which +9.3% for the Flagships and -1.6% for the Regionals. Specialty tenant sales increased by +9.9% and, on a per square foot (psf) basis, by +10.9% to $748 psf. Flagships increased by +12.0% to $926 psf, and Regionals by +4.4% to $486 psf. Luxury sales were strong, up by +15.2% psf.

US TOP 10 TENANTS AS A PERCENTAGE OF TOTAL RETAIL RENTS

% of total rents	14.8%
Largest tenant	2.1%
Victoria's Secret	
H&M	
AMC	
Zara	
Express	
Macy's	
Forever 21	
Sephora	
Apple	
American Eagle Outfitters	

(1) EBITDA (Viparis): "Net rental income" and "Other site property services net income", on a proportionate basis.
(2) Source: Congressional Budget Office.
(3) Source: US Bureau of Labor Statistics.
(4) Source: Conference Board Economic Forecast for the US economy. January 9, 2019.
(5) Source: US Census Bureau, excluding gasoline.

LEASING

1,004 leases were signed in 2018 on standing assets, representing 3.2 million sq. ft and $159.9 Mn of MGR. This represented an increase of +2% in deal volume and +13% in square footage.

The average rental spreads[(1)] were +7.5%, of which +11.5% for Flagships and -1.6% for Regionals. In addition, the Group continued to diversify the tenant mix, with 72% of the new deals in non-fashion categories.

The Group signed high profile retailers, including many firsts to the US market and/or firsts to URW's portfolio, including:

- Hotel Chocolat's first store in the US (Westfield Garden State Plaza);
- Warby Parker's first store in a shopping centre in the New York metropolitan area (Westfield Garden State Plaza);
- Innisfree, #1 Korean cosmetics brand (Westfield World Trade Center and Westfield Garden State Plaza);
- Riley Rose (Westfield Culver City, Westfield Garden State Plaza, Westfield Southcenter, and Westfield Topanga);
- Rituals (Westfield Garden State Plaza, Westfield San Francisco Centre, Westfield Valley Fair and Westfield UTC);
- Del Frisco Double Eagle Restaurants (Westfield Century City and Westfield Valley Fair);
- Tesla (Westfield Roseville and Westfield Fashion Square);
- Gloveworx's (a boxing studio) first New York City location (Westfield World Trade Center);
- Dreamscape's first store (Westfield Century City);
- Honey Birdette, an Australian lingerie retailer, first store in the US (Westfield Century City);
- Volcom (Westfield Century City);
- Hermès (Westfield UTC).

The signings with Rituals are the first results of the cross-fertilization of European and US retailers by the Group's International Leasing team.

URW signed a new two-level flagship Apple store in Westfield Valley Fair. The indoor/outdoor location will feature a spectacular facade facing the new outdoor dining precinct.

URW has already opened 58 stores for 22 Digitally Native Vertical Brands (DNVBs) in the US, with a further 7 stores opening soon. These stores include Amazon kiosks and Amazon Books (10 locations), NYX (8), Peloton (6), UNTUCKit (4), Bonobos (3) and Warby Parker (3). In 2018, DVNBs signed 25 leases with URW.

As online players explore new growth opportunities, going offline is the logical path to follow. Not only does it enable such companies to better display and demonstrate their products, it also grows brand awareness and offers a way to engage more effectively with a massive crowd of prospects and actual customers. As they do online, DNVBs are seeking high footfall locations that help them increase their brand awareness while generating a significant level of sales and, more importantly, help them operate in a physical environment.

Pursuant to URW's focus on innovation, Westfield Valley Fair, located in the heart of the world's innovation and tech hub, will offer an "Emerging DNVBs" precinct. The Group will provide white-boxed and ready to operate units with a list of "à la carte" services ranging from utilities to POS systems and staff, enabling those up and coming offline brands to focus on what matters most to them. In addition, the Group's shopping centre management teams will be supporting them from start to finish by providing insights on the trade area and customer base, advice on store operations and marketing packages to get off with a great start.

COMMERCIAL PARTNERSHIPS

Brand ventures, media and specialty leasing revenues amounted to $83.0 Mn, +16.6%. This was primarily driven by increased media income following the launch of a digital media screen network in 2017 throughout the Flagship centres. Significant events included:

- Louis Vuitton showcasing rare and celebrated objects from the Louis Vuitton archive at Westfield Century City. The installation was a testimony to the ways in which the iconic brand has anticipated changing needs and desires for the past 160 years;
- Pop-up retail at Westfield Century City continued to gain momentum in 2018 with marquee brands including the first global physical retail Monrow, Maison Margiela Fragrance and Kim Kardashian West's first-ever KKW Beauty pop-up shop selling cosmetics, beauty and skincare products. Kylie Jenner took her Kylie Cosmetics brand offline and opened her first-ever pop-up shop at Westfield Topanga.

(1) For the US portfolio, the rental spread reflects the average increase in total rents, including base rents and common area maintenance charges.

MARKETING AND DIGITAL

Key highlights of the US marketing and digital programmes include:

- The 2018 holiday marketing campaign positioned Westfield shopping centres as unique retail destinations for gifting, and celebrations such as private Cocoa with Santa, tree lighting, and Nutcracker performances. At Westfield World Trade Center, the popular Holiday Market at the Oculus returned, bringing together over 20 curated retail kiosks, a programmed stage with music, kids entertainment and engaging photo moments.
- Amazon kicked-off the holiday shopping season at Westfield Century City with a 5-day 8,000 square foot program in The Atrium aimed at educating consumers about their Fire TV products. Over 26,000 shoppers went through the experience which featured multiple interactive consumer activities, including a backyard cinema club, influencer workshops, product demos, a gift wrap shop, outdoor games and photo opportunities. The Amazon store beat their plan, selling out and restocking products several times.
- Nicki Minaj performed a special exclusive show at Westfield World Trade Center in August before 2,000 super fans as part of the 2018 MTV Video Music Awards – where Minaj took home the Best Hip Hop Video Award.
- On the Digital front, the audience on URW's US channels increased significantly with higher visitation and engagement, resulting in:
  - 18.2 million web sessions (16.2 million) for 10.4 million users (+11%);
  - 660,000 app sessions (268,000) by 75,000 users (+146%);
  - 170,000 new email subscribers since July 2018;
  - 44 million page views (+9%) with an average time per user session increasing by +12%.

EXTENSIONS AND RENOVATIONS

Westfield Century City: the centre performed strongly, with annual foot traffic of 17.7 million in 2018. Key food destinations, Eataly and Javier's, did exceptionally well with Eataly opening their rooftop terrace late in March 2018. Other key openings in 2018 included Din Tai Fung (a 10,800 sq. ft restaurant) in March, St. Marc (an 8,000 sq. ft restaurant) in April, Adidas (8,690 sq. ft) in August, Anthropologie (20,000 sq. ft) in October and Dreamscape (7,820 sq. ft) in December. Del Frisco's Double Eagle Steakhouse opened in February 2019.

Westfield UTC: the extension opened in November 2017 and generated strong sales in 2018: total centre sales increased by +31%. Further key food operators opened in "The Pointe", the restaurant precinct, including the 9,900 sq. ft Din Tai Fung and the 8,900 sq. ft Javier's.

Palisade at Westfield UTC: construction works of the Group's first US residential development of 300 apartments continued to progress toward the planned completion in Q3-2019. The structure topping out was completed in October 2018. Marketing to lease the residential units will begin in Q1-2019.

Westfield Valley Fair: construction continued to progress well on the extension. The renovation of the existing centre was completed in October 2018 and the ShowPlace ICON Theatre opened on January 18, 2019. Apple will open a new store which will anchor the extension. The new flagship will be located just a few miles from Apple's headquarters. Despite being under construction, the centre continues to perform well with strong sales growth in 2018 (+4.0%).

Westfield World Trade Center: important site-wide improvements (*e.g.*, the delivery of the 1 Subway line station in September 2018) are continuing. The Performing Arts Center has plans to commence construction in 2019 for an opening by 2022. Overall, Westfield Word Trade Center saw tenant sales growth of +16.0%. Rebag, a luxury handbag retailer and consignment store, opened its first location in a shopping centre in the US.

Westfield Garden State Plaza: the renovation of the centre, which included the addition of new digital media screens, was completed in September 2018. Specialty sales at Westfield Garden State Plaza were up by +7.9% in 2018. Works to transform the almost 17,000 sqm JC Penney unit purchased in 2017 into a number of specialty retailers and mini-majors are expected to start in H1-2019.

Westfield Valencia: renovation of the common areas was launched in Q4-2018, with an expected completion in Q4-2019.

NET OPERATING INCOME

Net Operating Income (NOI)(1) increased by +3.1% to $581.7 Mn, primarily due to the deliveries of the Westfield Century City and Westfield UTC extensions and renovations, which collectively account for 12% of the NOI. Comparable NOI, excluding termination income and exceptional items, declined by -1.6%, of which -0.3% in the Flagships, compared to -3.0% and -2.6%, respectively, for the period to June 30, 2018. Westfield Century City, Westfield UTC and Westfield Valley Fair are excluded from the comparable NOI.

Occupancy(2) of the US portfolio ended the year at 95.6%, stable compared to the prior year, but 130 bps above the occupancy as at June 30, 2018. As at December 31, 2018, occupancy of the Flagship and Regional portfolios was 96.2% and 94.8%, respectively, compared to 95.5% and 92.7% as at June 30, 2018, an increase of +70 bps and +210 bps, respectively.

The Occupancy Cost Ratio(3) for specialty stores was down by -100 bps to 13.4%, of which 13.4% for the Flagships and 13.5% for the Regionals.

4.

(1) NOI: Net Operating Income before management fees, termination/settlement income and straight-line adjustments, and excluding one-offs.
(2) Vacancy based on unleased space on a square foot basis, excluding development space, and including temporary leasing.
(3) Calculated for tenants with <20 K sq. ft of space. Occupancy cost is based on total rent, including common area maintenance charges.

AVERAGE RENT PSF

Average specialty store[1] rent was $86.66 psf as at December 31, 2018, an increase of +$3.27 (+3.9%) over the prior year. The increase in the Flagship portfolio was +$4.50 (+4.4%) to $106.63 psf, while the Regional portfolio saw a decrease of -$0.62 (-1.1%) to $54.97 psf, driven by lower rents on renewals, particularly on short-term renewals.

— *United Kingdom*

ECONOMIC ENVIRONMENT

The economy continued to show positive growth, albeit more slowly than last year. Overall GDP growth is expected to reach +1.5% in 2018 (vs. +1.8% in 2017). The unemployment rate as at November 2018 stood at its lowest level since 1975 at 4.0%, -0.3% lower than December 2017. The key variable for the forecasts is the on-going Brexit process. It is unclear under what conditions the UK will leave the European Union in March 2019. Political uncertainty also remains high.

FOOTFALL

Footfall was up by +6.1%, driven by the opening of the extension of Westfield London in March 2018 (+9.8%), whilst Westfield Stratford City was also up (+4.1%), largely due to increased traffic to events at the London Stadium and Queen Elizabeth Olympic Park. The UK shopping centre index[2] was -3.2%. Westfield Stratford City surpassed 50 million annual customer visits for the first time, reaching a total of over 51 million visits.

TENANT SALES

Overall tenant sales in the UK centres were up by +2.8%, particularly reflecting growth of +8.6% at Westfield London driven by the opening of the Phase 2 extension. Strong growth in sport (+6.8%) and dining (+4.5%) was partly offset by a decline in bags, footwear and accessories (-6.3%). For the period to November 2018, tenant sales were up by +2.7%, 547 bps above the market[3]. For specialty tenants, sales psf decreased by -2.9% to £946 psf in 2018, largely driven by the impact of the larger stores in and tenant relocations to Westfield London Phase 2.

LEASING ACTIVITY, OCCUPANCY AND NRI

113 leases were signed (150), a decrease primarily due to the timing of the rent review cycle at Westfield Stratford City and the lease renewal cycle at Westfield London. The average MGR uplift was +19.8%. In addition, 53 leases were signed for Westfield London Phase 2.

Chinese brands Urban Revivo and Xiaomi opened their first store outside of Asia and first store in London, respectively, both in Westfield London. Another notable signing in Westfield London was Natura Bissé, a Spanish luxury skincare retailer, which opened its first luxury spa in The Village.

NRI increased by +8.6% following the conclusion of the first rent review cycle at Westfield Stratford City and the delivery of Westfield London Phase 2. Lfl NRI growth in the UK was +3.4%.

Occupancy[4] stood at 95.2% (vs. 97.7% as at June 30, 2018), primarily driven by tenant relocations in Westfield London Phase 1 to the Phase 2 extension and some non-renewals.

Despite a sizeable number of UK retailers entering into a Company Voluntary Arrangement (CVA) procedure, only three stores within Westfield London and Westfield Stratford City saw an impact on rent (£1.1 Mn in total, on an annual basis), with a further 12 stores seeing no impact, out of a total of 794 stores in the two centres.

The OCR was 19.6% (vs. 21.0% at June 30, 2018).

COMMERCIAL PARTNERSHIPS

Brand ventures, media and specialty leasing revenues increased by +13.9%, primarily driven by additional income from the new indoor media contract with JC Decaux at both centres and specialty leasing revenues from the Westfield London Phase 2.

Significant events included the:

- Eid festival on new Westfield Square and The Atrium at Westfield London was the first of its kind;
- Rock the Ribbon interactive activation utilizing the new Westfield Square screen. Winners of the Ocean creative competition, this interactive experience involved customers' dancing broadcast on the screen as a dancing red ribbon to raise awareness on World Aids Day;
- Beats by Dr.Dre wrap advertising on the Town Centre Link bridge at Westfield Stratford City;
- Peloton, a US fitness brand offering an on-demand indoor cycling experience, opened a pop-up store in Westfield London.

MARKETING AND DIGITAL

The number of digital subscribers was 1.5 million as at December 31, 2018, in addition to 61,600 Instagram followers and 5.1 million repeat Wi-Fi users (+30% and +13% vs. 2017, respectively).

Other key marketing highlights for the period include:

- URW received two awards (for The Future Forest event and Strategic Marketing campaign – London Food Month) at The Revo Purple Apple Marketing Awards, which recognize effective retail destination marketing within the UK retail property sector;
- during July and August, a Summer campaign was activated at both centres where almost 120,000 visitors participated in a funfair themed event sponsored by Seat;

(1) Stores with <10 K sq. ft (ca. 929 sqm).
(2) Source: British Retail Council, January 10, 2019.
(3) Market sales based on the BDO High Street Sales tracker.
(4) Based on leased space on a square foot basis, excluding development space. Financial vacancy (reflecting the base rent of vacant space as a percentage of the ERV) in the UK was 8.2% as at December 31, 2018.

- at Westfield London and Westfield Stratford City, a fashion campaign ran during September featuring Adwoa Aboah. The fashion campaign, sponsored by GHD, was activated with a Hearst 'On Trend' event, featuring Elle, Cosmopolitan & Esquire and was attended by 34,000 visitors;
- the "Meet the Neighbours" campaign to promote the opening of Westfield London Phase 2, which featured James Corden, Miss Piggy, Adwoa Aboah and Nigella Lawson completed in October. The campaign ended with the Westfield London 10th birthday event on October 30 with performances by Rita Ora, Liam Payne and Rudimental, followed by a spectacular fireworks display;
- at Westfield London, the Christmas campaign featured a partnership with Disney "The Nutcracker and the Four Realms". The European Film premiere with Keira Knightley and Mackenzie Foy took place at Westfield London and was supported by an experience created by Bompas and Parr. Sponsored by Glade, this was an experience inspired by the film, bringing each realm featured in the film to life.

EXTENSION, RENOVATION AND BROWNFIELD PROJECTS

Westfield London: from the opening of the extension on March 20, 2018, footfall for the entire centre was up by +12.6%. Overall, 96% (in terms of GLA) of the extension was let as at December 31, 2018. The extension created a new homeware hub with new retailers including West Elm, Bo Concept, Raft, DFS, Heal's, Habitat and H&M Home (one of the first five launched across Europe). The food and leisure offering has been enhanced with the opening of Ichiba, the largest Japanese food hall in Europe, and new leisure concepts Putt-Shack and All Star Lanes. In addition, works have commenced to fully renovate and extend the existing food court in the Atrium of Westfield London Phase 1, to be completed in 2019.

4.1.2.3 Integration

The combination of UR and WFD is a natural extension of UR's strategy of concentration, differentiation and innovation consistent with its objective to focus on premium shopping destinations in the wealthiest capital cities, prestigious office buildings and major convention and exhibition venues, and vertically integrating the entire real estate value creation chain. With the Westfield Transaction, UR acquired a leading portfolio and an extensive development pipeline managed by a team of experienced professionals, in addition to an iconic brand.

Based on the first few months of operating as a Group, the strategic rationale of this transaction remains unchanged, all the more so in light of the accelerating changes in the retail sector. While likely to take longer than originally envisioned, the long-term value creation potential is clear as URW deploys its operating management expertise and its financial discipline across the entire portfolio, the newly created Groupwide International Leasing and the Commercial Partnerships teams in Europe "hit their stride" and the Group rolls out the Westfield brand in Continental European Flagships. In addition, the strategic decision to significantly increase the densification of Flagship assets will benefit from the combined expertise of the Westfield and UR development teams.

To manage the integration process, URW has set up an Integration Management Office (IMO), led by the Group Chief Resources Officer and the Group Chief Financial Officer with the support of McKinsey & Company. The integration is managed through dedicated workstreams, involving representatives from both organizations.

Before the closing of the transaction, the IMO focused on two main objectives: (i) defining the fundamentals of the future organization of the Group, including governance principles and key decision-making processes, and (ii) ensuring business continuity upon completion of the transaction. Following the completion of the transaction, the IMO deployed dedicated efforts to lead the integration of the US and the UK businesses, aiming at defining a new operating model based on the strengths of both UR and WFD, and enabling the synergies and expected benefits of the transaction.

Since the closing on June 7, 2018, the integration process has made significant progress. Beyond the new governance and new management structure in place since Day 1, the Group has focused on the following priorities:

— Delivering on Synergies

— *Cost synergies*

- Following the realization of the cost synergies achieved as at June 30, 2018, the ramp-down of the Sydney office operations is almost complete, with most of the tasks now transferred to the US and the UK and to the Paris corporate office, or outsourced. The net expected run-rate cost synergies amount to €75 Mn.

— *Revenue synergies*

To capture the expected revenue synergies, the Group has created:

- a Commercial Partnerships team in Europe to leverage Westfield's extensive commercial network, create package deals combining store openings with special centre events and marketing plans, increase advertising revenues and build a pan-European strategy and deals leveraging URW's unrivalled European shopping centre platform. To attain these objectives a mixed London-Paris based team has been set-up under the leadership of a long-time Westfield professional. The aim is to realize a compound annual growth rate of +10% in this category of revenues over the next five years;
- a new Group-wide International Leasing structure to reap the benefits of being global. A dedicated cross continental structure is now focused on coordinating the negotiations at Group level with its largest partners, while developing new high-potential brands in the US and Europe, including a focus on food and beverage;
- a new Group Digital team leading the deployment of the loyalty system in the US and the UK, as these countries already have customer database capabilities, while convergence across platforms of the digital ecosystem will ensure savings on the license and maintenance costs;
- the roll-out of the Westfield brand in Continental European Flagship assets will start in 2019, with the first ten centres to be simultaneously rebranded in September 2019 (in France, the Czech Republic, Poland and the Nordics), and eight additional centres in 2020. Each rebranding will be accompanied by a specific event and communication plan.

— Optimizing organization and processes

- The Operating Management function was put in place in the US and the UK to design a 'value creation' approach across all the assets.
- An initial 5-year business plan (BP) exercise was performed in H2-2018 in the US and the UK, which will lead to close monitoring of asset level performance and an asset by asset strategy with short and medium term action plans. In 2019, the Group's Marketing and Leasing Action Plans and the ERV exercise, critical to the 5-year BP process, will be performed for every asset for the first time.
- Finance convergence projects on performance and asset management tools, as well as consolidation and treasury capabilities, are underway and will be a high priority in the 2019 IT roadmap.
- Development projects are now reviewed through common KPIs and processes, to share best practices and ensure organizational convergence.
- Operational efficiency and process improvement reviews are on-going.

— Achieve cultural integration

- A cultural survey was performed, with a participation rate of above 70%, which showed a large number of shared values across the organizations and an 'Organizational Health Index' in the top quartile of industry standards[(1)].
- The first talent review session was performed at a global level, and new corporate values will be introduced in early 2019.

— Capital

An in-depth portfolio review was conducted and identified core and non-core assets and the highest return development opportunities. For example, the Group decided that certain residential opportunities will be done only in partnership with institutional investors. This review will continue in 2019.

— Corporate structure

Following the closing of the acquisition of Westfield by Unibail-Rodamco in 2018, URW has started optimizing the corporate structure, including the closing the former head-office of Westfield in Australia and the internal restructuring of the holding structure of operations in the US and the UK underneath URSE and WFD-UR NV. URW expects to decide on additional steps to further improve the efficiency of its US operations soon. None of these are expected to have a material adverse impact on URW.

4.1.2.4 Corporate social responsibility ("CSR")

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

In 2016, the Group took up a new long-term challenge in Continental Europe, with its "Better Places 2030" programme. This roadmap is structured around one main target: reduce the Group's carbon footprint by -50% by 2030 (vs. 2015). In doing so, UR was the first listed real estate company to incorporate CSR into its entire value chain and address the wide scope of indirect carbon emissions resulting from construction works, transportation of visitors and employees, and energy consumption by tenants. A clear governance has been set up, both at strategic and operational levels across the Group.

"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, and fully integrating the Group's business activities with the local communities.

In June 2018, the Group received for its first ESG post-closing assessment by ISS-Oekom a B- rating, the highest among real estate companies assessed worldwide.

In the context of the integration of its newly acquired US and UK activities, URW has been working on updating its CSR strategy over the course of H2-2018. The outlines of this strategy will be communicated alongside with the detailed 2018 achievements on CSR in the 2018 Registration Document. Therefore, unless otherwise indicated, the achievements listed below relate to UR only.

In 2018, the main achievements[(2)] on the four pillars of "Better Places 2030" were:

— Pillar 1 – "Better Buildings"

- 100% of development projects have conducted a Life Cycle Assessment analysis in the design phase (80% in 2017).
- All regions are now supplied with Green Electricity.[(3)]
- 116 LED partnerships were signed, bringing the total to 33.5% of total retail GLA covered[(4)] (15.6% as at December 31, 2017).
- The Group continued its programme of environmental asset certification:
  - for development projects, one new post-construction BREEAM Excellent certificate was obtained for Mall of Scandinavia, and four new design-state BREEAM Excellent certificates were obtained for Gaîté Montparnasse offices and retail, Trinity and Versailles Chantiers;
  - for its standing portfolio, 16 owned and managed shopping centres obtained a BREEAM In-Use certificate in 2018 (newly certified or renewed). As at December 31, 2018, the Group had 47 owned and managed shopping centres certified BREEAM In-Use in Continental Europe, of which 47% rated "Outstanding" for "Building Management (Part 2)".
- a full update on energy efficiency will be provided in the 2018 Registration Document.

(1) Source: OHI Methodology – McKinsey Survey, based on 800+ surveys.
(2) The data comunicated in this paragraph are under review by auditors. All items refer to Continental Europe.
(3) In the common areas of owned and managed shopping centres.
(4) For owned and managed assets.

Pillar 2 – "Better Connectivity"

- 100% of the Group's standing assets[(1)] are now equipped with electrical vehicle charging spaces.
- 36 shopping centres have engaged in Mobility Action Plans to improve access through sustainable transportation and reduce the associated carbon footprint.

Pillar 3 – "Better Communities"

- "UR for Jobs", aimed at creating local job opportunities was conducted in 30 shopping centres. As a result, 551 initial job and training placements were provided by the Group's tenants and suppliers.
- 17 "Solidarity Days" initiatives took place in close partnership with NGOs.
- 1,210 of the Group's employees (78% of the total workforce in Continental Europe[(2)] dedicated at least one day to volunteer for one of these initiatives.

Pillar 4 – "Better Collective Power"

- In addition to the CSR objectives included since January 2017 in the Short-Term Incentive of the Management Board and corporate/country leadership teams, individual CSR objectives have now been extended to all employees.
- Subject to AGM approval in 2019, the Supervisory Board will introduce CSR targets in the Long-Term Incentive performance conditions, to reflect URW's ongoing commitment to sustainable business practices.

In delivering "Better Places 2030", UR also develops a favorable ecosystem through open partnerships with NGOs, cities, corporates, SMEs and start-ups. In 2018, the Group built strong partnerships with Joblinge in Germany, UNICEF in France and Childhood in Sweden. The Group also leveraged URW Link, its open-innovation platform, to identify innovative CSR solutions such as food waste (Too Good To Go), urban farming and the circular economy.

The Group's ambitious CSR agenda was once again recognized by equity and debt investors as a value creation driver for its stakeholders. URW was reconfirmed in the main ESG indices, ratings and awards for 2018:

Indices

- Euronext Vigeo indices: World 120, Eurozone 120, Europe 120 and France 20.
- FTSE4Good Index series.
- Ethibel Sustainability Index (ESI) Excellence Europe and Excellence Global.
- ECPI indices.
- CAC 40® Governance index – "Top 10 performers".
- ECPI indices.

Ratings

- Sustainalytics: 1st place in the real estate industry ranking;
- GRESB (Global Real Estate Sustainability Benchmark – the only sustainability benchmark dedicated to the real estate sector): 1st accross the entire listed Global retail real estate companies, 1st among listed European real estate companies in the 2018 GRESB Survey, and rated 'Green Star' for the 8th consecutive year, with a rating of 5 stars (highest performance level).
- MSCI ESG ratings assessment: Rating of AAA (on a scale of AAA-CCC) for the 5th year in a row.
- Vigeo Eiris rating: 1st among the Financial Services – Real Estate sector (according to the last rating performed in 2017).

Awards

- In addition to complying with the new GRI (Global Reporting Initiative) sustainability reporting standards, the Group's reporting complies with the EPRA Best Practice Recommendations for Sustainability Reporting and received its 7th consecutive EPRA Sustainability Gold Award.
- UR for Jobs received the EPRA award for most Outstanding Contribution to Society 2018 for its Community & Tenants Engagement.

(1) For the owned and managed shopping centres for which the Group fully owns and manages the car parks.
(2) Excluding Viparis and new joiners (Q4-2018).

4.1.2.5 2018 Results

The results of the Group presented below are based on the Consolidated income statement in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis, instead of being accounted for using the equity method under IFRS. URW believes the financial statements on a proportionate basis give stakeholders a better understanding of the underlying operations of URW and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK. The Group has now structured its internal operational and financial reporting according to this proportionate format.

These results include WFD's results since June 1, 2018.

Unless otherwise indicated, all references below relate to the period ended December 31, 2018, and comparisons relate to the same period in 2017.

— Gross Rental Income

The Gross Rental Income (GRI) of URW amounted to €2,619.6 Mn (€1,881.9 Mn)[1], an increase of +39.2%. This growth resulted mainly from the acquisition of WFD (+€683.7 Mn, corresponding to seven months of GRI, which includes the US common area maintenance charges billed to tenants) and from the growth in the retail segment of UR (+3.1%), due to strong like-for-like growth and deliveries, partially offset by the negative impact of disposals and a weaker Swedish krona.

	Gross Rental Income *(€Mn)*			
	Proportionate			IFRS
Region	2018	2017	(%)	2017
France	706.9	691.1	2.3%	682.1
Central Europe	216.9	180.5	20.1%	179.0
Spain	174.7	178.3	-2.0%	178.0
Nordics	151.6	159.1	-4.7%	159.1
Austria	111.8	109.1	2.5%	109.1
Germany	149.8	145.9	2.7%	99.7
The Netherlands	70.4	70.2	0.4%	70.2
Sub-Total UR - Retail	**1,582.1**	**1,534.2**	**3.1%**	**1,477.1**
Offices UR	140.9	147.7	-4.7%	147.8
C&E UR	201.6	184.2	9.5%	181.7
Hotels UR	11.3	15.8	-28.5%	15.7
Sub-Total UR	**1,935.9**	**1,881.9**	**2.9%**	**1,822.3**
United States - SC	544.2	-	-	-
United States - Offices	11.9	-	-	-
United Kingdom	127.7	-	-	-
Sub-Total WFD	**683.7**	**-**	**-**	**-**
TOTAL URW	**2,619.6**	**1,881.9**	**39.2%**	**1,822.3**

Figures may not add up due to rounding.

(1) On a proportionate basis. The amount under IFRS was €1,822.3 Mn in 2017.

— Net Rental Income

NRI of URW amounted to €2,161.0 Mn (€1,636.8 Mn)[1], an increase of +32.0%. This growth mainly resulted from the acquisition of WFD (+€458.9 Mn, corresponding to seven months of NRI) and the growth in the retail segment of UR (+4.7%, due to strong like-for-like growth and deliveries), partially offset by the negative impact of disposals.

	Net Rental Income *(€Mn)*			
	Proportionate			IFRS
Region	2018	2017	(%)	2017
France	651.1	618.1	5.3%	609.8
Central Europe	211.6	173.9	21.7%	172.4
Spain	155.5	161.3	-3.6%	161.0
Nordics	141.5	145.8	-2.9%	145.8
Austria	107.6	103.2	4.3%	103.2
Germany	139.6	135.9	2.7%	92.6
The Netherlands	59.0	61.7	-4.4%	61.7
Sub-Total UR - Retail	**1,465.8**	**1,399.9**	**4.7%**	**1,346.4**
Offices UR	134.3	140.8	-4.6%	140.8
C&E UR	96.0	84.6	13.5%	83.9
Hotels UR	6.1	11.6	-46.8%	11.6
Sub-Total UR	**1,702.2**	**1,636.8**	**4.0%**	**1,582.6**
United States - SC	351.1	-	-	-
United States - Offices	8.4	-	-	-
United Kingdom	99.4	-	-	-
Sub-Total WFD	**458.9**	**-**	**-**	**-**
TOTAL URW	**2,161.0**	**1,636.8**	**32.0%**	**1,582.6**

Figures may not add up due to rounding.

Net property development and project management income was +€37.0 Mn, as a result of URW's Design, Development & Construction (DD&C) activity in the US and the UK.

Net property services and other activities income from property services companies in France, the US, the UK, Spain and Germany was €103.8 Mn (€78.3 Mn)[2], an increase of +€25.5 Mn mainly due to the increase in the C&E services activity and the positive impact of the acquisition of WFD.

— Contribution of companies accounted for using the equity method

The Contribution of companies accounted for using the equity method[3] amounted to €64.9 Mn (€62.9 Mn)[4], an increase of (+€2.0 Mn), due mainly to a positive impact of Zlote Tarasy and Ring-Center (+€6.5 Mn), partially offset by negative valuation movements.

4.

(1) On a proportionate basis. The amount under IFRS was €1,582.6 Mn in 2017.

(2) On a proportionate basis. The amount under IFRS was €79.8 Mn in 2017.

(3) Contribution of companies accounted for using the equity method represents URW's share of the Net recurring result for the period of entities accounted for using the equity method which are not joint-controlled (and therefore not retreated on a proportionate basis) and interests received on loans granted to these entities. This corresponds mainly to Zlote Tarasy, Ring-Center and Gropius Passagen in Europe and to the Blum/Centennial and Starwood Ventures entities in the US

(4) On a proportionate basis. The amount under IFRS was €118.6 Mn in 2017.

Contribution of companies accounted for using the equity method *(€Mn)*

Region	2018 Recurring activities	2018 Non-recurring activities	2018 Total	2017 Recurring activities	2017 Non-recurring activities	2017 Total	2018/2017 Change
France	-	-	-	-	-	-	-
Central Europe	46.6	27.5	74.1	45.5	22.1	67.6	6.5
Spain	-	-	-	-	-	-	-
Germany	1.0	(1.9)	(0.9)	1.0	(5.7)	(4.7)	3.8
The Netherlands	-	-	-	-	-	-	-
Sub-Total UR - Retail	47.6	25.6	73.2	46.5	16.4	62.9	10.3
Offices UR	-	-	-	-	-	-	-
C&E UR	-	-	-	-	-	-	n.m
Sub-Total UR	47.6	25.6	73.2	46.5	16.4	62.9	10.3
United States	7.1	(15.4)	(8.3)	-	-	-	(8.3)
United Kingdom	-	-	-	-	-	-	-
Sub-Total WFD	7.1	(15.4)	(8.3)	-	-	-	(8.3)
TOTAL URW	**54.7**	**10.2**	**64.9**	**46.5**	**16.4**	**62.9**	**2.0**

Figures may not add up due to rounding.

Administrative expenses (including development expenses) amounted to -€145.9 Mn (-€124.4 Mn)[(1)], an increase mainly due to the acquisition of WFD. As a percentage of NRI from shopping centres and offices, administrative expenses were 7.1% (8.1%).

Acquisition and related costs amounted to -€268.7 Mn (-€62.4 Mn):

- -€110.3 Mn were incurred by UR (financial and legal advisory fees, including VAT, and integration costs) for the WFD acquisition;
- -€108.7 Mn incurred by WFD (redundancy and other employee related costs as well as the costs associated with the accelerated vesting of the WFD employee share plan);
- -€48.9 Mn of integration costs incurred by URW; and
- -€0.8 Mn of other acquisition costs, mainly in France.

In 2017, UR and WFD had collectively booked as expenses -€68.0 Mn of WFD related transaction costs, of which €58.9 Mn in UR and €9.1 Mn in WFD.

In addition, -€80.9 Mn of financial advisory and legal fees paid by WFD were included in the opening balance sheet of WFD as at May 31, 2018.

Lastly, UR paid -€94.7 Mn to hedge the US$ cash component of its offer for WFD, of which -€47.3 Mn was registered in 2017 in "Fair value adjustments of derivatives and debt" in its 2017 financial accounts and -€47.4 Mn was accounted for in the purchase consideration in 2018. The fair value gain on the hedge was +€159.6 Mn and was accounted for in the purchase consideration in 2018. The net gain in cash resulting from the FX hedge was +€64.9 Mn.

Consequently, the aggregate amount of expenses associated with the WFD acquisition were -€462.6 Mn, or -€397.7 Mn after taking into account the cash gain on the FX hedge (without including the integration costs).

(1) On a proportionate basis. The amount under IFRS was -€123.1 Mn in 2017.

Result on disposal of investment properties and result on disposal of shares were €83.1 Mn in total (€73.8 Mn), reflecting the gains on disposals (compared to the book value of such assets) of four office buildings (Capital 8 and Tour Ariane in France and Skylight and Lumen in Poland) and four shopping centres in Spain (Bahia Sur, Vallsur, Los Arcos and El Faro).

	Result on disposal *(€Mn)*		
Region	**2018**	2017	Change
France	3.1	15.1	(12.0)
Central Europe	(0.2)	-	(0.2)
Spain	24.5	(0.6)	25.1
Nordics	0.5	0.1	0.4
Austria	-	-	-
Germany	(0.3)	-	(0.3)
The Netherlands	(0.7)	1.9	(2.6)
Sub-Total UR - Retail	**26.8**	**16.5**	**10.3**
Offices UR	56.4	57.2	(0.8)
C&E UR	-	-	-
Sub-Total UR	**83.3**	**73.8**	**9.5**
United States	(0.2)	-	(0.2)
United Kingdom	(0.0)	-	(0.0)
Sub-Total WFD	**(0.2)**	**-**	**(0.2)**
TOTAL URW	**83.1**	**73.8**	**9.3**

Figures may not add up due to rounding.

Valuation movements on assets amounted to a total of -€7.4 Mn (+€1,388.7 Mn)[1], of which +€38.2 Mn (€1,391.1 Mn), on investment properties and -€45.5 Mn (-€2.4 Mn) on services.

	Valuation movements on Investment Properties *(€Mn)*		
Region	**2018**	2017	Change
France	(36.0)	519.1	(555.1)
Central Europe	149.9	304.0	(154.1)
Spain	124.1	141.1	(17.0)
Nordics	28.9	132.0	(103.1)
Austria	39.8	79.4	(39.6)
Germany	(23.8)	70.3	(94.1)
The Netherlands	(80.8)	(53.1)	(27.7)
Sub-Total UR - Retail	**202.1**	**1,192.8**	**(990.7)**
Offices UR	193.8	342.5	(148.7)
C&E UR	(48.1)	(144.2)	96.1
Sub-Total UR	**347.8**	**1,391.1**	**(1,043.3)**
United States - SC	(153.4)	-	(153.4)
United States - Offices	(13.1)	-	(13.1)
United Kingdom - SC	(99.6)	-	(99.6)
United Kingdom - Offices	(43.4)	-	(43.4)
Sub-Total WFD	**(309.6)**	**-**	**(309.6)**
TOTAL URW	**38.2**	**1,391.1**	**(1,352.9)**

Figures may not add up due to rounding.

The negative valuation movements for the WFD investment properties were calculated as of June 1, 2018 and resulted mainly from a decrease of the values of regional assets in the US and a slight increase of the exit cap rates in the UK.

(1) On a proportionate basis. The amount under IFRS was €1,364.4 Mn in 2017.

The valuation movements on services break down as follows:

	Valuation movements on services *(€Mn)*		
Region	2018	2017	Change
Services UR	(2.4)	(2.4)	-
Sub-Total UR	**(2.4)**	**(2.4)**	**-**
Net property dev. Amortization	(32.3)	-	(32.3)
Other property serv. Amortization	(10.8)	-	(10.8)
Sub-Total WFD	**(43.1)**	**-**	**(43.1)**
TOTAL URW	**(45.5)**	**(2.4)**	**(43.1)**

Figures may not add up due to rounding.

— Financing result

Net financing costs (recurring) totalled -€369.5 Mn (after deduction of capitalised financial expenses of €45.6 Mn allocated to projects under construction) (-€241.5 Mn)[1]. This increase of -€128.0 Mn includes -€174.0 Mn as a result of the inclusion of the net financing costs of WFD's debt since June and the debt incurred to finance the Transaction, partially offset by lower financial expenses[2] on UR's perimeter.

The Group's average cost of debt[3] was 1.6% and includes seven months of financial expenses of WFD as well as the cost of the senior debt issued to finance the acquisition of WFD. URW's financing policy is described in the Section "Financial resources". On a stand-alone basis, UR's cost of debt for the period would have been 1.2% (1.4%).

Non-recurring financial result amounted to -€288.8 Mn (€0.0 Mn)[4]:

- +€28.9 Mn mark-to-market of the ORNANEs issued in 2014 and 2015;
- -€317.7 Mn mainly due to the mark-to-market of derivatives, exchange rate losses resulting from the revaluation of bank accounts and debt issued in foreign currencies, and revaluation of preference shares. URW recognises the change in value of its derivatives directly in the income statement.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies[5] do not exist and/or are not used by the Group. They amounted to -€121.8 Mn (-€81.5 Mn)[6].

Income tax allocated to the recurring net result amounted to -€27.9 Mn (-€17.6 Mn[7], and includes the positive impact of the reversal of a provision related to tax litigation decided in favour of URW. Non-recurring income tax expenses amounted to -€93.9 Mn (-€63.9 Mn)[8], an increase mainly due to the combined effect of several adjustments (mainly in relation to WFD), the use of carry forward losses and a decrease in valuation movements compared to 2017.

External non-controlling interests amounted to €211.7 Mn (€283.0 Mn). The recurring external non-controlling interests amounted to €203.4 Mn (€177.0 Mn) and mainly relate to French shopping centres (€110.2 Mn, mainly Les Quatre Temps, Parly 2 and Le Forum des Halles), to the stake of CCIR in Viparis (€52.2 Mn) and to UR Germany and Ruhr Park (€35.2 Mn). The non-recurring non-controlling interests amounted to €8.4 Mn, down from €106.0 Mn in 2017, due primarily to lower valuation movements in 2018.

Net result for the period attributable to the holders of the Stapled Shares was a profit of €1,031.1 Mn. This figure breaks down as follows:

- €1,609.8 Mn of recurring net result (+33.9%) as a result of strong NRI growth and the acquisition of WFD;
- -€578.6 Mn of non-recurring result[9] (€1,237.4 Mn) as a result of lower valuation movements, acquisition and related costs for the WFD transaction and the negative mark-to-market of financial instruments.

The Adjusted Recurring Earnings[10] reflect a profit of €1,581.8 Mn.

(1) On a proportionate basis. The amount under IFRS was -€228.0 Mn in 2017.
(2) The coupon on the Hybrid securities will be deducted directly from shareholder's equity.
(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.
(4) On a proportionate basis. The amount under IFRS was -€0.9 Mn in 2017.
(5) In France: SIIC (Société d'Investissements Immobiliers Cotée).
(6) On a proportionate basis. The amount under IFRS was -€74.2 Mn in 2017.
(7) On a proportionate basis. The amount under IFRS was -€17.7 Mn in 2017.
(8) On a proportionate basis. The amount under IFRS was -€56.5 Mn in 2017.
(9) Include valuation movements, disposals, mark-to-market and termination costs of financial instruments, including bond tender premiums, impairment of goodwill or reversal of negative goodwill and other non-recurring items.
(10) Under IFRS, the Hybrid Securities are accounted for as shareholders' equity. The Adjusted Recurring Earnings are calculated based on the Recurring net result for the period attributable to the holders of the Stapled Shares minus the coupon on the Hybrid Securities (from June 1, 2018).

The average number of shares and ORAs[1] outstanding during 2018 was 122,412,784, compared to 99,752,597 in 2017. The increase is mainly due to the capital increase of 38,319,974 shares issued for the acquisition of WFD (with an impact of +22,467,053 on the average number of shares in 2018), stock options exercised in 2017 and 2018 and the issuance of Performance Shares in 2017 and 2018. The number of shares outstanding as at December 31, 2018 was 138,288,601.

EPRA Recurring Earnings per Share (REPS) for 2018 came to €13.15 compared to €12.05 for 2017, representing an increase of +9.1%.

Adjusted Recurring Earnings per Share (AREPS) for 2018 came to €12.92 compared to €12.05 for 2017, representing an increase of +7.2%.

4.1.2.6 Goodwill

— Goodwill calculation

The purchase price for 100% of the outstanding stock of Westfield was €11,911.3 Mn, of which:

- €7,280.8 Mn represented by 38.3 million of URW's stapled securities issued on June 7, 2018; and
- €4,630.5 Mn of cash (net of the gain on the Euro/US$ hedge entered into by UR prior to the closing of the Transaction).

The book value of Westfield's assets (net of debt) acquired amounted to €8,719.9 Mn as at June 7, 2018. These values are based on the accounting principles and methods defined in IFRS 3R applied by the Group requiring that the assets and liabilities are valued at their market value on the acquisition date. **The investment properties and investments properties under construction have been appraised at fair market value by external appraisers in the US, the UK and Italy at acquisition date.**

Consequently, the goodwill before allocation (Initial Goodwill) amounted to €3,191.4 Mn, below the amount of €3,366.8 Mn disclosed in the Consolidated statement of financial position of the Group as at June 30, 2018. The difference between these two amounts is mainly due to adjustments on contingent liabilities and accruals.

The calculation of the goodwill will be finalized in 2019. However, barring unforeseen events, the Group does not expect any material change.

(€Mn, unless indicated)	As at May 31, 2018 and adjusted as at December 31, 2018
Number of Westfield shares as at May 31, 2018	2,078,089,686
Exchange ratio (b)	0.01844
Number of Unibail-Rodamco SE shares issued (c = a x b)	38,319,974
Unibail-Rodamco SE stock share price (€) (d)	190.00
Market value of the Unibail-Rodamco SE shares issued in exchange for Westfield shares (= c x d)[1]	**7,280.8**
Cash consideration (a)	4,742.7
Cost of hedging (b)	47.4
Impact of hedging (c)	(159.6)
Cash consideration net of hedging (= a + b + c)	**4,630.5**
Total purchase consideration	**11,911.3**
Book value of net assets acquired	**8,719.9**
Initial Goodwill	**3,191.4**

Figures may not add up due to rounding.

— Allocation of the Initial Goodwill in the Consolidated statement of financial position

External appraisers valued the intangible assets and the workforce at the acquisition assisted the Group in its goodwill allocation.

The intangible assets arise from the Westfield trademark for flagships in the US and the UK and from contracts with third parties related to:

- the Property Management (PM) business in the US and the UK;
- the Development, Design & Construction (DD&C) business in the US and the UK;
- the Airport activities in the US.

These activities and the trademark were valued at €1,814.4 Mn for opening balance sheet purposes. Under IFRS, only €1,122.2 Mn were recognised as intangible assets in the Consolidated statement of financial position. The difference of €692.2 Mn relates to the value of internal contracts and future PM, DD&C and Airport activities to be generated, and is included in the remaining goodwill.

The deferred tax liabilities (DTL) related to the intangible assets in the US and the UK amount to €267.7 Mn, which were booked in the non-current DTL of the Consolidated statement of financial position as at May 31, 2018.

Consequently, the remaining goodwill related to the Westfield acquisition (WFD Goodwill) in the Consolidated statement of financial position, after the allocation of the Initial Goodwill and recognition of the DTL, amounted to €2,336.9 Mn.

(1) The ORAs have been accounted for as equity.

— Allocation of the remaining goodwill per Cash Generating Unit (CGU)

Each investment property meets the criteria to qualify as a Cash Generating Unit (CGU). As a part of operational management, investment properties are managed at a geographical segment level. As a consequence goodwill has been allocated to geographical segments which is the lowest level at which goodwill is monitored for internal management purposes.

The €2,336.9 Mn goodwill has been allocated to the geographical segments of URW benefiting from the acquisition of Westfield as follows:

- the expected cost and revenue synergies were allocated to the US, the UK, France Retail, Spain, Central Europe and the Nordics;
- the values attributable to the PM and DD&C businesses were allocated to the US and the UK and the value of the Airport activities was allocated to the US, based on the PwC valuation;
- the amount related to the value of the workforce acquired was allocated to the US and the UK.

The allocation per geographical segment breaks down as follows:

(€Mn)	Goodwill per CGU as at May 31, 2018
France Retail	728.8
Central Europe	145.2
Spain	103.8
Nordics	99.8
Total Continental Europe	**1,077.6**
US	818.7
UK	440.5
WFD Goodwill	**2,336.9**

Figures may not add up due to rounding.

The intangible assets and remaining goodwill allocated to the US and to the UK were converted into US$ and £, respectively, at the exchange rates as at May 31, 2018, and were converted into euros at the closing rates as at December 31, 2018 in the year-end Consolidated statement of financial position. The remaining goodwill allocated to the Continental Europe's segments was kept in euros.

The purchase price accounting will be finalized in 2019. However, the Group does not currently expect any material change.

— Impairment tests

Since the geographical segments are the lowest level within the URW company at which goodwill is monitored, for internal management purposes, the impairment test is performed at geographical segment level and, as a result, in accordance with IAS 36 for a group of CGUs.

The geographical segments to which goodwill has been allocated are tested for impairment by comparing the net asset value of a geographical segment with recoverable value which is determined as the higher of a fair value less cost of disposal and its value in use. Value in use is determined based on the Discounted Cash Flow derived from the 5-Year Business Plan (5YBP) approved by the Management Board and Supervisory Board.

The Group performed preliminary impairment tests of the goodwill allocated to each geographical segment as per December 31, 2018, based on:

- the detailed 5-year BP per geographical segment, including detailed profit & loss statements, proposed capital expenditure and disposals;
- the discount rates before tax per geographical segment based on the calculation of the WACC per region which reflects the current market assessment of the interest rate effect and the specific risk associated with each geographical segment;
- an allocation of the Group’s corporate administrative expenses to the geographical segment, as a percentage of their respective NRI;
- A discounted cash-flow calculation for each geographical segment on a 10-year basis, consistent with the method applied by the Group’s appraisers, and a discounted terminal value, to which a Long-Term Growth Rate (LTGR) is applied.

The main assumptions having an impact on the calculation of the Value in use are the following:

- The WACC per geographical segment calculated by URW includes a portfolio premium, which is not included in the discount rates per investment property used by the appraisers.

- The LTGR per geographical segment estimated by URW can be higher than the LTGR of the appraisers, due to:
  - A higher level of the Estimated Rental Values of the different units of each shopping centre, due to the know-how of URW operating management teams;
  - The incremental value creation related to active asset management and new business or projects, not taken into account by appraisers in their valuations;
  - The impact of the revenue synergies resulting from the acquisition of WFD, which are not yet reflected in the fair value of investment properties.

As at December 31, 2018, no impairment was booked as result of this test.

4.1.2.7 Consolidated statement of cash flows

The consolidated statement of cash flows was prepared only in IFRS, not on a proportionate basis.

Unless otherwise indicated, all references below relate to the period ended December 31, 2018, and comparisons relate to the same period in 2017.

— Cash flow from operating activities

The total cash flow from operating activities was +€1,794.0 Mn (+€1,486.5 Mn), an increase of +€307.5 Mn mainly due to the positive impact of the WFD acquisition, partially offset by the change in working capital requirement (-€104.0 Mn, of which -€96.0 Mn related to WFD).

— Cash flow from investment activities

The cash flow from investment activities was -€4,271.1 Mn (-€1,024.9 Mn), mainly as a result of the cash component of the acquisition of WFD, partially offset by total disposal proceeds of €2,048.8 Mn (€212.3 Mn from repayment of property financing, €1,039.3 Mn from disposal of investment properties and €797.2 Mn from disposal of shares).

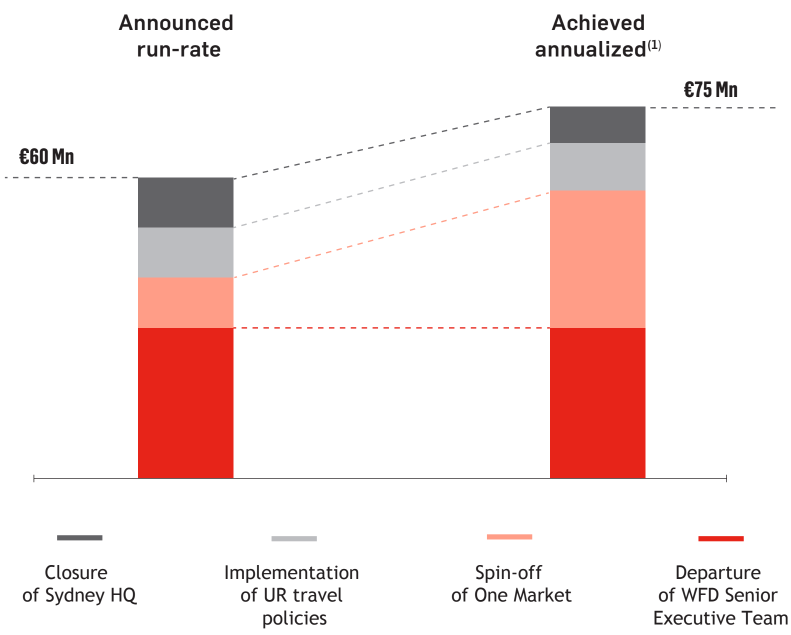
— Cash flow from financing activities

The total cash flow from financing activities amounted to +€2,252.0 Mn (-€293.4 Mn), an increase related to the financing of the acquisition of WFD (€1,989.0 Mn of Hybrid securities and €3,000 Mn of senior debt), partially offset by repayments of borrowings.

4.

4.1.2.8 Synergies

Through December 31, 2018, URW has realized €75 Mn in cost synergies on a run-rate basis.



(1) As of December 31, 2018, OneMarket synergies based on the pro-forma, 2017 statement of income.

4.1.2.9 Post-Closing events

On February 28, 2019, URW completed the disposal of its 34% stake in the Jumbo shopping centre in Helsinki to current coowner Elo Mutual Pension Insurance Company. The net disposal price of €248.6 Mn represents a premium to the December 31, 2018, book value and implies a net initial yield of almost 5%. Jumbo is one of the leading shopping centres in the Helsinki region with more than 85,000 sqm GLA and over 12 million visitors per year.

4.1.2.10 Dividend

For the financial year 2018, URW proposes a cash dividend of €10.80 per stapled share. Subject to the approval of the UR SE Annual General Meeting ("AGM"), the dividend for 2018 will be paid by UR SE as follows:

- an interim dividend of €5.40 per share on March 29, 2019 (ex-dividend date March 27, 2019); and
- A final dividend of €5.40 per share, subject to approval of the UR SE AGM, on July 5, 2019 (ex-dividend date July 3, 2019).

The total amount of dividends paid with respect to 2018 would be €1,493.5 Mn for the 138,288,601 stapled shares outstanding as at December 31, 2018. This represents a 94% pay-out ratio of the adjusted net recurring result of the Group, composed of the net recurring result of UR through May 31, 2018 and URW from June 1, 2018.

4.1.2.11 Outlook

The macroeconomic environment was strong in the first half of 2018 but saw growth weakening towards the end of the year on the back of concerns about global trade as well as tapering by the US Federal Reserve and the European Central Bank. Consumer confidence generally remained positive, although on-line is taking an increasing share of retail spend. Looking ahead, Brexit and the response by the 27 other EU members, political uncertainty in the US, its trade policies, further responses thereto from its trading partners or adverse geopolitical events could affect economic growth. Furthermore, the retail environment is undergoing rapid change and many retailers are adapting their business models to manage this new reality by rightsizing their store portfolios and expanding only selectively, with more risk sharing for landlords. URW's high quality portfolio of shopping destinations in the wealthiest catchment areas is best positioned to face such challenges.

The Group disposed of €2.0 Bn of offices and shopping centres in 2018 at a pace well ahead of its original expectations. The Group has decided to set a new Loan-to-Value ratio objective through the cycle of between 30 and 40%, down from between 35 and 45% previously. As part of its annual business plan exercise, URW has identified a further almost €3 Bn of non-core Continental European assets to be disposed of, in effect doubling the disposal target set in 2018.

Consequently, URW's most important strategic objectives over the next two years will be to:

- reduce leverage;
- review several development projects to optimize capital and returns;
- join with strategic capital partners on select development projects;
- continue the critically important work of integrating the Continental European, US and UK platforms;
- roll-out the Westfield brand in Continental Europe; and
- improve its cost base further and realize revenue synergies.

This means that the Group's 5-year business plan has two distinct periods:

1. a capital consolidation phase with continued solid underlying growth, during which most of the disposals are expected to be made;

2. in the period following the disposals, a renewed AREPS growth phase.

— Guidance

The €2 Bn of disposals in 2018 and those planned for 2019 will further increase the average portfolio quality and reduce leverage. This is expected to have a short-term impact on the 2019 AREPS of approximately -90 cents.

The full effect in 2019 of the consideration to fund the Westfield Transaction, mainly the shares issued, exceeds the benefit of the full year contribution from Westfield. Factors driving the weaker than anticipated contribution in 2019 are project delays which affect the timing of income, the current operating environment in the UK and the US (particularly in the Regional mall portfolio), and higher financial expenses (less capitalization) and taxes than anticipated. In all, this is estimated to have an impact of approximately -50 cents on the 2019 AREPs.

However, despite the challenging retail environment, the strong underlying operating income growth for URW of between +4% and +5% in 2019 is expected to offset this impact.

As a result, the 2019 AREPS is expected to be in the range of €11.80-€12.00.

Going forward and rebased for the disposals in the business plan, building on the strengths of its unique platform and portfolio, continued growth of its operations and planned delivery of development projects, URW expects the 2019-2023 compound annual growth rate of its AREPS to be between +5% and +7%.

The outlook is derived from the annual business plan process for URW's Continental European region and the initial exercise in the US and the UK regions. This exercise results in annual growth rates which vary from year to year. The key inputs in the Group's business plan, which is built on an asset by asset basis and based on economic conditions as at year-end 2018, are estimates and assumptions relating to indexation, rental uplifts, disposals of approximately €4 Bn over the next few years, timely delivery of pipeline projects, cost of debt, currency movements and taxation. Variations in these assumptions will also cause growth rates to vary from one plan to the next. The Group's current business plan does not assume any acquisitions.

— Dividend Outlook

Going forward, the Group expects to maintain its dividend at a minimum of €10.80 and grow it broadly in line with the growth in AREPS.

4.1.3 INVESTMENTS AND DIVESTMENTS

In 2018, URW invested €1,530.7 Mn[(1)], Group share, in capital expenditures in assets and on construction, extension and refurbishment projects, compared to €1,239.6 Mn in 2017 for UR only. This amount included €298.5 Mn invested in US and UK assets since June 1, 2018.

4.1.3.1 Total capital expenditure

The total investments breaks down as follows:

	Proportionate				IFRS	
	2018		2017		2017	
(€Mn)	100%	Group Share	100%	Group Share	100%	Group Share
Shopping centres	1,240.7	1,161.1	1,118.6	1,036.9	1,101.1	1,020.8
Offices & Others	292.5	292.1	114.7	114.4	114.7	114.4
Convention & Exhibition	129.2	77.4	139.7	88.4	139.5	88.2
Services	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE	**1,662.4**	**1,530.7**	**1,373.0**	**1,239.6**	**1,355.3**	**1,223.4**

Figures may not add up due to rounding.

4.1.3.2 Shopping Centres

URW invested €1,161.1 Mn[(2)] in its Shopping Centre portfolio in 2018:

- new acquisitions amounted to €196.3 Mn, mainly in Spain (Parquesur and La Vaguada) and France (Rosny 2);
- €400.9 Mn were invested in construction, extension and refurbishment projects, including mainly the Mall of The Netherlands, Vélizy 2 extension, Gaîté Montparnasse, Lyon Part-Dieu extension, Milan and Überseequartier projects (see also Section “Development projects”);
- €277.0 Mn were invested in enhancement and improvement projects on standing assets, including mainly Westfield London, Shopping City Süd, Glòries and the US Flagships;
- replacement Capex[(3)] amounted to €110.1 Mn;
- financial, eviction and other costs were capitalized for €31.3 Mn, €82.7 Mn and €62.7 Mn, respectively.

4.1.3.3 Offices and others

URW invested €292.1 Mn in its Office portfolio in 2018:

- new acquisitions amounted to €32.1 Mn, in Spain (La Vaguada offices) and France (Tour Rosny);
- €207.5 Mn were invested in construction and refurbishment projects, mainly in France (the Trinity, Shift and Versailles Chantiers projects), the UK (Westfield Stratford City and Westfield London) and Germany (Überseequartier offices) (see also Section “Development projects”);
- €30.5 Mn were invested in enhancement and improvement projects on standing assets, mainly in the US and France;
- replacement Capex amounted to €4.0 Mn;
- financial and other costs capitalized amounted to €18.0 Mn.

4.1.3.4 Convention & Exhibition

URW invested €77.4 Mn in its Convention & Exhibition portfolio in 2018:

- €31.6 Mn were invested for works at Porte de Versailles and hotel construction at Porte de Versailles and the Pullman Montparnasse;
- €29.6 Mn were invested in enhancement and improvement projects on standing assets, mainly in Porte de Versailles;
- replacement Capex amounted to €12.8 Mn;
- financial and other costs capitalized amounted to €3.4 Mn.

The second phase (2017-2019) of renovation works on the Porte de Versailles site continued, with the construction of the new Pavilion 6 and two new hotels (Novotel and Mama Shelter) scheduled to open in H2-2019.

(1) *On a proportionate basis.*
(2) *Total capitalized 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.*

4.1.3.5 Disposals

In 2018, the Group disposed of a number of assets.

On July 2, 2018, URW disposed of the Örebro hotel.

On July 31, URW disposed of four shopping centres in Spain (El Faro, Bahia Sur, Los Arcos and Vallsur) for a Net Disposal Price (NDP)[1] of €449 Mn, representing a Buyer's Net Initial Yield (NIY)[2] of 5.6%.

On August 23, URW disposed of Horton Plaza in San Diego and generated a NDP of €83 Mn. The Total Acquisition Cost (TAC) [3] represented a discount of approximately -5% to the value at which UR had underwritten the asset.

On November 8, 2018, URW announced the completion of the disposal of the Capital 8 office building, located in the Paris CBD, to Invesco Real Estate, a global real estate investment manager. The NDP of the transaction was €789 Mn[4].

On December 18, 2018, the Group disposed of the Tour Ariane office building, located in the heart of La Défense business district, to Singapore's sovereign wealth fund GIC. The NDP of the transaction was €465 Mn[4].

On December 20, 2018, the Group completed the disposal of the Skylight and Lumen office buildings, located in the CBD of Warsaw, to Globalworth Poland. The TAC of the transaction was €190 Mn.

Since June 30, 2018, the Group has now disposed of 10 assets, representing a total NDP of €2.0 Bn, at a blended NIY of 4.6% and with a weighted average premium of +8.9% to the June 30, 2018 book value.

These disposals are part of the €3 Bn of disposals identified in UR's annual business plan exercise for the period 2018-2020 and announced previously. They were made at a pace well ahead of its original expectations. The Group has decided to set a new Loan-to-Value ratio objective through the cycle of between 30 and 40%, down from between 35 and 45% previously. As part of its annual business plan exercise, URW has identified a further almost €3 Bn of non-core Continental European assets to be disposed of, in effect doubling the disposal target set in 2018.

4.1.4 DEVELOPMENT PROJECTS AS AT DECEMBER 31, 2018

As at December 31, 2018, the URW Expected Cost[5] of its development project pipeline amounted to €11.9 Bn, with a total of 2.4 million sqm of Gross Lettable Area (GLA)[6] to be re-developed or added to the Group's standing assets. The Group retains significant flexibility on its development portfolio (65% of the URW Expected Cost)[7].

4.1.4.1 Development projects portfolio overview

The Group's development portfolio, with the addition of the WFD projects in the UK, the US and Italy was estimated to be €13.0 Bn at year-end 2017. The Group's pipeline stood at €11.9 Bn[8] as at December 31, 2018, principally due to the following:

- the decision to dispose 75% of the Cherry Park residential project[9] to institutional parties (-€0.6 Bn);
- the reassessment of WFD projects under UR's methodology, the use of value at completion instead of costs at today's value, cost variances on projects, certain disposals and the removal of a project (-€0.5 Bn);
- the completion and delivery of Westfield London Phase 2 in H1, and the Westfield Garden State Plaza and Villeneuve 2 renovations in H2 (-€0.4 Bn);
- the addition of the Metropole Zličín, Villeneuve 2 and Centrum Cerny Most extensions, the Rosny 2 leisure extension and certain other projects (+€0.4 Bn).

The Group opened the 77,046 sqm extension of Westfield London in March (with the full inauguration in October), followed in September by the completion of the renovations of Villeneuve 2 and Westfield Garden State Plaza.

In addition, the Group successfully completed important phases of the Committed projects:

- the renovation of the Westfield Valley Fair shopping centre, one of three phases of the current development project, was completed in October (a second phase being delivered in January 2019 with the ICON Cinema opening);

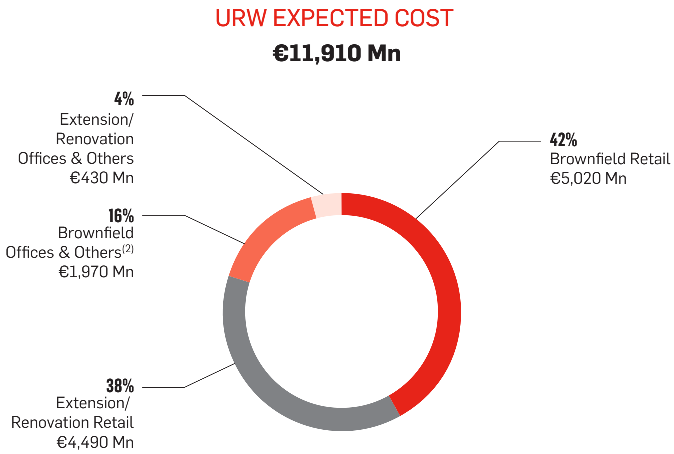
(1) Net Disposal Price (NDP): Total Acquisition Cost (TAC) incurred by the acquirer minus all transfer taxes and transaction costs.
(2) Buyer's Net Initial Yield (NIY): annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the TAC.
(3) Total Acquisition Cost (TAC): the total amount a buyer shall pay to acquire an asset or a company. TAC equals the price agreed between the seller and the buyer plus all transfer taxes and transaction costs.
(4) Before impact of rent incentives.
(5) URW Expected Cost equals 100% Expected Cost multiplied by URW percentage of ownership of the project, plus specific own costs, if any. 100% Expected Cost is expressed in value at completion. It equals the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, design costs, technical fees, tenant fitting-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) tenants' lease incentives and opening marketing expenses. It excludes: (i) capitalized financial interests; (ii) overheads costs; (iii) early or lost Net Rental Income; and (iv) IFRS adjustments.
(6) GLA equals Gross Lettable Area of projects at 100%.
(7) In terms of URW Expected Cost to completion of "Controlled" and "Secured Exclusivity" projects, as a % of URW Expected Cost of the development portfolio.
(8) This includes the Group's share of projects fully consolidated and projects accounted under equity method, excluding Viparis projects.
(9) URW has decided to seek partners for this project and keep 25% of the project.

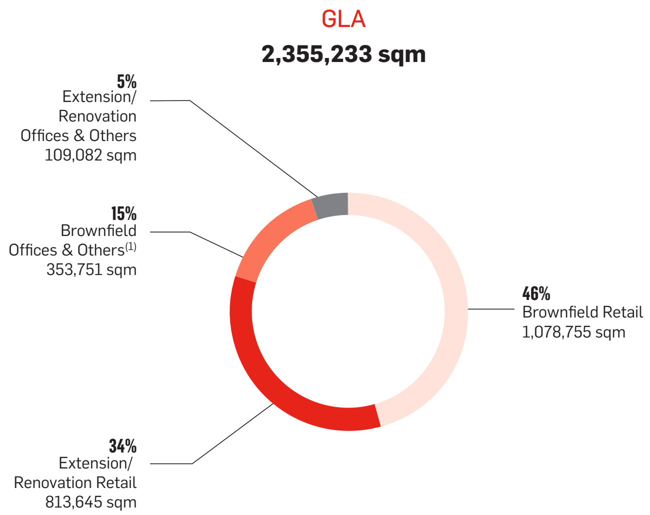
- the inauguration of food market Fresh!, the first destination of the future Mall of The Netherlands, took place in November. The new 2,500 sqm market hall includes 24 shops and ten kiosks with a wide and high quality offer of the best local products, complemented with a programme of culinary events and food entertainment;
- a key milestone of the Gropius Passagen renovation was completed with the opening of the Karstadt store in October and the South Island, including new anchor tenants such as Peek & Cloppenburg, Media Markt and H&M, as well as the dining plaza, in November.

As part of the annual portfolio review, the Group has made the strategic decision to significantly increase the densification efforts on its retail portfolio by adding office, residential, hotel and other "mixed-use" elements to its major Flagships locations, where relevant. The Group believes it has numerous opportunities to add significant value while at the same time increasing the footfall to its destination shopping centres. URW will provide more details on this strategy during its Investor Days in June 2019.

The pipeline categories are as follows:

URW DEVELOPMENT PIPELINE BY CATEGORY[1]





(2) Including Residential and Hotels units

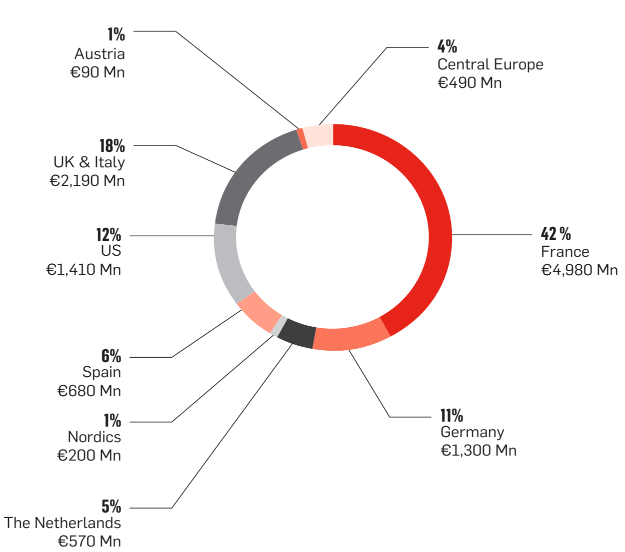
The €9.5 Bn Retail pipeline is split between brownfield projects (53%) and extensions and renovations (47%). The Group currently expects to add to its existing portfolio and redevelop or refurbish 1.9 million sqm of retail GLA, representing ca. 21% of the Group's existing retail GLA. €2.0 Bn (21%) of the Retail pipeline are committed.

Development projects in the Office & Others sector amount to €2.4 Bn. Brownfield projects represent 82% and correspond to approximately 354,000 sqm of new GLA, of which 49% are expected to be completed after 2023. The remainder will be invested in the redevelopment or refurbishment of 109,000 sqm GLA of existing assets. €900 Mn (38%) of the Office & Others pipeline are committed, of which 93% is scheduled to be delivered in 2019.

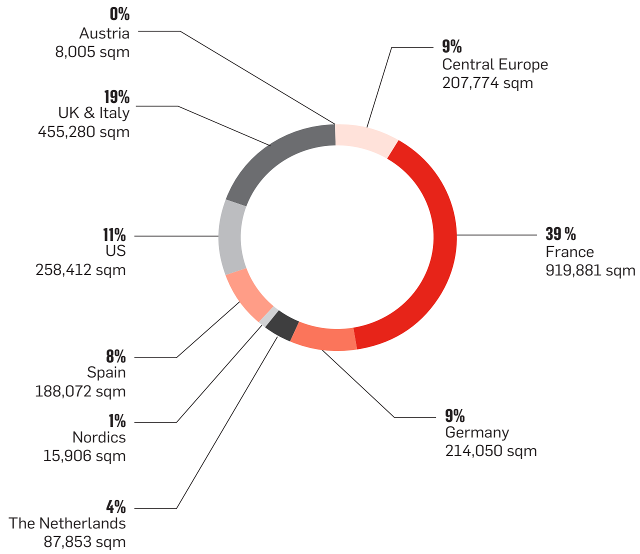
(1) Figures may not add up due to to rounding

URW DEVELOPMENT PIPELINE BY REGION(1)

URW EXPECTED COST
€11,910 Mn

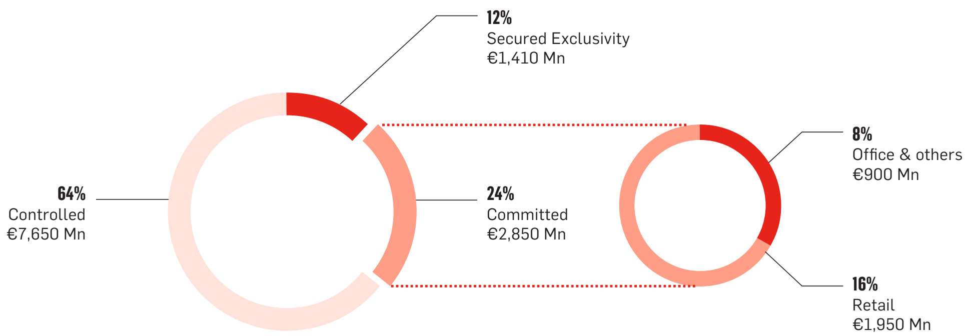


GLA
2,355,233 sqm



4.1.4.2 A secured and flexible development pipeline

URW DEVELOPMENT PIPELINE BY PROJECT PHASE (1)



The €2.9 Bn "Committed" development pipeline now includes the Carré Sénart leisure extension, following the start of construction works, and the following projects in the US:

- the 47,402 sqm GLA extension of Westfield Valley Fair;
- the Westfield World Trade Center Tower 3 and North Temporary Access (NTA) with an additional 7,180 sqm GLA;
- residential units at Westfield UTC, with 26,845 sqm GLA (300 apartments);
- the Westfield Topanga Renovation where construction works started in August 2018.

€1.4 Bn have already been spent for Committed projects, €1.1 Bn for Controlled and €0.2 Bn for Secured Exclusivity projects. For Committed projects, €1.5 Bn are still to be invested over the next three years, of which €0.8 Bn have been contracted.

(1) *"Committed" projects: projects currently under construction, for wich URW 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 URW controls the land or building rights, but where not all administrative authorizations have been obtained yet. "Secured exclusivity" projects: projects for which URW has the exclusivity but where negotiations for building rights or project definition are still underway.*

4.1.4.3 Variances in URW development pipeline projects in 2018

Since December 31, 2017, there have been changes in the URW Expected Cost and in the delivery dates of some projects, in particular:

- the 3 Pays development was delayed by 19 months due to modifications on the accessibility scheme, required for the filing of administrative authorizations;
- the Val Tolosa development was delayed by 16 months because of administrative procedures;
- the Sisters development was delayed by 16 months and its URW Expected Costs increased because of administrative procedures and change of conditions in the construction market;
- the Überseequartier project was delayed by 15 months and its URW Expected Cost increased due to changes to include a larger leisure and Food & Beverage component, to enlarge and upgrade the residential component and due to the impact of the booming German construction market on the first tenders. The disposal of the Residential blocks A and E3 building rights was signed at the end of the year;
- the URW Expected Cost of the Shift project increased as URW signed a lease contract with Nestlé for the entire building requiring additional construction works.

4.1.4.4 Investments in 2018

See Section “3. Investments and divestments”.

4.1.4.5 Deliveries expected in the next 12 months

12 projects representing a URW Expected Cost of ca. €1,560 Mn are to be delivered in 2019:

- seven extension and renovation retail projects: the Carré Sénart and Vélizy 2 leisure extensions, the Westfield Topanga and Westfield Valencia renovations, and the Gropius Passagen, Parly 2 Cinema and Westfield Valley Fair projects;
- two office redevelopment and extension projects: the Gaîté Montparnasse hotel and Shift;
- two brownfield office projects: Versailles Chantiers and Trinity; and
- one brownfield residential project: Westfield UTC Residential.

The average pre-letting(1) of the retail and office deliveries stands at 88%(2) and 64%, respectively.

4.

(1) GLA signed, all agreed to be signed and financials agreed.
(2) Excluding renovation projects.

4.1.4.6 Projects overview

DEVELOPMENT PROJECTS – DECEMBER 31, 2018

Development Projects[1]	Business	Country	City	Type	URW Ownership	100% GLA (sqm)	100% Expected Cost (€Mn)	URW Expected Cost (€Mn)	Yield on cost[2]	Opening date[3]	Project Valuation
VÉLIZY2 LEISURE EXTENSION	Shopping Centre	France	Paris region	Extension/ Renovation	100%	19,637 sqm	140			H1 2019	Fair value
VERSAILLES CHANTIERS	Office & others	France	Paris region	Greenfield/ Brownfield	100%	16,147 sqm	60			H1 2019	Fair value
WESTFIELD TOPANGA RENOVATION	Shopping Centre	US	Los Angeles region	Extension/ Renovation	55%	0 sqm	50			H2 2019	Fair value
WESTFIELD UTC RESIDENTIAL	Office & others	US	San Diego	Greenfield/ Brownfield	50%	26,845 sqm	140			H2 2019	Fair value
GROPIUS PASSAGEN	Shopping Centre	Germany	Berlin	Extension/ Renovation	10%	471 sqm	130			H2 2019	Fair value
WESTFIELD VALLEY FAIR	Shopping Centre	US	San Jose	Extension/ Renovation	50%	47,402 sqm	990			H2 2019	Fair value
SHIFT	Office & others	France	Paris region	Redevelopment/ Extension	100%	46,709 sqm	210			H2 2019	Fair value
TRINITY	Office & others	France	Paris	Greenfield/ Brownfield	100%	49,109 sqm	340			H2 2019	Fair value
LA PART-DIEU EXTENSION	Shopping Centre	France	Lyon	Extension/ Renovation	100%	30,637 sqm	380			H1 2020	At Cost
MALL OF THE NETHERLANDS*	Shopping Centre	The Netherlands	The Hague region	Redevelopment/ Extension	100%	87,853 sqm	570			H1 2020	At Cost
GAÎTÉ MONTPARNASSE RETAIL*	Shopping Centre	France	Paris	Redevelopment/ Extension	100%	30,243 sqm	170			H2 2020	At Cost
GAÎTÉ MONTPARNASSE OTHERS*	Office & others	France	Paris	Redevelopment/ Extension	100%	62,373 sqm	220			H2 2020	At Cost
WESTFIELD WORLD TRADE CENTER PHASE 2[4]	Shopping Centre	US	New York	Extension/ Renovation	100%	7,180 sqm	110			H2 2020	Fair value
OTHER						7,510 sqm	60				
Total Committed Projects								2,850	6.5%		
WESTFIELD OAKRIDGE RESTRUCTURING*	Shopping Centre	US	San Jose	Extension/R enovation	55%	15,230 sqm	50			H1 2020	At Cost
ALTAMAR[5]	Shopping Centre	Spain	Benidorm	Greenfield/ Brownfield	100%[6]	58,341 sqm	220			H1 2021	At Cost
GARBERA EXTENSION	Shopping Centre	Spain	San Sebastián	Extension/ Renovation	100%	19,596 sqm	130			H2 2021	At Cost
VAL TOLOSA	Shopping Centre	France	Toulouse region	Greenfield/ Brownfield	60%[6]	65,308 sqm	290			H1 2022	At Cost
VÉLIZY 2 RETAIL EXTENSION	Shopping Centre	France	Paris region	Extension/ Renovation	100%	19,038 sqm	200			H2 2022	At Cost
WESTFIELD MILANO	Shopping Centre	Italy	Milan	Greenfield/ Brownfield	75%	184,854 sqm	1,500			H2 2021	Fair value
ÜBERSEEQUARTIER	Shopping Centre	Germany	Hamburg	Greenfield/ Brownfield	100%	188,868 sqm	1,220			H2 2022	At Cost
VILLENEUVE 2 EXTENSION	Shopping Centre	France	Lille region	Extension/ Renovation	100%	17,741 sqm	140			H2 2022	At Cost
ROSNY 2 LEISURE EXTENSION	Shopping Centre	France	Paris region	Extension/ Renovation	50%	7,691 sqm	60			H2 2022	At Cost
CROYDON*	Shopping Centre	UK	London	Greenfield/ Brownfield	50%	162,116 sqm	1,550			2023	Fair value
SISTERS	Office & others	France	Paris	Greenfield/ Brownfield	100%	89,348 sqm	710			H2 2023	At Cost
3 PAYS	Shopping Centre	France	Hésingue	Greenfield/ Brownfield	100%	73,588 sqm	390			H2 2023	At Cost
NEO	Shopping Centre	Belgium	Brussels	Greenfield/ Brownfield	86%	122,444 sqm	670			H2 2023	At Cost
TRIANGLE	Office & others	France	Paris	Greenfield/ Brownfield	100%	85,140 sqm	600			Post 2023	At Cost
CHERRY PARK	Office & others	UK	London	Greenfield/ Brownfield	25%[7]	87,163 sqm	750			Post 2023	Fair value
METROPOLE ZLICIN EXTENSION	Shopping Centre	Czech Rep.	Prague	Extension/ Renovation	50%	24,261 sqm	150			Post 2023	At Cost
MAQUINEXT	Shopping Centre	Spain	Barcelona	Extension/ Renovation	51%	37,570 sqm	200			Post 2023	At Cost

Development Projects[1]	Business	Country	City	Type	URW Ownership	100% GLA (sqm)	100% Expected Cost (€Mn)	URW Expected Cost (€Mn)	Yield on cost[2]	Opening date[3]	Project Valuation
BUBNY	Shopping Centre	Czech Rep.	Prague	Greenfield/ Brownfield	65%	55,114 sqm	250			Post 2023	At Cost
OTHER						328,911 sqm	1,300				
Total Controlled Projects								7,650	7-8% target		
WESTFIELD GARDEN STATE PLAZA RESTRUCTURING*	Shopping Centre	US	New York region	Extension/ Renovation	50%	11,111 sqm	110			H2 2020	Fair value
WESTFIELD MISSION VALLEY*	Shopping Centre	US	San Diego	Extension/ Renovation	42%	29,723 sqm	120			H1 2021	At Cost
WESTFIELD MONTGOMERY RESTRUCTURING PHASE 1*	Shopping Centre	US	Washington region	Extension/ Renovation	50%	35,024 sqm	250			H2 2021	Fair value
WESTFIELD TOPANGA RESTRUCTURING*	Shopping Centre	US	Los Angeles region	Extension/ Renovation	55%	14,911 sqm	230			H2 2021	Fair value
WESTFIELD VALENCIA RESTRUCTURING*	Shopping Centre	US	Valencia	Extension/ Renovation	50%	23,110 sqm	80			H1 2022	At Cost
WESTFIELD UTC PHASE 3	Shopping Centre	US	San Diego	Extension/ Renovation	50%	11,893 sqm	160			H1 2022	At Cost
SCS WEST EXTENSION	Shopping Centre	Austria	Vienna	Extension/ Renovation	100%	8,005 sqm	90			H2 2023	At Cost
WESTFIELD MONTGOMERY RESTRUCTURING PHASE 2*	Shopping Centre	US	Washington region	Extension/ Renovation	50%	12,235 sqm	140			Post 2023	Fair value
FISKETORVET EXTENSION	Shopping Centre	Denmark	Copenhagen	Extension/ Renovation	100%	15,906 sqm	200			Post 2023	At Cost
VITAM	Shopping Centre	France	Neydens	Extension/ Renovation	80%	76,582 sqm	430			Post 2023	At Cost
OTHER						42,295 sqm	410				
Total Secured Exclusivity Projects								1,410	7-8% target		
URW TOTAL PIPELINE								11,910	7-8% target		

(1) Figures subject to change according to the maturity of projects.
(2) Stabilized expected net rental income divided by URW Expected Cost.
(3) In the case of staged phases in a project, the opening date corresponds to the opening of the last phase.
(4) Including Tower 3 and NTA and excluding Tower 2 which has not started yet.
(5) Previously Benidorm.
(6) % ownership after exercise of option rights.
(7) Assuming entry by one or more partners for 75% of the project.
* *Units acquired for the project are included in the Expected Cost at their acquisition cost.*

4.

4.1.5 PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT DECEMBER 31, 2018

URW's EPRA triple Net Asset Value (NNNAV)(1) amounted to €210.80 per share as at December 31, 2018, an increase of +5.1%, or +€10.30, from €200.50 as at December 31, 2017. This increase of +€10.30 is the result of: (i) +€18.78 per share representing the sum of: (a) the Recurring Earnings Per Share of +€13.15, (b) the revaluation of property and intangible assets and capital gains on disposals of +€1.68 per share, (c) foreign exchange movements and other items for -€2.01 per share, (d) the change of transfer taxes and deferred tax adjustments of +€7.42 per share, and (e) the dilutive effect of the instruments giving access to the Group's shares of -€1.46 per share; (ii) the impact of the payment of the dividend for 2017 of -€10.80 per share; and (iii) the positive impact of the mark-to-market of debt and financial instruments of +€2.32 per share.

The Going Concern NAV(2) (GMV based) came to €233.90 per share as at December 31, 2018, up by +6.7%, or +€14.70, compared to €219.20 as at December 31, 2017.

The Group's EPRA NAV per share increased by +5.1% to €221.80 as at December 31, 2018, compared to €211.00 as at December 31, 2017, and does not include the Group's Hybrid Securities. The EPRA NAV per share as at December 31, 2018 includes €12.90 of Westfield and UR Germany goodwill not justified by fee business.

4.1.5.1 Property portfolio

Unless otherwise indicated, the data presented in the property portfolio are on a proportionate(3) basis and as at December 31, 2018, and comparisons are with values as at December 31, 2017.

The total URW asset portfolio(4) amounted to €65.2 Bn compared to €63.7 Bn as at June 30, 2018.

4.1.5.1.1 Continental Europe

Despite €1.8 Bn(5) of disposals during the year, the portfolio(6) remained stable at €43,662 Mn (€43,497 Mn). On a like-for-like basis, the GMV increased by +0.8%, or +€307 Mn, net of investments.

While there continued to be strong demand for real estate and the amount of dry powder targeting the asset class remained at record levels, the volume of assets traded in 2018 across Continental Europe(7) amounted to €200 Bn, down -19% from 2017.

— *Retail*

Total retail investment volume in Continental Europe was €34.6 Bn. Shopping centre transactions accounted for 39% of the total.

Retail yields stabilized at historic lows. The spreads to bonds remains historically wide. Given low yields, investors continue to move up the risk curve. As a result, the length of due diligence periods is increasing. Due to the limited number of transactions for prime assets in 2018, appraisers kept the exit capitalization rates for prime assets stable.

UR's shopping centre portfolio GMV increased by +0.8% or +€278 Mn on a like-for-like basis. Shopping centres attracting ten million or more visits per annum experienced like-for-like GMV growth of +2.1%. The growth was driven by the rental impact (+2.4%), partly offset by a negative yield impact (-1.6%). The value of the Group's Spanish portfolio increased the most: +4.3% on a like-for-like basis, of which +3.8% driven by the rental impact and +0.6% driven by the yield impact. Like-for-like GMV growth of the Group's Central Europe, Austrian, Nordics and French shopping centres was +3.6%, +1.7%, +0.9% and +0.1%, respectively, while The Netherlands and Germany saw a like-for-like GMV decline of -7.2% and -0.7%, respectively.

— *Offices*

The value of UR's office portfolio increased by +5.1% on a like-for-like basis, primarily as a result of a positive yield impact (+4.8%) driven by reference transactions in the Paris region, where the Group's portfolio saw like-for-like GMV growth of +5.4%, of which +6.6% due to the yield impact.

— *Convention & Exhibition*

The Convention & Exhibition portfolio value decreased by -3.4% on a like-for-like basis as a result of an increase in the weighted average cost of capital.

(1) EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV per share less the estimated transfer taxes and capital gain taxes.
(2) Going Concern NAV: the amount of equity per share needed to replicate the Group's portfolio with its current financial structure.
(3) The sum of the GMV for the assets fully consolidated, the ownership at share of the GMV of assets accounted for using the equity method and the equity values for assets not controlled (Zlote Tarasy, Ring-Center, Gropius Passagen and Blum/Centennial and Starwood Ventures entities).
(4) Including the Group's services business, the airport activities, the trademark, transfer taxes and transaction costs. Does not include the non-allocated goodwill for WFD.
(5) Value as at December 31, 2017.
(6) Including transfer taxes and transaction costs.
(7) Source: Cushman & Wakefield, estimates.

4.1.5.1.2 Westfield's portfolio

The WFD asset portfolio amounted to €21,539 Mn[1] compared to €21,382 Mn as at June 1, 2018, and represented 33% of URW's total portfolio.

— *United States (US)*

Investment volumes in US retail saw a year-on-year decline, with total sales reported by Real Capital Analytics of $58.8 Bn (excluding the impact of the GGP and Westfield transactions). This represents an -8.5% year-on-year decrease. For shopping centres, the decrease in deal volume was -10.5%.

2018 was characterized by large real estate M&A transactions, including the acquisition of Westfield by UR and the take private of GGP by Brookfield Properties, both A-class US shopping centre REITs. Several landmark asset transactions occurred in H2-2018, at valuation levels in-line with historic levels and at stable cap rates of circa 4.0% for super prime properties. Among others, the acquisitions, part-acquisitions and refinancing of Ala Moana, Broadway Plaza, Christiana Mall, The Mall in Columbia, Baybrook Mall and The Shops at la Cantera testify to the sustained attractiveness of the best assets.

Beyond these examples, prime and super prime quality malls transactions were limited, which is likely a function of owners holding on to these assets for the long term, as they are best equipped to thrive in the changing retail environment.

The outlook for these assets remains stable. Vacancies from former department stores are seen as an opportunity for "A" grade malls, allowing landlords to replace struggling anchors with better income streams from large-format retailers, attractive leisure concepts or in-line tenants.

Nevertheless, the bifurcation of the retail real estate market continues, with limited transactions in the "B" mall space, and "C" grade shopping centres transacting at cap rates of 10-15%. Transaction volume remained low due to very limited availability of financing for lower quality malls and concerns about interest rates increases. Despite an uptick in market sentiment, investors are concerned by the challenges facing the weakest shopping centres. Success in these assets requires intensive management and creative repurposing of space. Several department stores and retailers continue to battle to attract sufficient footfall and sales as a result of changing consumer preferences and growth of online retail. The situation has led to an increased number of bankruptcies, including that of Sears. Some retailers have been shrinking their footprint to focus on a limited number of high quality retail destinations. In the near term, mall investors are expected to closely track the impact of risks of anchor performance and interest rates on regional mall pricing.

— *United Kingdom (UK)*

Investment volumes in UK real estate[2] amounted to €59 Bn in 2018, a decrease of -23% vs. 2017. Retail investment volumes accounted for 14% of total volumes, of which shopping centres represented 13%, or €1.0 Bn.

The number of UK shopping centre transactions was limited. Despite the resilient performance of the UK economy, 2018 was a particularly difficult year for UK retailers, as a number of structural factors, including business rates, over supply and fickle consumer demand has resulted in a very high number of bankruptcies and Company Voluntary Arrangements (CVAs). Investors have become wary of the consequences of Brexit, and transactions are taking longer to materialize. Investors are also more selective in terms of asset quality.

The best assets are still considered highly attractive, although their scarcity resulted in a limited number of transactions. In prime and super prime shopping centres, occupier demand remains strong and the impact of CVAs is less than in the rest of the market. Yields have expanded by between +5 bps and +25 bps in this category, although the Highcross shopping centre acquisition at a Net Initial Yield (NIY) of 5.5% provided some level of confidence to the market. Meanwhile, secondary asset valuations remain under pressure, increasing the polarization in the shopping centre market. Investors will closely monitor the outcome of the Brexit process, as well as the news flow from the retail market prior to reassessing their capital allocation.

(1) Including transfer taxes and transaction costs.
(2) Source: Cushman & Wakefield, estimates.

4.1.5.1.3 URW's portfolio

Asset portfolio valuation (including transfer taxes)[1]	Proportionate – December 31, 2018 (Mn€)	Proportionate – December 31, 2018 (%)	Proportionate – Like-for-like change net of investment – 2018[2] (€Mn)	Proportionate – Like-for-like change net of investment – 2018[2] (%)	Proportionate – December 31, 2017 (€Mn)	Proportionate – December 31, 2017 (%)	IFRS – December 31, 2017 (€Mn)	IFRS – December 31, 2017 (%)
Shopping centres	36,763	56%	278	0.8%	35,851	82%	35,408	82%
Offices	3,191	5%	105	5.1%	4,171	10%	4,171	10%
Convention & Exhibition	3,222	5%	(98)	-3.4%	3,061	7%	3,063	7%
Services	486	1%	22	5.3%	415	1%	415	1%
Subtotal UR	**43,662**	**67%**	**307**	**0.8%**	**43,497**	**100%**	**43,057**	**100%**
Shopping centres	19,751	30%						
Offices & Others	733	1%						
Services	1,055	2%						
Subtotal WFD	**21,539**	**33%**						
TOTAL URW	**65,201**	**100%**						

Figures may not add up due to rounding.

(1) On a proportionate basis, including transfer taxes and transaction costs (see §1.8 for IFRS and Group share figures).
The portfolio valuation includes:
- The acquisition of WFD for a total fair value (in GMV) of €21,382 Mn as at May 31, 2018;
- The appraised or at cost value of the entire property portfolio, whether fully consolidated or under joint operation;
- The equity value of URW's investments in assets not controlled (Zlote Tarasy, Ring-Center, Gropius Passagen and Blum/Centennial and Starwood Ventures entities).
The equity value of URW's share investments in assets not controlled amounted to €1,057 Mn (€937 Mn).
The valuations take into account the negative cash flows related to rents paid on concessions or leaseholds, which are accounted for as financial debt on the consolidated balance sheet.
The portfolio does not include the remaining goodwill resulting from the acquisition of WFD, nor financial assets such as the €463 Mn of cash and cash equivalents on the Group's balance sheet as at December 31, 2018.

(2) Excluding the currency effect, investment properties under construction, assets not controlled and changes in the scope (including acquisitions, disposals and deliveries of new projects) during 2018. Changes in scope consist mainly of the:
- Acquisition of WFD;
- Acquisition of office units in La Vaguada and in Tour Rosny;
- Acquisition of retail units in La Vaguada, in Parquesur, in Leidsenhage for the Mall of The Netherlands project, in Parly 2, in La Valentine and in La Part-Dieu;
- Acquisition of cinemas in Rosny 2 and Aupark;
- Disposals of offices: Capital 8, Tour Ariane and Zlote Tarasy Lumen and Skylight;
- Disposals of retail assets: four Spanish assets and a non-core asset in The Netherlands;
- Disposal of a Regional shopping centre in the US: Horton Plaza;
- Disposal of a hotel: Eurostop Örebro;
- Disposal of a land plot in L'Usine Mode et Maison;
- Disposal of an office project: Westfield Stratford City M7A; and
- Delivery of certain units to the tenants for which URW is still performing works: the cinema in Parly 2, the Vélizy 2 extension and the DEX & IMAX project in Carré Sénart.
The like-for-like change in the portfolio valuation is calculated excluding changes described above.

	Proportionate	
UR Valuation as at December 31, 2017 *(€Mn)*	43,497	
Like-for-like revaluation	307	
Revaluation of non like-for-like assets	417	
Revaluation of shares	36	(2)
Capex/Acquisitions	1,361	
Disposals	(1,848)	(3)
Constant Currency Effect	(108)	(4)
UR Valuation as at December 31, 2018 *(€Mn)*	43,662	1
Acquisition of the Westfield portfolio on June 1, 2018	21,382	(5)
Revaluation of non like-for-like assets	(257)	(6)
Revaluation of shares	(9)	(7)
Capex/Acquisitions/Disposals	195	(8)
Constant Currency Effect	229	(9)
WFD Valuation as at December 31, 2018 *(€Mn)*	21,539	2
URW Valuation as at December 31, 2018 *(€Mn)*	65,201	1+2

Figures may not add up due to rounding.

(1) Non like-for-like assets include IPUC valued at cost or at fair value, projects such as the Shift, Versailles Chantiers and Trinity offices, the hotel projects at Porte de Versailles and at Montparnasse and assets delivered in 2018 such as the cinema in Parly 2, the Vélizy 2 extension and the DEX & IMAX project in Carré Sénart.
(2) Revaluation of the shares in companies holding the assets not controlled (Zlote Tarasy, Ring-Center and Gropius Passagen).
(3) Value as at December 31, 2017.
(4) Currency impact of -€108 Mn mainly in the Nordics, before offsets from foreign currency loans and hedging programs.
(5) Fair value of WFD's portfolio as at May 31, 2018 (on a proportionate basis vs. IFRS for the amount reported at the end of June 2018), including the services business, the trademark and the airport activities that were not valued at the end of June 2018.
(6) Revaluation of WFD's portfolio since June 1, 2018.
(7) Revaluation of the shares in companies holding the assets not controlled (Blum/Centennial and Starwood Ventures entities) since June 1, 2018.
(8) Capex spent since June 1, 2018, net of disposals.
(9) Currency impact of +€229 Mn in the US and the UK, before offsets from foreign currency loans and hedging programs.

4.

— *Appraisers*

URW has allocated properties across independent appraisers by region for comparison and benchmarking purposes. The valuation process has a centralized approach, intended to ensure that, on the Group's portfolio, capital market views are taken into account. Assets are appraised twice a year (in June and December), except service companies, which are appraised once a year.

JLL and Cushman & Wakefield appraise the Continental European retail and office properties of the Group. France, being the largest region, is assessed by both firms. PwC assesses Convention & Exhibition venues as well as all of the Group's services activities, the trademark and the airport activities.

The Group's UK portfolio has been valued by Cushman & Wakefield. In Italy, the Westfield Milano development project has been valued by JLL. The Group's US portfolio has been valued by Cushman & Wakefield, Duff & Phelps and Altus.

	Proportionate	
Appraiser	Property location	% of total portfolio
Cushman & Wakefield	France/The Netherlands/Central Europe/UK/US	50%
JLL	France/Germany/Nordics/Spain/Austria/Italy	28%
PwC	France/Germany/US/UK	8%
Altus	US	5%
Duff & Phelps	US	4%
Other appraisers	Central Europe	1%
At cost, under sale agreement or internal.		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 have received fees from URW representing more than 10% of their turnover.

— *Valuation methodology*

Appraisal methods used by appraisers are compliant with international standards and guidelines as defined by RICS (Royal Institution of Chartered Surveyors), IVSC (International Valuation Standards Council) and FSIF (Fédération des sociétés immobilières et foncières).

Independent appraisers determine the fair market value based on the results of two methods: the discounted cash flow (DCF) methodology and/or the yield methodology. Furthermore, the resulting valuations are cross-checked against the initial yield, value per square meter and the fair market values established through actual market transactions.

Appraisers have been given access to all information relevant for valuations, such as the Group's confidential rent rolls, including information on vacancy, break options, expiry dates and lease incentives, performance indicators (*e.g.*, footfall and sales where available), letting evidence and the Group's cash flow forecasts from annually updated detailed asset business plans. Appraisers make their independent assessments of current and forward looking cash flow profiles and usually reflect risk either in the cash flow forecasts (*e.g.* future rental levels, growth, investment requirements, void periods and incentives), in the applied required returns or discount rates and in the yield applied to capitalize the exit rent to determine an exit value.

The yield and rent impacts are used to explain and split the revaluation into two parts. The yield impact indicator is very sensitive to any change in the assumptions made for the asset which complicates its interpretation. It is calculated as the change in potential yield, excluding capex, to eliminate the impact of vacancy. Therefore, if the NRI is projected to grow faster than the value of the asset net of capex, there will be a negative yield impact. In addition, the potential yield expands and therefore generates a negative yield impact in case of defensive capex or eviction costs or an increase in the ERV of vacant units. The rent impact is mechanically obtained by deducting the yield impact from the like-for-like revaluation.

As the value of the assets is based on cashflows and exit capitalization rates (ECR), the NIY may be lower than the ECR for a number of reasons. The main reasons are: the vacancy as at the valuation date which the appraisers assume will be rented and the reversion which will be captured in the cashflows. The NIY is an output rather than an input.

— *Valuation scope*

97% of URW's portfolio was appraised by independent appraisers.

Investment Properties Under Construction (IPUC) for which a value could be reliably determined are required to be accounted for at fair value and were assessed by external appraisers.

IPUC are taken at fair value once management considers that a substantial part of the project's uncertainty has been eliminated, such that a reliable fair value can be established. URW uses 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 appraisers. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The Trinity offices and the hotel projects at Porte de Versailles have been carried at fair value since June 30, 2018.

The main projects in the US, the UK and Italy were carried at fair value as at December 31, 2018.

Refer to the table in the Section "Development Projects as at December 31, 2018" for the valuation method used for each development project in the Group's pipeline.

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: Gaîté Montparnasse retail and office, Mall of The Netherlands and the La Part-Dieu extension, as well as the majority of development projects included in the "Controlled" and "Secured exclusivity" categories (see Section "Development Projects" for more details);
- at bid value for assets subject to an agreement pursuant to which these will be disposed of: Bobigny 2;
- at acquisition price for assets acquired in 2018 that were not appraised.

Unless otherwise indicated, valuation changes and references to asset values include transfer taxes and transaction costs.

— Shopping centre portfolio

The value of URW's shopping centre portfolio is the addition of the value of each individual asset as determined by the Group's appraisers, except as noted above. This approach does not include the "portfolio value", which reflects the additional value of having a large group of unique assets in a single portfolio although it is certainly part of the appeal to the Group's shareholders.

— *Evolution of URW's shopping centre portfolio valuation*

The value of the Group's Continental European shopping centre portfolio grew to €36,763 Mn from €35,851 Mn.

The US and UK shopping centre portfolio[2] was valued at €19,751 Mn compared to €19,658 Mn as at June 1, 2018.

The total value of URW's shopping centre portfolio amounted to €56,514 Mn.

(1) RICS: Royal Institution of Chartered Surveyors; IVSC: International Valuation Standards Council.
(2) Including the airport activities for the US and the trademark for the US and the UK.

	Proportionate	
UR Valuation as at December 31, 2017 *(€Mn)*	35,851	
Like-for-like revaluation	278	
Revaluation of non like-for-like assets	96	(1)
Revaluation of shares	36	(2)
Capex/Acquisitions	1,044	
Disposals	(440)	(3)
Constant Currency Effect	(102)	(4)
UR Valuation as at December 31, 2018 *(€Mn)*	36,763	1
Acquisition of the Westfield portfolio on June 1, 2018	19,658	(5)
Revaluation of non like-for-like assets	(206)	(6)
Revaluation of shares	(9)	(7)
Capex/Acquisitions/Disposals	79	(8)
Constant Currency Effect	229	(9)
WFD Valuation as at December 31, 2018 *(€Mn)*	19,751	2
URW Valuation as at December 31, 2018 *(€Mn)*	56,514	1+2

Figures may not add up due to rounding.

(1) Non like-for-like assets include IPUC valued at cost or at fair value and assets delivered in 2018 such as the cinema in Parly 2, the Vélizy 2 extension and the DEX & IMAX project in Carré Sénart.
(2) Revaluation of the shares in companies holding the assets not controlled (Zlote Tarasy, Ring-Center and Gropius Passagen).
(3) Value as at December 31, 2017.
(4) Currency impact of -€102 Mn mainly in the Nordics, before offsets from foreign currency loans and hedging programs.
(5) Fair value of WFD's portfolio as at May 31, 2018 (on a proportionate basis vs. IFRS for the amount reported at the end of June 2018), including the trademark and the airport activities that were not valued at the end of June 2018.
(6) Revaluation of WFD's portfolio since June 1, 2018.
(7) Revaluation of the shares in companies holding the assets not controlled (Blum/Centennial and Starwood Ventures entities) since June 1, 2018.
(8) Capex spent since June 1, 2018, net of disposals.
(9) Currency impact of +€229 Mn in the US and the UK, before offsets from foreign currency loans and hedging programs.

4.

Based on an asset value excluding estimated transfer taxes and transaction costs, the Continental European shopping centre division's NIY is stable at 4.3%

	Proportionate			IFRS	
Shopping centre portfolio by region – December 31, 2018	Valuation including transfer taxes *(€Mn)*	Valuation excluding estimated transfer taxes *(€Mn)*	**Net Initial Yield[1] December 31, 2018**	Net Initial Yield[1] December 31, 2017	Net Initial Yield[2] December 31, 2017
France[3]	16,282	15,656	4.0%	4.0%	4.0%
Central Europe[4]	5,321	5,275	4.9%	4.9%	4.9%
Spain	3,703	3,618	4.4%	4.7%	4.7%
Nordics	3,486	3,412	4.1%	4.3%	4.3%
Germany	3,756	3,562	4.4%	4.3%	4.5%
Austria	2,583	2,570	4.2%	4.2%	4.2%
The Netherlands	1,631	1,556	5.1%	5.0%	5.0%
Subtotal UR	36,763	35,649	4.3%	4.3%	4.3%
US	14,933	14,812	4.2%		
UK & Italy	4,818	4,593	4.3%		
Subtotal WFD	19,751	19,405	4.3%		
TOTAL URW	**56,514**	**55,053**	**4.3%**		

Figures may not add up due to rounding.

(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 not controlled, the trademark and the airport activities are not included in the calculation.
(2) 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.
(3) The effect of including key money in the French region's NRI would increase the NIY of French shopping centres from 4.0% to 4.3%.
(4) Ring-Center is included in the Central Europe region.

US shopping centre portfolio by category – December 31, 2018	Valuation including transfer taxes *(€Mn)*	Valuation excluding estimated transfer taxes in *(€Mn)*	**Net Initial Yield[(1)] December 31, 2018**
US Flagships[(2)]	12,587	12,471	3.9%
US Regionals	2,346	2,341	6.1%
TOTAL US	**14,933**	**14,812**	**4.2%**

(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 not controlled, the trademark and the airport activities are not included in the calculation of NIY.

(2) The airport activities and the trademark are included in the valuation of US Flagships.

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

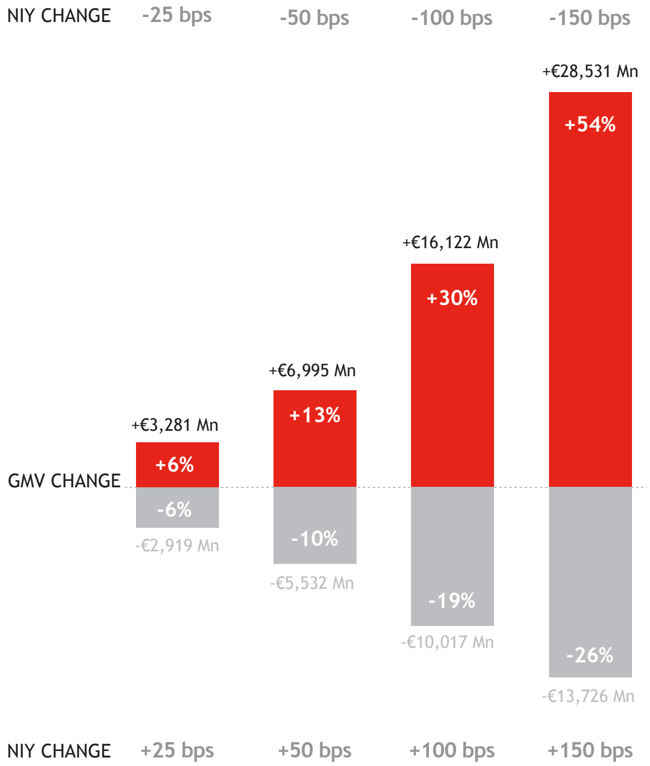
	Proportionate				IFRS*	
	December 31, 2018		December 31, 2017		December 31, 2017	
Valuation of shopping centre portfolio (including transfer taxes)	*(Mn€)*	*(%)*	*(Mn€)*	*(%)*	*(Mn€)*	*(%)*
France	16,282	29%	15,769	44%	15,752	44%
Central Europe	5,321	9%	5,098	14%	5,063	14%
Spain	3,703	7%	3,763	10%	3,764	11%
Nordics	3,486	6%	3,516	10%	3,516	10%
Germany	3,756	7%	3,601	10%	3,209	9%
Austria	2,583	5%	2,498	7%	2,498	7%
The Netherlands	1,631	3%	1,607	4%	1,607	5%
Subtotal UR	**36,763**	**65%**	**35,851**	**100%**	**35,408**	**100%**
US	14,933	26%				
UK & Italy	4,818	9%				
Subtotal WFD	**19,751**	**35%**				
TOTAL URW	**56,514**	**100%**				

Figures may not add up due to rounding.

* *Valuation amounts include the value of the Group's equity in assets accounted for using the equity method.*

— *Sensitivity*

SENSITIVITY TO NET INITIAL YIELD CHANGE



Figures may not add up due to rounding.

A change of +25 basis points (bps) in NIY, the main output of the appraisal models, would result in a downward adjustment of -€2,919 Mn (or -5.5%) of URW's shopping centre portfolio value (excluding assets under development, the trademark and the airport activities).

— *Like-for-like analysis*

On a like-for-like basis, the value of URW's Continental European shopping centre portfolio, after accounting for works, capitalized financial and leasing expenses and eviction costs, increased by +€278 Mn (+0.8%). This increase was the result of a rent impact of +2.4%, partly offset by a negative yield impact of -1.6%.

	Proportionate			
	Shopping centres – Like-for-like (LfL) change[1]			
2018	LfL change *(€Mn)*	LfL change *(%)*	LfL change – Rent impact	LfL change – Yield impact[2]
France	15	0.1%	3.2%	-3.1%
Central Europe	155	3.6%	3.2%	0.4%
Spain	139	4.3%	3.8%	0.6%
Nordics	31	0.9%	-1.1%	2.0%
Germany	(22)	-0.7%	1.0%	-1.7%
Austria	43	1.7%	3.5%	-1.8%
The Netherlands	(84)	-7.2%	-1.7%	-5.5%
TOTAL	**278**	**0.8%**	**2.4%**	**-1.6%**

Figures may not add up due to rounding.

(1) *Like-for-like change net of investments from December 31, 2017 to December 31, 2018, excluding assets not controlled.*
(2) *Yield impact calculated using the change in potential yields (to neutralize changes in vacancy rates) and taking into account key money.*

The changes in the exit yields and Discount Rates from December 31, 2017 to December 31, 2018 had an impact of +€16.5 Mn on the GMV of the like-for-like shopping centres.

Like-for-like revaluations illustrated the outperformance of Continental European assets attracting ten million or more visits per annum, which represent 80% of URW's Continental European's retail exposure (excluding assets under development).

	Proportionate			
	Shopping centres – Like- for-like (LfL) change by footfall category(1)			
2018	LfL change *(€Mn)*	LfL change *(%)*	LfL change – Rent impact	LfL change – Yield impact(2)
10 Mn visits and above	550	2.1%	3.2%	-1.1%
Below 10 Mn visits	(272)	-4.1%	-0.1%	-4.0%
TOTAL	**278**	**0.8%**	**2.4%**	**-1.6%**

Figures may not add up due to rounding.

(1) Like-for-like change net of investments from December 31, 2017 to December 31, 2018, excluding assets not controlled.
(2) Yield impact calculated using the change in potential yields (to neutralize changes in vacancy rates) and taking into account key money.

— Office portfolio

— *Evolution of URW's office portfolio valuation*

The value of URW's Continental European office portfolio decreased to €3,191 Mn from €4,171 Mn, primarily due to the active asset disposal programme.

The value of URW's US and UK office portfolio was €733 Mn compared to €671 Mn as at June 1, 2018.

The total value of URW's office portfolio amounted to €3,924 Mn.

	Proportionate	
UR Valuation as at December 31, 2017 *(€Mn)*	**4,171**	
Like-for-like revaluation	105	
Revaluation of non like-for-like assets	156	(1)
Capex/Acquisitions	173	
Disposals	(1,408)	(2)
Constant Currency Effect	(6)	(3)
UR Valuation as at December 31, 2018 *(€Mn)*	**3,191**	**1**
Acquisition of the Westfield portfolio on June 1, 2018	671	(4)
Revaluation of non like-for-like assets	(51)	(5)
Capex/Acquisitions/Disposals	116	(6)
Constant Currency Effect	(2)	(7)
WFD Valuation as at December 31, 2018 *(€Mn)*	**733**	**2**
URW Valuation as at December 31, 2018 *(€Mn)*	**3,924**	**1+2**

Figures may not add up due to rounding.

(1) Non like-for-like assets include IPUC valued at cost or at fair value, projects such as the Shift, Versailles Chantiers and Trinity offices.
(2) Value as at December 31, 2017.
(3) Currency impact of -€6 Mn mainly in the Nordics, before offsets from foreign currency loans and hedging programs.
(4) Fair value of WFD's portfolio as at May 31, 2018 (on a proportionate basis vs. under IFRS for the amount reported at the end of June 2018).
(5) Revaluation of WFD's portfolio since June 1, 2018.
(6) Capex spent since June 1, 2018, net of disposals.
(7) Currency impact of -€2 Mn in the US and the UK, before offsets from foreign currency loans and hedging programs.

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

Valuation of Office portfolio (including transfer taxes)	Proportionate December 31, 2018 (€Mn)	Proportionate December 31, 2018 (%)	Proportionate December 31, 2017 (€Mn)	Proportionate December 31, 2017 (%)	IFRS December 31, 2017 (€Mn)	IFRS December 31, 2017 (%)
France	2,879	73%	3,738	90%	3,738	90%
Nordics	168	4%	173	4%	173	4%
Other countries	144	4%	260	6%	260	6%
Subtotal UR	**3,191**	**81%**	**4,171**	**100%**	**4,171**	**100%**
US	302	8%				
UK & Italy	432	11%				
Subtotal WFD	**733**	**19%**				
TOTAL URW	**3,924**	**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 Continental European office division's NIY increased by +22 bps to 5.8%. This increase is mainly due to the disposal of Capital 8 and the increase in NIY for offices in other countries.

Valuation of occupied office space – December 31, 2018	Proportionate Valuation including transfer taxes (€Mn)(1)	Proportionate Valuation excluding estimated transfer taxes (€Mn)(1)	Proportionate Net Initial Yield(2) December 31, 2018	Proportionate Net Initial Yield(2) December 31, 2017	IFRS Net Initial Yield(3) December 31, 2017
France	1,843	1,783	5.6%	5.5%	5.5%
Nordics	135	132	7.9%	7.6%	7.6%
Other countries	118	116	7.1%	5.9%	5.9%
Subtotal UR	**2,096**	**2,030**	**5.8%**	**5.6%**	**5.6%**
US	217	211	5.8%		
UK & Italy	68	64	n.m.		
Subtotal WFD	**285**	**275**	**4.9%**		
TOTAL URW	**2,381**	**2,305**	**5.7%**		

Figures may not add up due to rounding.

(1) Valuation of occupied office space as at December 31, 2018, based on the appraiser's allocation of value between occupied and vacant spaces.

(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. Assets under development or not controlled are not included in this calculation.

(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. Assets under development or held by companies accounted for using the equity method are not included in this calculation.

— *Sensitivity*

A change of +25 bps in NIY, the main output of the appraisal models, would result in a downward adjustment of -€110 Mn (-4.4%) of URW's office portfolio value (occupied and vacant spaces, excluding assets under development).

— *Like-for-like analysis*

The value of URW's Continental European office portfolio, after accounting for the impact of works and capitalized financial and leasing expenses, increased by +€105 Mn (+5.1%) on a like-for-like basis, due to a rent impact of +0.3% and a yield impact of +4.8%.

2018	Proportionate – Offices – Like for Like (LfL) change(1) LfL change (€Mn)	LfL change (%)	LfL change – Rent impact	LfL change – Yield impact(2)
France	97	5.4%	-1.2%	6.6%
Nordics	6	3.4%	6.5%	-3.1%
Other countries	2	2.0%	8.4%	-6.4%
TOTAL	**105**	**5.1%**	**0.3%**	**4.8%**

Figures may not add up due to rounding.

(1) Like-for-like change net of investments from December 31, 2017 to December 31, 2018.

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

4.

— *French office portfolio*

The French office portfolio split by sector is the following:

French office portfolio by sector – December 31, 2018	Proportionate Valuation (including transfer taxes) (€Mn)	(%)
La Défense	1,992	69%
Others	887	31%
TOTAL	**2,879**	**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 NIY came to 5.6%, reflecting a +9 bps yield expansion during 2018.

Valuation of French occupied office space – December 31, 2018	Proportionate Valuation including transfer taxes *(€Mn)*[(1)]	Valuation excluding estimated transfer taxes *(€Mn)*	**Net Initial Yield December 31, 2018** [(2)]	Average price (€/m²)[(3)]
La Défense	1,571	1,521	5.7%	8,727
Others	272	262	5.2%	7,523
TOTAL	**1,843**	**1,783**	**5.6%**	**8,530**

Figures may not add up due to rounding.

(1) Valuation of occupied office space as at December 31, 2018, 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 and transaction costs, 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 an average of €16,939 per unit.

— Convention & Exhibition portfolio

— *Valuation methodology*

The valuation methodology adopted by PwC for the venues is mainly based on a discounted cash flow model applied to the total net income projected over the life of the concession or leasehold (net of the amounts paid for the concession or leasehold) if it exists, or otherwise over a 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 capital expenditures to be spent on Porte de Versailles (€365 Mn).

The hotels at Porte de Versailles have been carried at fair value since June 30, 2018, using the same methodology.

The discounted cash flow methodology has also been used for the CNIT Hilton, the Novotel Confluence and the Pullman Montparnasse hotels.

— *Evolution of the Convention & Exhibition valuation*

The value of URW's Convention & Exhibition venues and hotels, including transfer taxes and transaction costs, grew to €3,222 Mn (€3,061 Mn).

	Proportionate
Valuation December 31, 2017 *(€Mn)*	**3,061**[(1)]
Like-for-like revaluation	(98)
Revaluation of non like-for-like assets	116
Capex/Acquisitions	144
Valuation December 31, 2018 *(€Mn)*	**3,222**[(2)]

Figures may not add up due to rounding.

(1) Of which €2,781 Mn for Viparis (including Palais des Sports) and €280 Mn for hotels (including the hotel projects at Porte de Versailles). Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by URW, the valuation for Viparis (including Palais des Sports) is €2,622 Mn.

(2) Of which €2,778 Mn for Viparis (including Palais des Sports) and €443 Mn for hotels (including the hotel projects at Porte de Versailles). Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by URW, the valuation for Viparis (including Palais des Sports) is €2,631 Mn.

On a like-for-like basis, net of investments, the value of Convention & Exhibition venues and hotels decreased by -€98 Mn (-3.4%).

	Proportionate	
	2018	
Convention & Exhibition – Like-for-like change[(1)]	(€Mn)	(%)
Viparis[(2)]	(100)	-3.6%
Hotels	1	1.9%
TOTAL	**(98)**	**-3.4%**

Figures may not add up due to rounding.

(1) Like-for-like change net of investments from December 31, 2017 to December 31, 2018.
(2) Viparis includes all of the Group's Convention & Exhibition venues.

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 venues increased by +5 bps to 5.3%.

— Services

The services portfolio is composed of URW's French, German, UK and US property services companies.

URW's services portfolio is appraised annually by PwC as at each year-end in order to include all significant fee business activities in the portfolio at their market value for the calculation of URW's NAV. In URW's Consolidated statement of financial position, intangible assets are not revalued but recognized at cost less any amortization charges and/or impairment losses booked.

— Proportionate, IFRS and Group share figures for the property portfolio

The figures above are on a proportionate basis.

The following tables provide the IFRS GMV and the Group share level (in GMV) for UR's assets:

	Proportionate		IFRS		Group share	
UR Asset portfolio valuation – December 31, 2018	*(€Mn)*	*(%)*	*(€Mn)*	*(%)*	*(€Mn)*	*(%)*
Shopping centres	36,763	84%	36,270	84%	31,776	85%
Offices	3,191	7%	3,191	7%	3,166	9%
Convention & Exhibition	3,222	7%	3,223	7%	1,848	5%
Services	486	1%	486	1%	396	1%
TOTAL UR	**43,662**	**100%**	**43,170**	**100%**	**37,185**	**100%**
UR Asset portfolio valuation - December 31, 2017	*(€Mn)*	*(%)*	*(€Mn)*	*(%)*	*(€Mn)*	*(%)*
Shopping centres	35,851	82%	35,408	82%	31,018	83%
Offices	4,171	10%	4,171	10%	4,146	11%
Convention & Exhibition	3,061	7%	3,063	7%	1,747	5%
Services	415	1%	415	1%	329	1%
TOTAL UR	**43,497**	**100%**	**43,057**	**100%**	**37,241**	**100%**
UR Like-for-like change - net of Investments - 2018	*(€Mn)*	*(%)*	*(€Mn)*	*(%)*	*(€Mn)*	*(%)*
Shopping centres	278	0.8%	277	0.9%	222	0.8%
Offices	105	5.1%	105	5.1%	105	5.1%
Convention & Exhibition	(98)	-3.4%	(98)	-3.4%	(55)	-3.6%
Services	22	5.3%	22	5.3%	17	5.3%
TOTAL UR	**307**	**0.8%**	**306**	**0.8%**	**290**	**0.9%**
UR Like-for-like change - net of Investments - 2018 - Split rent/yield impact	**Rent impact %**	**Yield impact %**	**Rent impact %**	**Yield impact %**	**Rent impact %**	**Yield impact %**
Shopping centres	2.4%	-1.6%	2.4%	-1.6%	2.3%	-1.5%
Offices	0.3%	4.8%	0.3%	4.8%	0.2%	4.9%
UR Net Initial Yield	**December 31, 2018**	**December 31, 2017**	**December 31, 2018**	**December 31, 2017**	**December 31, 2018**	**December 31, 2017**
Shopping centres(1)	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Offices - occupied space(2)	5.8%	5.6%	5.8%	5.6%	5.8%	5.6%

Figures may not add up due to rounding.

(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 and shopping centres not controlled (Zlote Tarasy, Ring-Center and Gropius Passagen) are not included in the calculation. Shopping centres held by companies accounted for using the equity method are not included in the calculation of IFRS and Group share but are included in the proportionate.

(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. Offices under development and offices not controlled (Zlote Tarasy Lumen and Skylight, sold in 2018) are not included in the calculation.

The following tables provide the IFRS GMV and the Group share level (in GMV) for WFD's assets:

	Proportionate		IFRS		Group share	
WFD Asset portfolio valuation – December 31, 2018	*(€Mn)*	*(%)*	*(€Mn)*	*(%)*	*(€Mn)*	*(%)*
Shopping centres	19,751	92%	17,764	91%	17,642	91%
Offices & Others	733	3%	704	4%	704	4%
Services	1,055	5%	1,055	5%	1,055	5%
TOTAL WFD	**21,539**	**100%**	**19,523**	**100%**	**19,401**	**100%**

The following tables provide the IFRS GMV and the Group share level (in GMV) for URW's assets:

	Proportionate		IFRS		Group share	
URW Asset portfolio valuation – December 31, 2018	(€Mn)	(%)	(€Mn)	(%)	(€Mn)	%
Shopping centres	56,514	87%	54,034	86%	49,417	87%
Offices & Others	3,924	6%	3,894	6%	3,870	7%
Convention & Exhibition	3,222	5%	3,223	5%	1,848	3%
Services	1,541	2%	1,541	2%	1,451	3%
TOTAL URW	**65,201**	**100%**	**62,693**	**100%**	**56,586**	**100%**

Additional Valuation parameters – IFRS 13

URW complies with the IFRS 13 fair value measurement and the position paper[1] on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the non-public rent rolls of the Group's assets, URW believes it is appropriate to classify its assets under Level 3. In addition, unobservable inputs, including appraisers' assumptions on growth rates and exit yields, are used by appraisers to determine the fair value of URW's assets.

In addition to the disclosures provided above, the following tables provide a number of quantitative data in order to assess the fair valuation of the Group's assets.

Shopping centres

All shopping centres are valued using the discounted cash flow and/or yield methodologies.

4.

Shopping centres – December 31, 2018		Net Initial Yield	Rent (€ per sqm)[1]	Discount Rate[2]	Exit yield[3]	CAGR of NRI[4]
	Max	7.6%	896	8.5%	7.4%	13.9%
	Min	2.3%	162	5.3%	3.5%	2.0%
France	Weighted average	4.0%	514	5.7%	4.0%	4.1%
	Max	7.2%	602	8.4%	7.7%	3.0%
	Min	4.4%	140	6.3%	4.7%	2.1%
Central Europe	Weighted average	4.9%	384	6.8%	5.0%	2.6%
	Max	7.4%	547	9.3%	6.5%	3.8%
	Min	4.0%	128	6.9%	4.3%	1.4%
Spain	Weighted average	4.4%	346	7.1%	4.4%	3.3%
	Max	5.3%	468	8.3%	5.2%	3.6%
	Min	3.8%	184	6.2%	3.9%	2.6%
Nordics	Weighted average	4.1%	374	6.6%	4.2%	3.1%
	Max	7.4%	480	8.0%	6.6%	3.8%
	Min	3.8%	159	6.0%	3.8%	2.0%
Germany	Weighted average	4.4%	302	6.3%	4.3%	3.0%
	Max	4.3%	406	6.2%	4.1%	3.0%
	Min	4.1%	376	6.1%	4.1%	2.4%
Austria	Weighted average	4.2%	390	6.2%	4.1%	2.7%
	Max	6.6%	405	7.5%	6.7%	3.4%
	Min	4.3%	168	5.8%	4.2%	2.4%
The Netherlands	Weighted average	5.1%	270	6.5%	5.2%	2.6%
	Max	20.4%	2,493	12.0%	10.5%	11.7%
	Min	3.2%	82	5.8%	4.3%	1.8%
US	Weighted average	4.2%	419	6.4%	5.1%	4.6%
	Max	4.5%	692	5.8%	4.6%	3.6%
	Min	4.1%	678	5.7%	4.5%	2.4%
UK & Italy	Weighted average	4.3%	684	5.7%	4.6%	3.1%

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 Min and Max calculation. Assets under development or not controlled, the trademark and the airport activities are not included in this table.
(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).

(1) EPRA Position Paper on IFRS 13 -Fair value mesurement and illustrative disclosures. February 2013.

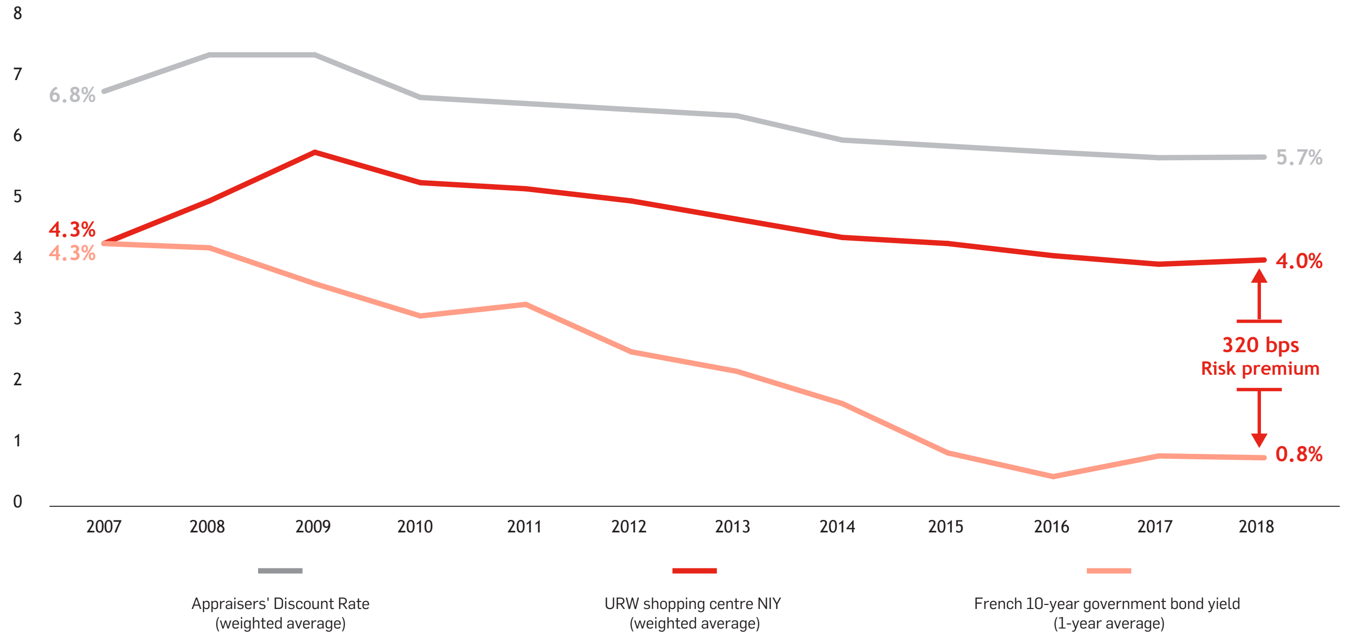
For the US, the split between Flagship and Regional shopping centres is as follows:

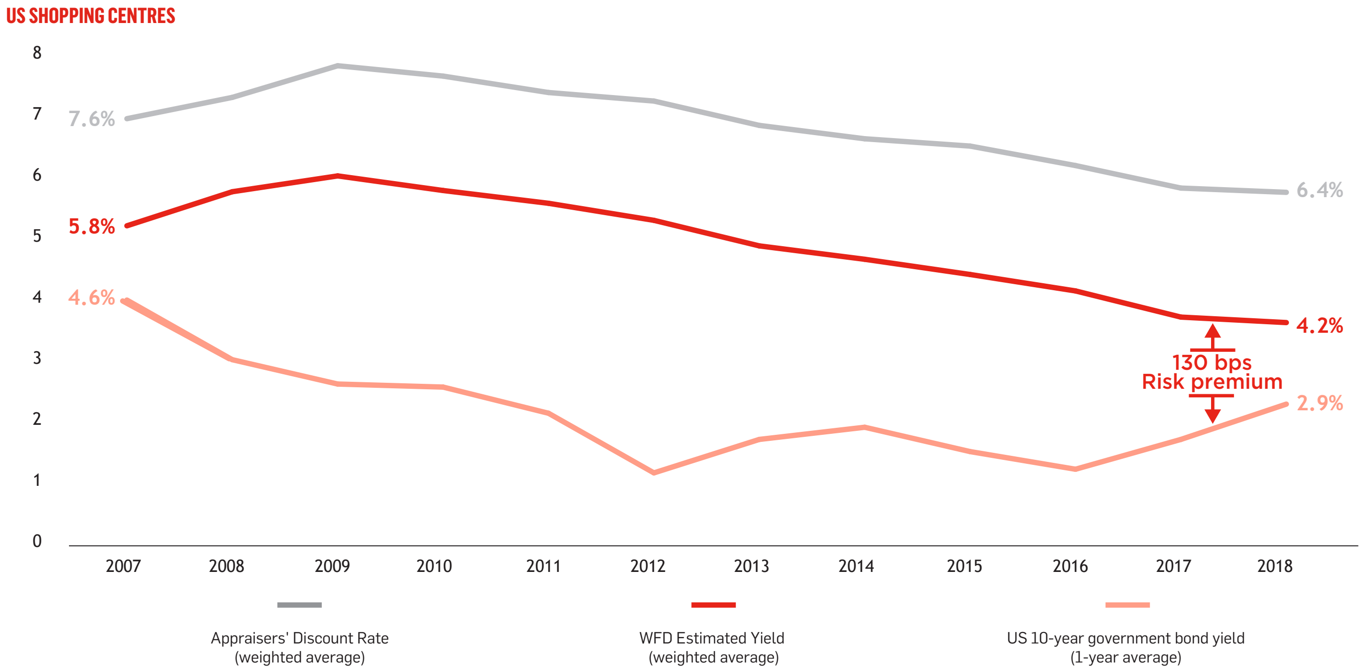
Shopping centres – December 31, 2018		Net Initial Yield	Rent in € per sqm)[1]	Discount Rate[2]	Exit yield[3]	CAGR of NRI[4]
	Max	5.0%	2,493	6.8%	5.8%	6.0%
	Min	3.2%	313	5.8%	4.3%	3.0%
US Flagships	Weighted average	3.9%	602	6.1%	4.8%	4.8%
	Max	20.4%	361	12.0%	10.5%	11.7%
	Min	4.6%	82	6.8%	5.8%	1.8%
US Regionals	Weighted average	6.1%	205	7.9%	6.7%	3.9%

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 Min and Max calculation. Assets under development or not controlled, the trademark and the airport activities are not included in this table.

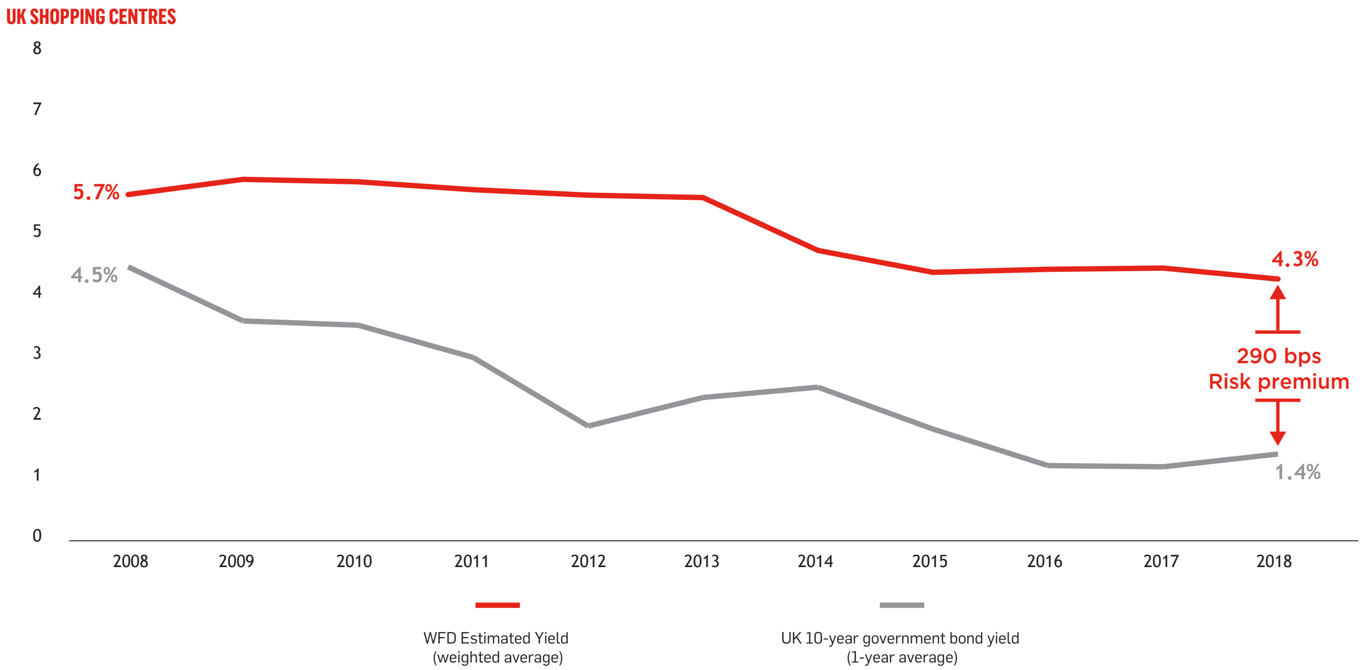
(1) Average annual rent (Minimum Guaranteed Rent + Sales Based Rent) per asset per m².
(2) Rate used to calculate the net present value of future cash flows.
(3) Rate used to capitalize the exit rent to determine the exit value of an asset.
(4) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser (10 years).

FRANCE SHOPPING CENTRES





US SHOPPING CENTRES
8
7
6
5
4
3
2
1
0
7.6%
5.8%
4.6%
6.4%
4.2%
130 bps
Risk premium
2.9%
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
Appraisers' Discount Rate (weighted average)
WFD Estimated Yield (weighted average)
US 10-year government bond yield (1-year average)



UK SHOPPING CENTRES
8
7
6
5
4
3
2
1
0
5.7%
4.5%
4.3%
290 bps
Risk premium
1.4%
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
WFD Estimated Yield (weighted average)
UK 10-year government bond yield (1-year average)

— *Offices*

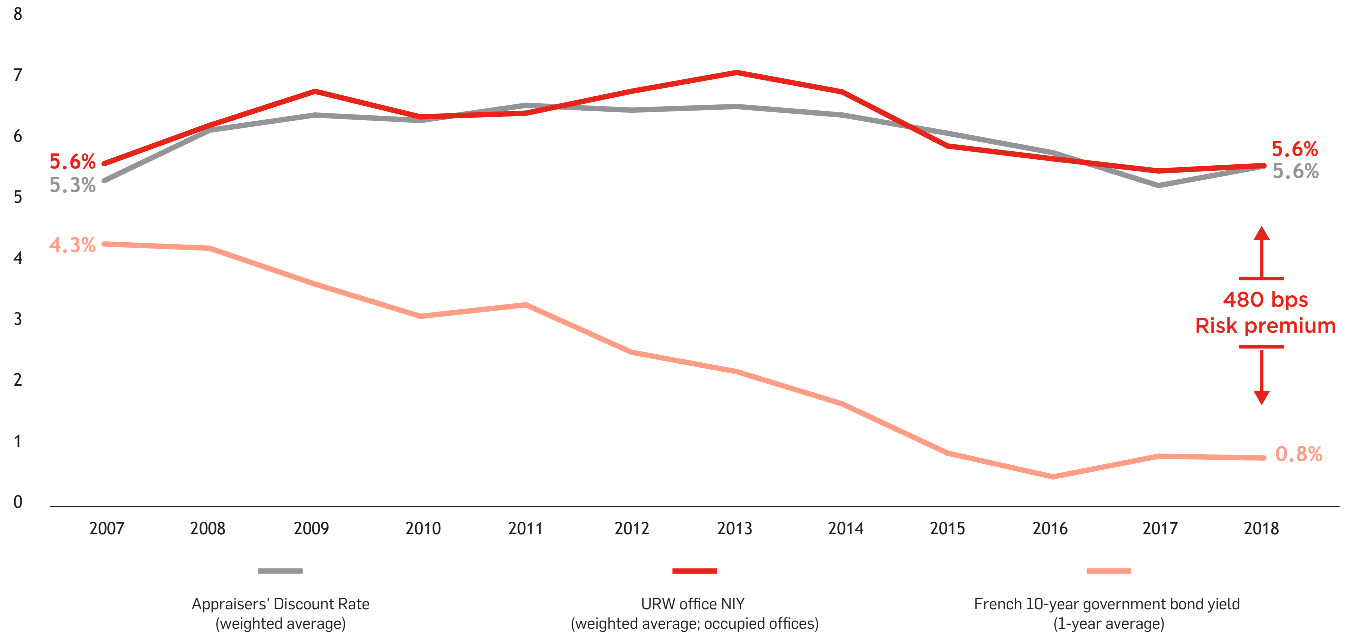
Offices are valued using the discounted cash flow and yield methodologies.

Offices – December 31, 2018		Net Initial Yield on occupied space	Rent (€ per sqm)[1]	Discount Rate[2]	Exit yield[3]	CAGR of NRI[4]
	Max	11.0%	554	9.0%	8.0%	2.2%
	Min	4.4%	108	5.0%	4.3%	-0.6%
France	Weighted average	5.6%	473	5.6%	4.7%	1.2%
	Max	10.0%	221	9.4%	7.8%	3.7%
	Min	6.6%	172	7.1%	5.2%	2.4%
Nordics	Weighted average	7.9%	189	8.0%	6.4%	3.0%
	Max	13.0%	162	8.8%	8.8%	17.5%
	Min	4.7%	43	5.6%	4.0%	0.5%
Other countries	Weighted average	7.1%	94	5.9%	4.7%	2.0%
	Max	8.8%	485	9.3%	8.5%	6.1%
	Min	4.5%	249	6.9%	5.8%	3.6%
US	Weighted average	5.8%	382	7.2%	6.6%	5.4%

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 Min and Max calculation. Assets under development are not included in this table, as well as UK asset.

(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 Net Rental Income determined by the appraiser (between 3 and 10 years, depending on duration of DCF model used).

FRANCE OFFICES



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 capitalization rates have led to wide yield differentials between the Group's French shopping centre and office assets relative to French government bond yields.

4.1.5.2 EPRA triple net asset value calculation

The EPRA triple Net Asset Value (NNNAV) is calculated by adding to the equity attributable to the holders of the Stapled Shares, as shown on the Consolidated statement of financial position (under IFRS), several items as described hereafter.

— Equity attributable to the holders of the Stapled Shares

As at December 31, 2018, the equity attributable to the holders of the Stapled Shares (which includes neither the Hybrid securities nor the External non-controlling interests) came to €26,176 Mn.

The equity attributable to the holders of the Stapled Shares incorporated the net recurring profit of €1,609.8 Mn and the net negative impact of -€578.6 Mn of fair value adjustments on property assets and financial instruments, acquisition and related costs, as well as the capital gain on sales of properties.

A preliminary purchase price allocation of the WFD acquisition was performed as at December 31, 2018, as well as preliminary impairment tests of the remaining goodwill.

— Impact of rights giving access to share capital

Dilution from securities giving access to share capital as at December 31, 2018, was computed for such instruments “in the money” and having fulfilled the performance conditions.

In accordance with IFRS, financial instruments and the ORNANEs[(1)] were recorded on URW’s statement of financial position at their fair value with the impact of the change in fair value included in the income statement and thus in the equity attributable to the holders of the Stapled Shares.

The ORNANEs issued in 2014 and 2015 were not restated for the NNNAV calculation as they are “out of the money” as at December 31, 2018, 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, 2018, would have led to a rise in the number of shares by +149,298, without any impact on the equity attributable to the holders of the Stapled Shares as they relate only to Performance Shares.

As at December 31, 2018, the fully-diluted number of shares taken into account for the NAV calculations was 138,445,448.

— Unrealized capital gain on intangible and operating assets

The appraisal of property service companies in France and Germany, of the operating asset of URW (7 Adenauer, Paris 16) and of the operations (*fonds de commerce*) of Viparis Porte de Versailles, Paris Nord Villepinte, Palais des Congrès de Paris and Palais des Congrès d’Issy-les-Moulineaux, gave rise to an unrealized capital gain of +€582 Mn, which was added for the purpose of the NAV calculation.

— Adjustment of deferred taxes on capital gains

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at December 31, 2018.

For the purpose of the EPRA NAV calculation, deferred taxes on unrealized capital gains on assets not qualifying for tax exemption (€3,797 Mn) were added back, including the deferred tax liabilities resulting from the acquisition of WFD.

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 (€1,774 Mn) were deducted. For US and UK assets, this estimation is based on 50% of the deferred tax liabilities booked in the consolidated balance sheet.

— Mark-to-market value of debt and derivatives

In accordance with IFRS, derivatives and ORNANEs were recorded on URW’s statement of financial position at their fair value.

The fair value adjustment (€409 Mn, excluding exchange rate hedging in accordance with the EPRA best practice recommendations) was added back for the EPRA NAV calculation and then deducted for the EPRA NNNAV calculation.

The value of the fixed-rate debt on the balance sheet of the Group is equal to the nominal value for the ex-Unibail debt, the fair value of the ex-Rodamco debt at the accounting combination date (June 30, 2007) and the value of the WFD debt at the accounting combination date (May 31, 2018). Taking fixed rate debt at its fair value would have had a positive impact of +€34 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, 2018, 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 €626 Mn.

4.

(1) Net share settled bonds convertible into new and/or existing shares (ORNANE) – see Financial resources note.

— EPRA Triple Net Asset Value

URW's EPRA NNNAV stood at €29,185 Mn or €210.80 per share (fully-diluted) as at December 31, 2018.

The EPRA NNNAV per share increased by +3.2% (or +€6.60) compared to June 30, 2018 and increased by +5.1% (or +€10.30) compared to December 31, 2017.

The increase of +€10.30 compared to December 31, 2017 was the sum of: (i) the value increase of +€18.78 per share, (ii) the impact of the payment of the 2018 dividend of -€10.80, and (iii) the positive impact of the +€2.32 mark-to-market of the fixed-rate debt and derivatives.

4.1.5.3 Going concern net asset value

URW adds to the EPRA NNNAV per share estimated transfer taxes and effective deferred capital gain taxes resulting in a Going Concern NAV. This corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure.

Going Concern NAV stood at €233.90 per share as at December 31, 2018, an increase of +€14.70 (+6.7%) compared to December 31, 2017.

This increase was the sum of: (i) the value increase of +€23.18 per share, (ii) the impact of the payment of the 2018 dividend of -€10.80, and (iii) the positive impact of the +€2.32 mark-to-market of the fixed-rate debt and derivatives.

The following tables show the calculation presented in compliance with EPRA best practices recommendations. A bridge from December 31, 2017 to December 31, 2018 is also presented.

	December 31, 2017		June 30, 2018		December 31, 2018	
EPRA NNNAV calculation (All figures are Group share, €Mn)	(€Mn)	(€/share)	(€Mn)	(€/share)	(€Mn)	(€/share)
Fully diluted number of shares		99,910,659		138,973,702		138,445,448
Equity attributable to the holders of the Stapled Shares	18,916		25,699		26,176	
Amounts owed to shareholders	0		0		0	
ORA and ORNANE	0		0		0	
Effect of exercise of options	3		98		0	
Diluted NAV	18,919		25,797		26,176	
Add						
Revaluation of intangible and operating assets	406		447		582	
Added back/deducted						
Fair value of financial instruments	232		320		409	
Deferred taxes on balance sheet	1,776		3,720		3,797	
Goodwill as a result of deferred taxes	(256)		(256)		(256)	
EPRA NAV	**21,078**	**€211.00**	**30,027**	**€216.10**	**30,709**	**€221.80**
Fair value of financial instruments	(232)		(320)		(409)	
Fair value of debt	(579)		(206)		34	
Effective deferred taxes	(823)		(1,781)		(1,774)	
Impact of transfer taxes estimation	591		660		626	
EPRA NNNAV	**20,035**	**€200.50**	**28,380**	**€204.20**	**29,185**	**€210.80**
% of change over 6 months		**2.7%**		**1.8%**		**3.2%**
% of change over 1 year		**9.1%**		**4.6%**		**5.1%**

Figures may not add up due to rounding.

URW 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, €Mn)	December 31, 2017		June 30, 2018		December 31, 2018	
	(€Mn)	(€/share)	(€Mn)	(€/share)	(€Mn)	(€/share)
EPRA NNNAV	20,035		28,380		29,185	
Effective deferred capital gain taxes	823		1,781		1,774	
Estimated transfer taxes	1,040		1,404		1,418	
GOING CONCERN NAV	**21,898**	**€219.20**	**31,565**	**€227.10**	**32,376**	**€233.90**
% of change over 6 months		**2.6%**		**3.6%**		**3.0%**
% of change over 1 year		**8.8%**		**6.3%**		**6.7%**

Evolution of EPRA NNNAV and Going concern NAV		EPRA NAV	EPRA NNNAV	Going concern NAV
AS AT DECEMBER 31, 2017, PER SHARE (FULLY DILUTED)		**€211.00**	**€200.50**	**€219.20**
Revaluation of property assets*		0.21	0.21	0.21
Retail	(0.80)			
Offices & Other	1.26			
Convention & Exhibition	(0.25)			
Revaluation of intangible and operating assets		0.89	0.89	0.89
Capital gain on disposals		0.58	0.58	0.58
Subtotal revaluations and capital gain on disposals		1.69	1.69	1.69
Recurring Net Result		**13.15**	**13.15**	**13.15**
Distribution		**(10.80)**	**(10.80)**	**(10.80)**
Mark-to-market of debt and financial instruments		**(0.82)**	**2.32**	**2.32**
Variation in transfer taxes & deferred taxes adjustments		14.04	7.42	17.02
Variation in the fully diluted number of shares		(4.42)	(1.46)	(6.70)
Other (including foreign exchange difference)		(2.04)	(2.01)	(1.97)
Subtotal other variations		7.58	3.96	8.35
AS AT DECEMBER 31, 2018, PER SHARE (FULLY DILUTED)		**€221.80**	**€210.80**	**€233.90**

Figures may not add up due to rounding.

* *Revaluation of property assets is +€0.16 per share on like-for-like basis, of which +€0.38 due to rental effect and -€0.22 due to yield effect.*

4.

4.1.6 FINANCIAL RESOURCES

In 2018, markets remained focused on the monetary policy of the European Central Bank (ECB) and the US Federal Reserve (Fed). Monetary policy became less accommodative with the ECB deciding to end its bond purchase programme by December 2018 and the Fed deciding to increase its Fed Funds rate at the end of each quarter.

Markets were also impacted by rising geopolitical concerns, including US trade tariffs with China, uncertainty around Brexit and the political situation in Europe (Italy), leading to increased volatility and a significant debt and equity market deterioration in H2-2018.

This year was further characterized by the completion of the WFD acquisition on June 7, 2018. URW took advantage of attractive market windows to raise €7,883 Mn of new senior debt and €2 Bn of hybrid securities. Following these issuances, the bridge loan of €6.1 Bn put in place in January 2018 to finance the acquisition of WFD was cancelled, without having been drawn.

URW benefits from healthy financial ratios(1) as at December 31, 2018(2):

- The Interest Coverage Ratio (ICR) was 6.1x(3) (5.4 x on a proportionate basis) compared, to >5x on a 2017 proforma basis and 6.7x for UR in 2017 on a stand-alone basis;
- The Loan-to-Value (LTV) ratio(4) was 37.0%(5) (38.9%(6) as at June 30, 2018; 39.8% on a pro-forma basis and 33.2% for UR on a stand-alone basis, both as at December 31, 2017).

The average cost of debt for the period was 1.6% (1.4% for 2017) and includes seven months of financial expenses of WFD and the cost of the senior debt issued to finance the Westfield acquisition transaction.

4.1.6.1 Debt structure as at December 31, 2018

URW's IFRS financial debt(7) as at December 31, 2018, increased to €23,598 Mn from €14,864 Mn as at December 31, 2017 (€24,106 Mn as at December 31, 2017 on a pro-forma basis), but decreased from €25,133 Mn as of June 30, 2018, following disposals completed in H2-2018. Approximately €6,545 Mn of this increase occurred upon closing of the Westfield acquisition transaction.

Financial debt also includes €1,000 Mn of net share settled bonds convertible into new and/or existing URW stapled shares (ORNANE).

The total IFRS cash on-hand of the Group came to €370 Mn(8) as at December 31, 2018 (€575 Mn as at December 31, 2017).

(1) The P&L takes into account seven months of activity for WFD, impacting financial expenses and EBITDA.
(2) Based on IFRS accounts, hybrid securities are accounted for as equity.
(3) On a 2018 pro-forma basis, an ICR ratio of 5.6x and a proportionate ICR ratio of 4.8x.
(4) Net financial debt as shown on the Group's IFRS balance sheet, restated for the impact of derivative instruments on debt raised in foreign currencies/total assets, including transfer taxes. 38.4% excluding transfer taxes. Proportionate LTV ratio of 38.9% as at December 31, 2018.
(5) Excluding €2,039 Mn of goodwill as per the Group's European leverage covenants.
(6) Same calculation methodology.
(7) After impact of derivative instruments on debt raised in foreign currencies.
(8) €464 Mn on a proportionate basis.

Debt breakdown

URW's IFRS nominal financial debt as at December 31, 2018, breaks down as follows[(1)]:

	UR (€Mn)	WFD* (eq.€Mn)	Total URW (€Mn)
EMTN	14,017	-	14,017
Rule 144A and other Regulation S bonds	-	5,487	5,487
ORNANE	1,000	-	1,000
Short term paper	815	-	815
Bank loans and overdrafts	301	558	859
Mortgage loans	920	499	1,419
TOTAL	**17,053**	**6,545**	**23,598**

* *Based on EUR/USD exchange rate of 1.145.*

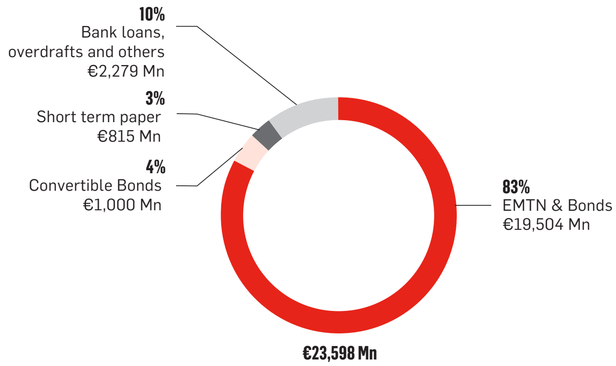
The medium to long-term corporate debt issued by various entities of URW are cross guaranteed.

No loans are subject to prepayment clauses linked to the Group's ratings[(2)].

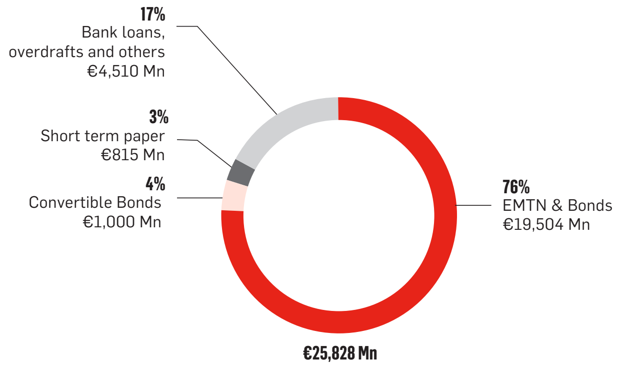
On a proportionate basis, the Group's debt stood at €25,828[(3)] Mn. The Group's share of non-consolidated debt and cash on hand of joint ventures amounts to €2,231 Mn and €93 Mn, respectively.

The Group's debt is well diversified with a predominant proportion of bond financing.

IFRS DEBT

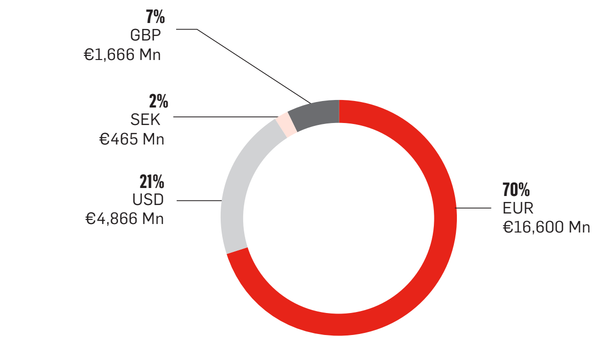


PROPORTIONATE DEBT

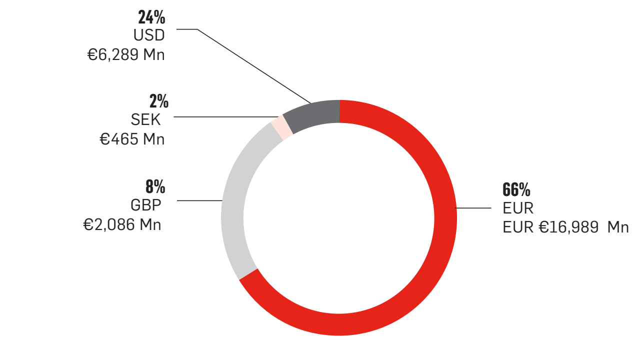


The split of the debt by currency is as follows:

IFRS DEBT



PROPORTIONATE DEBT



(1) Figures may not add up due to rounding.
(2) Barring exceptional circumstances (change in control).
(3) Is the sum of IFRS debt and the Group's share of debt at joint-venture accounted for under the equity method under IFRS.

Funds Raised

Four public EMTN bonds were issued in May 2018 for a total amount of €3,000 Mn with the following features:

Amount	Maturity (years)	Coupon
€800 Mn	3.0	0.125%
€800 Mn	7.3	1.125%
€900 Mn	12.7	1.875%
€500 Mn	20.0	2.25%

The weighted average maturity, coupon and spread over mid-swaps were ca. 10 years, 1.27% and 50 bps, respectively.

- The first USD bonds for the Group were issued in September 2018 in two tranches:
  - $500 Mn (eq. €437 Mn) with a 4.125% coupon and a 10-year maturity;
  - $500 Mn (eq. €437 Mn) with a 4.625% coupon and a 30-year maturity.
- Three private placements were issued under URW's EMTN programme for a total amount of €640 Mn:
  - a €500 Mn Floating Rate Note (FRN) with a 2-year maturity and a margin of 10 bps over 3-month Euribor(1);
  - a €40 Mn indexed bond swapped back to floating, equivalent to 75 bps over 3-month Euribor with a 15-year maturity;
  - a €100 Mn private placement with a 15-year maturity and a margin of 80 bps over mid swap.

In total, €4,513 Mn of bonds were issued in 2018 with a weighted average maturity of 11 years and an average margin of 52 bps over mid-swaps (vs. an average of 62 bps for an average duration of 14 years in 2017).

In addition, €3,370 Mn of medium- to long-term bank financing transactions were completed in 2018, including the signing of:

- a €400 Mn "green" 5-year revolving credit facility with a margin of 35 bps(2). The margin of the "green" facility depends on the achievement by the Group of three CSR objectives that are part of the Group's strategy;
- a $3,000 Mn (€2,620 Mn) revolving credit facility, with a maturity of 4 years (and two 6-month extension options) and a margin of 87.5 bps based on the Group's credit ratings and drawn levels;
- a €200 Mn mortgage loan in Poland to refinance a maturing mortgage loan on Galeria Mokotow;
- a new €150 Mn 5-year credit facility.

(1) With a coupon floored at 0%.
(2) 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 revolving line.

URW also issued €2,000 Mn of deeply subordinated, perpetual hybrid securities on April 2018, at an average margin of 184 bps over mid swaps in two tranches:

- €1,250 Mn with a 2.125% coupon and callable after 5.5 years;
- €750 Mn with a 2.875% coupon and callable after 8 years.

The hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option[(1)] and are required to be classified as equity under IFRS.

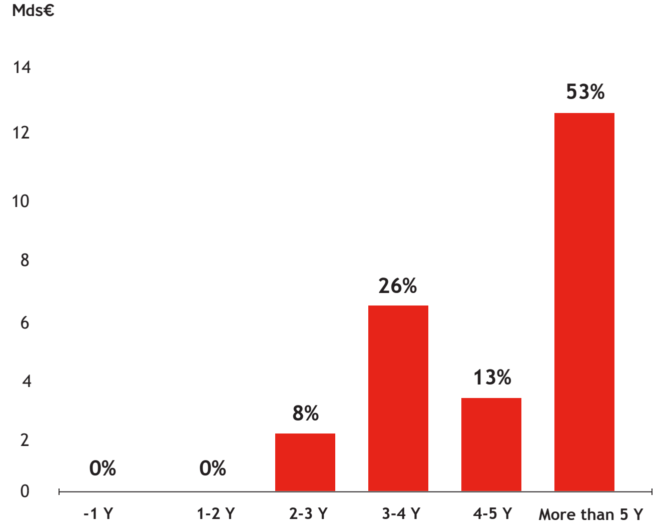
URW also accessed the money market by issuing short-term paper (Neu CP and Neu MTN). The average amount of short-term paper outstanding end of 2018 was €1,256 Mn (vs. €1,378 Mn on average in 2017) including €1,069 Mn Neu CP raised at 1 bp above Eonia on average (in line with 2017).

As at December 31, 2018, the total amount of undrawn credit lines came to €8,409 Mn (€6,203 Mn as at December 2017) and cash on-hand came to €370 Mn (€575 Mn as at December 31, 2017). The undrawn credit lines include $ 2,361 Mn (ca. €2,062 Mn) from the Group's USD revolving credit facility.

Debt maturity

The following chart illustrates URW's IFRS debt as at December 31, 2018 after the allocation of the committed credit lines (including the undrawn part of the revolving loans), by maturity date and based on the residual life of its facilities.

DEBT MATURITY (€ BN)



92% of the debt had a maturity of more than 3 years as at December 31, 2018 (after taking into account undrawn credit lines).

The average maturity of the Group's debt as at December 31, 2018, taking into account the unused credit lines, increased to 7.5 years (7.2 years as at December 2017) as a result of the inclusion of WFD's debt and issuances completed in 2018.

Liquidity needs

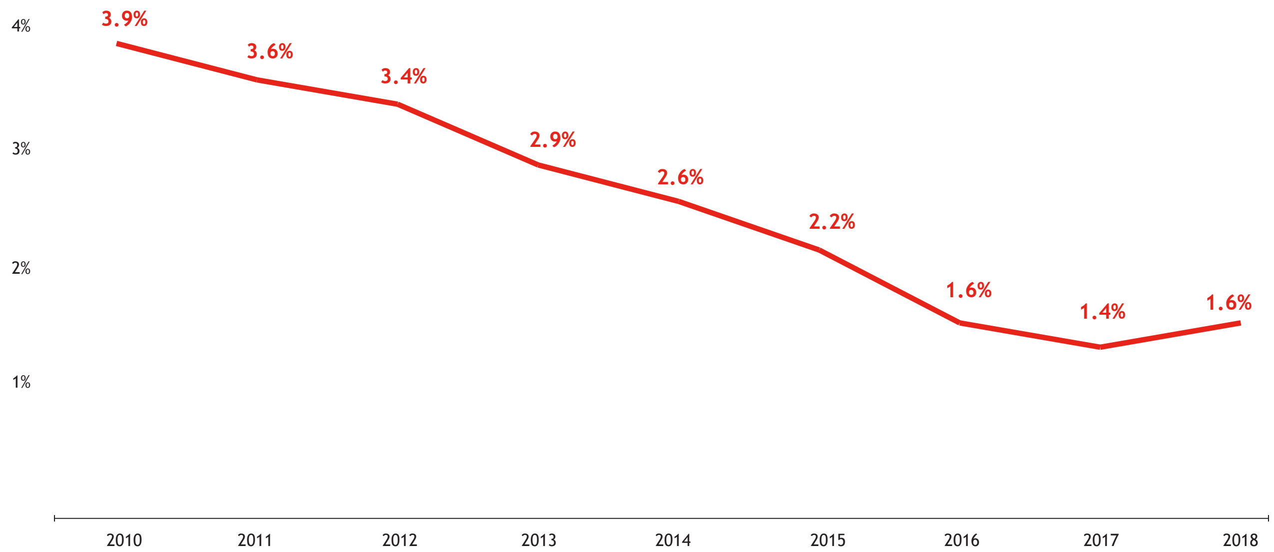
URW's IFRS debt repayment needs[(2)] for the next twelve months are covered by the available undrawn credit lines and cash on-hand. The amount of bonds and bank loans outstanding as at December 31, 2018, and maturing or amortising within a year is €2,071 Mn (including a total of €2,011 Mn of bonds) compared with €8,409 Mn of undrawn committed credit lines and €370 Mn of cash on-hand as at December 31, 2018.

(1) Details on the hybrid securities at: https://www.urw.com/-/media/Corporate~o~Sites/Unibail-Rodamco-Corporate/Files/Homepage/INVESTORS/Financing-Activity/BOND~o~ISSUES/Prospectuses-Hybrid/2018_Prospectus-Hybrid.ashx

(2) Excluding Neu CP and Neu MTN maturing in 2019 (€593 Mn), overdrafts and drawdowns (€558 Mn), as well as debt with investors' repayment option exercisable in 2019 (€500Mn).

— Average cost of Debt

AVERAGE COST OF DEBT (%)



URW's average cost of debt (including seven months of WFD financial expenses) for the period was 1.6% (1.4% in 2017).

This average cost of debt results from:

- tow 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 debt to finance the Transaction;
- the cost of debt of WFD since its acquisition (3.4%), which is higher than that of URW due to:
  - WFD's "BBB+" rating before the completion of the acquisition,
  - Higher rates in the US and the UK.

The average cost of debt of UR on a stand-alone basis for the period would have been 1.2% (1.4% in 2017).

4.1.6.2 Ratings

URW has solicited a rating from both Standard & Poor's (S&P) and Moody's.

In June 2018, both S&P and Moody's confirmed the Group's long-term rating at "A" and "A2", respectively, in each case with a stable outlook, and at "A-1", only from S&P, for its short term rating.

In July 2018, following the implementation of cross guarantees within the Group, the rating agencies also assigned an "A" and "A2" rating to WFD's debt securities.

In November 2018, Moody's published an update of its credit opinion on the Group, confirming its long-term rating at "A2".

The Group decided to keep only the S&P and Moody's rating and not to solicit a Fitch rating[(1)] as:

- Investors usually request two ratings;
- S&P and Moody's already rated WFD;
- S&P and Moody's is recognized in the US, where the Group intends to raise part of its funding for its US activity.

4.1.6.3 Market risk management

Market risks can generate losses resulting from fluctuations in interest rates, exchange rates, raw material prices and share prices. URW's risk mainly relates to interest rate fluctuations on the debt it has taken out to finance its investments and maintain the cash position it requires, and exchange rate fluctuations due to the Group's activities in countries outside the Eurozone, in particular in the US and the UK following the WFD acquisition.

URW's interest 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.

URW's exchange rate policy objective is to have a LTV ratio that is broadly consistent currency by currency. Thus, the Group raises debt in local currency, uses derivatives and buys or sells foreign currencies at spot or forward rates.

(1) Last solicited rating: "A". Following the completion of the Westfield transaction Fitch assigned to the Group an "A-/stable" rating.

Due to its use of derivatives, the Group is exposed to potential counterparty defaults. The counterparty risk is the risk of replacing the derivative transactions at current market rates in the case of default. The Group implemented IFRS 13 for the mark-to-market calculations of its derivative transactions.

*(in millions)**	Euros[1]	USD	GBP	SEK	Total eq. EUR
Assets[2]	40,725	16,352	4,251	30,268	62,693
Net Financial Debt[3]	16,290	5,515	1,481	4,800	23,228
LTV[4]	40.0%	33.7%	34.8%	15.9%	37.0%

(1) Assets valued in Euros and including Danish assets.
(2) On a IFRS basis, including transfer taxes and excluding € 2,039 Mn of goodwill as per the Group's European leverage convenants.
(3) On a IFRS basis.
(4) On a IFRS basis. The LTV per currency, on a proportionate basis, is at 40.4%, 39.3%, 38.9% and 15.9% on EUR, USD, GBP and SEK, respectively.
** In local currencies.*

— Interest rate risk management

The Group pursued it cautious hedging policy, putting in place caps and swaps to limit its interest rate exposure.

This includes the following macro hedges:

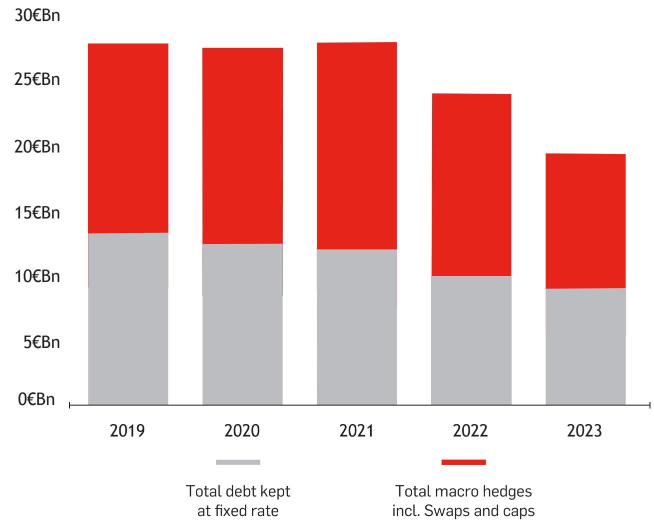
- EUR caps over the next five years with an average nominal amount of €6.9 Bn per year;
- USD caps and swaps for a nominal amount of $ 2.0 Bn.

The Group also adjusted its hedging position in view of its anticipated debt, which is expected to decrease with its larger disposal plan. The cost to extend and adjust the hedges was €48 Mn.

In total, including the hedges above:

- the debt the Group expects to raise until 2021 is fully hedged;
- the debt the Group expects to raise in 2022 and 2023 is hedged at more than 80% and 70%, respectively.

ANNUAL PROJECTION OF AVERAGE HELDING AMOUNTS AND FIXED RATE DEBT UP TO 2023
(€MN – AS AT DECEMBER 31, 2018)



The graph above shows:

- the part of the debt kept at a fixed rate;
- the hedging instruments used to hedge the variable rate loans and fixed rate debt immediately converted into variable rate debt through the Group's macro hedging policy.

URW in general does not classify its financial hedging instruments as cash flow hedges. As a result, any fair value changes in these instruments are recognized in the Group's income statement.

— *Measuring interest rate exposure*

As at December 31, 2018 IFRS net financial debt stood at €23,228 Mn (vs. €14,289 Mn as at December 31, 2017), excluding partners' current accounts and after taking into account cash on hand of €370 Mn.

The outstanding debt was hedged at 100% as at December 31, 2018 through both:

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

Based on the estimated average debt position of URW in 2019, if interest rates (Euribor, Libor, Stibor or Pribor) were to rise by an average of +50 bps[1] during 2019, the estimated impact on financial expenses would be -€22.3 Mn:

- Euro financial expenses would decrease by €23.4 Mn;
- Dollar financial expenses would increase by $2.3 Mn *(€2.0 Mn)*;
- Sterling financial expenses would decrease by £0.8 Mn *(€0.9 Mn)*.

An additional rise of +50 bps would increase financial expenses by a further -€4.0 Mn.

In total, a +100 bps increase in interest rates during 2019 would have a net negative impact on financial expenses of -€26.3 Mn:

- Euro financial expenses would decrease by €29.1 Mn;
- Dollar financial expenses would increase by $4.6 Mn *(€4.0 Mn)*;
- Sterling financial expenses would decrease by £1.0 Mn *(€1.2 Mn)*.

A -50 bps drop in interest rates would reduce the financial expenses by €67.8 Mn:

- Euro financial expenses would increase by €59.1 Mn;
- Dollar financial expenses would increase by $5.5 Mn *(€4.7 Mn)*;
- Sterling financial expenses would increase by £3.6 Mn *(€4.0 Mn)*.

— Foreign exchange risk management

The Group has extended its activities and investments in countries outside the Eurozone following the WFD acquisition. When converted into euros, the income and value of the Group's investments may be influenced by fluctuations in exchange rates against the euro. The Group's policy objective is to apply a broadly consistent LTV by currency allowing it to match part of the foreign currency asset value and income with debt and financial expenses in the same currency, thus reducing the exchange rate effects on net asset value and earnings. Foreign exchange risk can be hedged by either matching investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management goal.

Currency risk during the building period of pipeline investments is covered as early as possible after signing the actual building contract.

MEASURE OF EXPOSURE TO FOREIGN EXCHANGE RISKS *(€MN)**

Currency	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
USD	13,173	(7,328)	5,845	611	6,456
GBP	4,420	(1,043)	3,377	(619)	2,758
SEK	2,790	(769)	2,021	(77)	1,943
Others	612	(836)	(226)	622	396
TOTAL	**20,995**	**(9,978)**	**11,017**	**537**	**11,553**

* *Liabilities include, but are not limited to, the debt raised in the given currencies, and include deferred tax liabilities.*

The main exposures kept are in USD, GBP and SEK. A change of 10% of EUR/USD, EUR/GBP or EUR/SEK (*i.e.* a 10% increase of EUR against the USD, GBP or SEK) would have an impact on shareholders' equity and on the recurring result as follows:

However, these impacts (or conversely a positive impact in case of a decrease of EUR vs. these currencies) would partly be neutralized by FX hedging that the Group put in place against EUR/US$, EUR/GBP, EUR/SEK fluctuations.

	Impact on	
In € Mn	Shareholder's Equity	Recurring Result
+10% in EUR/US$	(586.9)	(32.1)
+10% in EUR/GBP	(250.7)	(12.0)
+10% in EUR/SEK	(176.7)	(9.6)

As at December 31, 2018, the SEK 1,750 Mn credit line signed in December 2017 is undrawn and part ($2,361 Mn) of the $3,000 Mn revolving credit facility is undrawn.

The Group, through its activities, may be exposed to market risks which can generate losses as a result of fluctuations in stock markets. The Group is either: (i) directly exposed to fluctuations in stock prices due to the ownership of shares or financial instruments, or, (ii) indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share based derivatives which are directly correlated with the price of the asset underlying such derivatives.

(1) The impact on exchange rates due to this theoretical increase of +50 bps in interest rates is not taken into account. The theoretical impact of a rise or decrease in interest rates is calculated relative to the applicable rates as at December 31, 2018: 3m Euribor (-0.31%), 3m USD Libor (2.81%) and 3m GBP Libor (0.91%).

4.1.6.4 Financial structure

As at December 31, 2018, URW's IFRS total assets amounted to €62,693 Mn.

— Debt ratio

As at December 31, 2018, the LTV ratio amounted to 37.0%(1), (39.8% on a pro-forma basis and 33.2% for UR on a stand-alone basis, both as at December 31, 2017).

The LTV as at December 31, 2018 of 37.0% (vs. 38.9%(2) as of June 30, 2018) includes the reduction of debt through H2 disposals (ca. €2.0 Bn), the increase in asset valuation from June to December 2018, partly offset by the exclusion of goodwill not justified by fee business.

The Group plans to dispose of an additional €4 Bn of Continental European assets during the next couple of years. Completion of these disposals will take the total disposals since January 1, 2018 to €6.0 Bn, double the amount the Group announced as part of the announcement of the Transaction in December 2017.

The Group has set itself the strategic objective of deleveraging and has set a new LTV ratio target through the cycle of between 30-40%, down from between 35-45% previously.

— Interest coverage ratio

The Interest Coverage Ratio (ICR) stood at 6.1x(3) for 2018 (>5x in 2017 on a pro-forma basis and 6.7x for UR on a stand-alone basis) as a result of strong rental growth, a controlled cost of debt and the WFD acquisition.

Financial ratios	December 31, 2018	December 31, 2017
LTV(1)	37.0%	33.2%
ICR(2)	6.1x	6.7x

(1) Loan-to-Value (LTV) = Net financial debt/Total assets excluding €2,039 Mn of goodwill as per the Group's European leverage covenants, including transfer taxes. As at December 31, 2018, total assets stood at €62,693 Mn (€43,057 Mn as at December 31, 2017). The LTV excluding transfer taxes is estimated at 38.4%.

(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 the following bank covenants usually set at:

- for URW bank loans (in Europe):
  - a maximum loan-to-value of 60%,
  - a minimum ICR of 2x and;
- for the US revolving credit facility:
  - a maximum loan-to-value of 65%,
  - a minimum ICR of 1.5x,
  - a maximum of 50% for the Secured debt ratio(4),
  - a minimum of 1.5x for the Unencumbered leveraged ratio(5).

These covenants are tested twice a year based on the Group's IFRS financial statements.

As at December 31, 2018, 94% of the Group's credit facilities and bank loans allowed loan-to-value of up to 60% for the Group or the borrowing entity, as the case may be. There are no financial covenants (such as loan-to-value or ICR) in the EMTN, the CP and the USCP programs of UR.

The WFD bond indentures (144A and Reg S bonds) contain financial covenants based on the Group's financial statements:

- a maximum loan-to-value of 65%;
- a minimum ICR of 1.5x;
- a maximum of 45% for the Secured debt ratio;
- a minimum of 1.25x for the Unencumbered leveraged ratio.

4.1.7 PRO FORMA FINANCIAL INFORMATION

— Basis of presentation

The following unaudited Pro Forma Condensed Consolidated Financial Information contains unaudited Pro Forma condensed consolidated statements of income for the year ended December 31, 2018 and for the year ended December 31, 2017, with the related explanatory notes (together the "URW Pro Forma Financial Information") as if the acquisition of Westfield Corporation Limited (the "Transaction") and its direct consequences together with the financing of the cash consideration transferred to Westfield shareholders as part of the Transaction had occurred on January 1, 2017.

The acquisition of Westfield Corporation Limited ("WFD") was effective as per June 7, 2018. As the impact was not deemed significant, WFD is consolidated from June 1, 2018 rather than from June 7, 2018. Thus, URW Consolidated Financial Statements for the year ended December 31, 2018 consolidate seven months of WFD's operations.

(1) Excluding €2,039 Mn of goodwill as per the Group's European leverage covenants. Proportionate LTV ratio of 38.9%.
(2) Same calculation methodology.
(3) Proportionate ICR ratio of 5.4x (>4.5x on a 2017 pro-forma basis).
(4) Secured debt ratio = Secured debt/Total assets. 2.2% as at December 31, 2018, on a pro-forma basis.
(5) Unencumbered leverage ratio = unencumbered assets/unsecured debt. 2.2 as at December 31, 2018, on a pro-forma basis.

The URW Pro Forma Financial Information has been derived from and should be read in conjunction with:

- the URW Consolidated Financial Statements for the year ended December 31, 2018;
- the audited 2017 UR Consolidated Financial Statements; and
- the audited 2017 WFD Consolidated Financial Statements.

The consolidated statement of income for the year ended December 31, 2018 of URW has been extracted from the audited 2018 URW Consolidated Financial Statements. The audited 2018 URW Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards and were jointly audited by Ernst & Young Audit and Deloitte & Associés, statutory auditors of Unibail-Rodamco SE, as stated in their statutory auditors' report on the Consolidated Financial Statements of UR dated March 26, 2019.

The consolidated statement of income of WFD for the period from January 1 to May 31, 2018 has been extracted from the accounting records of WFD. This consolidated statement of income of WFD has been prepared on the basis of measurement and presentation principles applied by WFD in the audited 2017 WFD Consolidated Financial Statements. This consolidated statement of income of WFD for the period from January 1 to May 31, 2018 has not been audited nor reviewed.

The consolidated statement of income for the year ended December 31, 2017 of UR has been extracted from the audited 2017 UR Consolidated Financial Statements. The audited 2017 UR Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards and were jointly audited by Ernst & Young Audit and Deloitte & Associés, Statutory Auditors of Unibail-Rodamco SE, as stated in their Statutory Auditors' report on the Consolidated Financial Statements of UR dated March 27, 2018.

The consolidated statement of income for the year ended December 31, 2017 of WFD has been extracted from the audited 2017 WFD Consolidated Financial Statements. The audited 2017 WFD Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards issued by the IASB, and were audited by Ernst & Young, independent auditor, as stated in their independent auditor's report on the Consolidated Financial Statements of WFD dated February 22, 2018.

The URW Pro Forma Financial Information has been presented for illustrative purposes only and because of its nature, addresses a hypothetical situation and is not necessarily indicative of the results of operations that would have been achieved had the Transaction been consummated on the date indicated above, or the future consolidated results of operations of URW.

The Pro Forma adjustments, which are presented below, are based on available information to date, certain assumptions and estimates that URW considers as reasonable, and the above-mentioned information provided by WFD. These adjustments are directly attributable to the business combination, factually supportable and can be estimated reliably.

The direct consequences of the Transaction reflected as pro forma adjustments in the URW Pro Forma Financial Information relate to:

- the demerger of OneMarket effective May 30, 2018, as detailed in note 1;
- acquisition and related costs in connection with the acquisition of WFD, as detailed in note 2;
- cost savings resulting from the termination of head-office employees and WFD senior management effective December 31, 2018 as provided between UR and WFD as part of the Implementation Agreement entered into on December 12, 2017, and the disposal of the corporate aircraft, as detailed in note 3;
- financial expenses and fair value adjustment of debt and derivatives, as detailed in note 4.

Otherwise, the URW Pro Forma Financial Information does not reflect any revenue enhancements, other anticipated synergies or dis-synergies, operating efficiencies or cost savings that may be achieved nor the disposals URW has announced it expects to make.

The acquisition and related costs, including cost for closing and termination of the lease of the Sydney head-office and termination of WFD senior management effective at the Transaction date, have been recorded as fully incurred on January 1, 2017 in the "Pro Forma consolidated" column of the URW Pro Forma Financial Information and reversed in the "Pro Forma consolidated excluding non-continuing impact" column as non-continuing impact relating to the Transaction.

The financing of the cash consideration transferred to Westfield shareholders as part of the Transaction consisted of:

- the €2,000 Mn deeply subordinated, perpetual hybrid securities issued by UR on April 16, 2018; and
- the four-tranche of public Euro medium Term Notes for a total of €3,000 Mn issued in May 2018.

Consistent with the purchase accounting reflected in the URW Consolidated Financial Statements, the full year 2018, and full year 2017 reflect the depreciation impact related to intangible assets with definite useful life, as detailed in note 5.

Furthermore, the change of URW credit spread related to the completion of the transaction is not reflected in the fair value of derivatives and ORNANE in the URW Pro Forma Financial Information for the year ended December 31, 2018 and for the year ended December 31, 2017.

The unaudited Pro Forma Condensed Consolidated Financial Information is presented in millions of euros, unless otherwise stated, rounded to the nearest hundred thousand and, as a result, slight differences between rounded figures may exist.

— Unaudited Pro Forma consolidated statement of income for the year ended December 31, 2018

Consolidated statement of income *(€Mn)*	2018 Published (URW)	5 months WFD (January to May 2018)*	Pro Forma adjustments	2018 Pro Forma Consolidated	Non-continuing impact	2018 Pro Forma Consolidated excluding non-contuing impact	Note
Gross rental income	2,211.3	229.8	-	2,441.1		2,441.1	
Operating expenses and net service charges	(370.9)	(110.7)	-	(481.6)	-	(481.6)	
Net rental income	**1,840.3**	**119.1**	**-**	**1,959.5**	**-**	**1,959.5**	
Property development and project management revenue	215.5	145.0	(1.4)	359.1		359.1	1
Property development and project management costs	(178.5)	(146.1)	31.3	(293.3)		(293.3)	1
Net property development and project management income	**37.0**	**(1.1)**	**29.9**	**65.8**	**-**	**65.8**	
Property services and other activities revenues	307.2	16.4	-	323.6		323.6	
Property services and other activities expenses	(198.9)	(8.2)	-	(207.1)		(207.1)	
Net property services and other activities income	**108.2**	**8.2**	**-**	**116.5**	**-**	**116.5**	
Share of the result of companies accounted for using the equity method	233.9	204.0	0.3	438.3		438.3	
Income on financial assets	32.1	-	-	32.1		32.1	
Contribution of companies accounted for using the equity method	**266.0**	**204.0**	**0.3**	**470.4**	**-**	**470.4**	
Corporate expenses	(141.4)	(67.0)	26.7	(181.7)		(181.7)	2
Development expenses	(2.1)	-	-	(2.1)		(2.1)	
Depreciation of other tangible assets	(1.9)	-	-	(1.9)		(1.9)	
Administrative expenses	**(145.5)**	**(67.0)**	**26.7**	**(185.7)**	**-**	**(185.7)**	
Acquisition and related costs	**(268.7)**	**(70.8)**	**289.8**	**(49.7)**	**-**	**(49.7)**	3
Proceeds from disposal of investment properties	985.4	-	-	985.4		985.4	
Carrying value of investment properties sold	(905.3)	-	-	(905.3)		(905.3)	
Result on disposal of investment properties	**80.1**	**-**	**-**	**80.1**	**-**	**80.1**	
Proceeds from disposal of shares	463.4	15.5	3.0	481.9		481.9	
Carrying value of disposed shares	(460.5)	(88.0)	88.0	(460.5)		(460.5)	1
Result on disposal of shares	**3.0**	**(72.5)**	**91.0**	**21.4**	**-**	**21.4**	
Valuation movements on assets	**62.2**	**37.4**	**(49.0)**	**50.6**	**-**	**50.6**	1,5
Impairment of goodwill	**(4.9)**	**-**	**-**	**(4.9)**		**(4.9)**	
NET OPERATING RESULT	**1,977.8**	**157.4**	**388.8**	**2,524.1**	**-**	**2,524.1**	
Result from non-consolidated companies	-	-		-		-	
Financial income	*171.0*	*3.8*	*-*	*174.8*		*174.8*	
Financial expenses	*(502.6)*	*(61.0)*	*(2.8)*	*(566.4)*		*(566.4)*	4
Net financing costs	(331.6)	(57.2)	(2.8)	(391.6)	-	(391.6)	
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	28.9	-	-	28.9		28.9	
Fair value adjustments of derivatives, debt and currency effect	(318.7)	(7.5)	50.5	(275.7)		(275.7)	4
RESULT BEFORE TAX	**1,356.5**	**92.8**	**436.5**	**1,885.7**	**-**	**1,885.7**	
Income tax expenses	(113.6)	(251.0)	10.1	(354.5)		(354.5)	2,5
NET RESULT FOR THE PERIOD	**1,242.8**	**(158.2)**	**446.6**	**1,531.2**	**-**	**1,531.2**	
Net result for the period attributable to:							
• The holders of the Stapled Shares	1,031.1	(158.2)	446.6	1,319.5	-	1,319.5	
• External non-controlling interests	211.7			211.7		211.7	
NET RESULT FOR THE PERIOD	**1,242.8**	**(158.2)**	**446.6**	**1,531.2**	**-**	**1,531.2**	
Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to:							
• Unibail-Rodamco SE members	926.3			1,186.2	-	1,186.2	
• WFD Unibail-Rodamco NV members	104.8			133.3		133.3	
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES	**1,031.1**			**1,319.5**	**-**	**1,319.5**	

* *"Income tax expenses of WFD" for the five months ended May 31, 2018 have been amended to align with tax assets and liabilities reflected in the preliminary purchase accounting.*

— Unaudited Pro Forma consolidated statement of income for the year ended December 31, 2017

Consolidated statement of income *(€Mn)*	2017 Published (UR)	2017 Published (WFD)	Pro Forma adjustments	2017 Pro Forma Consolidated	Non-continuing impact	2017 Pro Forma Consolidated excluding non-continuing impact	Note
Gross rental income	1,822.3	557.8	-	2,380.1		2,380.1	
Operating expenses and net service charges	(239.6)	(250.6)	-	(490.2)	-	(490.2)	
Net rental income	**1,582.6**	**307.2**	**-**	**1,889.8**	**-**	**1,889.8**	
Property development and project management revenue	-	649.0	(2.1)	646.9		646.9	1
Property development and project management costs	-	(557.5)	20.3	(537.2)		(537.2)	1
Net property development and project management income	**-**	**91.5**	**18.1**	**109.7**	**-**	**109.7**	
Property services and other activities revenues	256.1	49.8	-	305.9		305.9	
Property services and other activities expenses	(176.3)	(19.1)	-	(195.4)		(195.4)	
Net property services and other activities income	**79.8**	**30.7**	**-**	**110.5**	**-**	**110.5**	
Share of the result of companies accounted for using the equity method	91.6	594.5	(3.1)	683.1		683.1	
Income on financial assets	27.0	-	-	27.0		27.0	
Contribution of companies accounted for using the equity method	**118.6**	**594.5**	**(3.1)**	**710.0**	**-**	**710.0**	
Corporate expenses	(117.3)	(106.1)	50.3	(173.1)		(173.1)	2
Development expenses	(3.6)		-	(3.6)		(3.6)	
Depreciation of other tangible assets	(2.2)		-	(2.2)		(2.2)	
Administrative expenses	**(123.1)**	**(106.1)**	**50.3**	**(178.9)**	**-**	**(178.9)**	
Acquisition and related costs	**(62.4)**	**(9.1)**	**(235.3)**	**(306.9)**	**303.4**	**(3.5)**	**3**
Proceeds from disposal of investment properties	592.5	243.4	-	835.9		835.9	
Carrying value of investment properties sold	(518.7)	(255.1)	6.4	(767.5)		(767.5)	1
Result on disposal of investment properties	**73.8**	**(11.8)**	**6.4**	**68.4**	**-**	**68.4**	
Proceeds from disposal of shares	27.3	-	-	27.3		27.3	
Carrying value of disposed shares	(27.3)	-	-	(27.3)	-	(27.3)	
Result on disposal of shares	**0.0**	**-**	**-**	**0.0**	**-**	**0.0**	
Valuation movements on assets	**1,364.4**	**482.7**	**(68.1)**	**1,779.1**	**-**	**1,779.1**	**1,5**
Impairment of goodwill	**(9.2)**	**-**	**-**	**(9.2)**		**(9.2)**	
NET OPERATING RESULT	**3,024.6**	**1,379.7**	**(231.6)**	**4,172.7**	**303.4**	**4,476.1**	
Result from non-consolidated companies	0.9	-		0.9		0.9	
Financial income	*119.5*	*11.7*	-	*131.2*		*131.2*	
Financial expenses	*(347.5)*	*(87.7)*	*(25.2)*	*(460.4)*		*(460.4)*	*4*
Net financing costs	(228.0)	(76.0)	(25.2)	(329.2)	-	(329.2)	
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	21.1		-	21.1		21.1	
Fair value adjustments of derivatives, debt and currency effect	(21.9)	(34.6)	(52.7)	(109.2)		(109.2)	4
RESULT BEFORE TAX	**2,796.7**	**1,269.0**	**(309.5)**	**3,756.2**	**303.4**	**4,059.6**	
Income tax expenses	(74.2)	104.2	7.4	37.5		37.5	1,2,5
NET RESULT FOR THE PERIOD	**2,722.5**	**1,373.2**	**(302.0)**	**3,793.7**	**303.4**	**4,097.1**	
Net result for the period attributable to:							
• The holders of the Stapled Shares	2,439.5	1,373.2	(302.0)	3,510.6	303.4	3,814.1	
• External non-controlling interests	283.0			283.0		283.0	
NET RESULT FOR THE PERIOD	**2,722.5**	**1,373.2**	**(302.0)**	**3,793.7**	**303.4**	**4,097.1**	
Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to:							
• Unibail-Rodamco SE members				3,062.9	283.7	3,346.6	
• WFD Unibail-Rodamco NV members				447.7	19.7	467.5	
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES				**3,510.6**	**303.4**	**3,814.1**	

4.

Notes to the unaudited Pro Forma Condensed Consolidated Financial Information

The URW Pro Forma Financial Information is presented in euros, which is the presentation currency of the Group. The historical financial information of WFD is reported pursuant to IFRS and presented in USD. It has been translated from USD to EUR by applying the following average exchange rate to all income statement items:

- 0.8265 for the 5 months WFD (January to May 2018);
- 0.8853 for the year ended December 31, 2017.

The historical financial information of WFD for December 31, 2017 has been reclassified to conform to UR's presentation. The reconciliation between both formats is presented below:

	2017 *(US$Mn)*	2017 *(€Mn)*	Included in the following lines of the Consolidated statement of income
Revenue			
Property revenue	630.1	557.8	Gross rental income
Property development and project management revenue	733.1	649.0	Property development and project management revenue
Property management income	56.3	49.8	Property services and other activities revenues
	1,419.5	**1,256.6**	
Share of after tax profits of equity accounted entities			
Property revenue	685.6	606.9	
Property revaluations	279.2	247.2	
Property expenses, outgoings and other costs	(229.9)	(203.5)	
Net interest expense	(62.7)	(55.5)	
Tax expense	(0.6)	(0.5)	
	671.6	**594.5**	**Share of the result of companies accounted for using the equity method**
Expenses			
Property expenses, outgoings and other costs	(283.1)	(250.6)	Operating expenses and net service charges
Property development and project management costs	(629.7)	(557.5)	Property development and project management costs
Property management costs	(21.6)	(19.1)	Property services and other activities expenses
Overheads	(119.9)	(106.1)	Corporate expenses
	(1,054.3)	**(933.3)**	
Interest income	13.2	11.7	Net financing costs
Currency gain/(loss)	(2.2)	(1.9)	Fair value adjustments of derivatives and debt
Financing costs	(136.0)	(120.4)	A. Net financing costs for (99.1) US$ million (note 6 of Westfield 2017 Financial Report) B. Fair value adjustments of derivatives and debt for (36.9) US$ million (note 6 of Westfield 2017 Financial Report)
Gain/(loss) in respect of capital transactions	(23.6)	(20.9)	A. Result on disposal of investment properties for (13.3) US$ million (note 7 of Westfield 2017 Financial Report) B. Acquisition and related costs for (10.3) US$ million (note 7 of Westfield 2017 Financial Report)
Property revaluations	568.2	503.0	Valuation movements on assets
Intangible amortisation and impairment	(22.9)	(20.3)	Valuation movements on assets
Profit before tax and non controlling interests	**1,433.5**	**1,269.0**	
Tax credit/(expense)	117.7	104.2	Income tax expenses
Profit after tax for the period	**1,551.2**	**1,373.2**	

The Pro Forma adjustments included in the pro forma condensed consolidated statement of income are the following:

NOTE 1 ● ONEMARKET

As provided for in the Implementation Deed, WFD demerged on May 30, 2018 a 90% interest in OneMarket into a newly formed ASX listed entity held by WFD Securityholders, and with WFD retaining a 10% interest. Thus the demerger is reflected in the Pro Forma adjustments based on the estimated contribution of OneMarket as at December 31, 2018 and December 31, 2017.

URW kept a 10% participation in this company, and expects to keep this stake.

The financial results relating to OneMarket were reversed in the Pro Forma adjustments, and impacted the following lines:

- property development and project management revenue by -€1.4 Mn in 2018 and -€2.1 Mn in 2017;
- property development and project management costs by €31.3 Mn in 2018 and €20.3 Mn in 2017;
- carrying value of investment properties sold by €6.4 Mn in 2017;
- the net loss of -€88.0 Mn following the demerger and classified on the line "Carrying value of disposed shares" in 2018 has been reversed in the Pro Forma adjustments posted in the Unaudited Pro Forma consolidated statement of income for the year ended December 31, 2018;
- valuation movements on assets by €1.8 Mn in 2018 and €20.3 Mn in 2017;
- income tax expenses by -€10.5 Mn in 2017.

NOTE 2 ● COST SYNERGIES AND DIS-SYNERGIES ACHIEVED AS AT DECEMBER 31, 2018, AS PART OF EXECUTING THE IMPLEMENTATION AGREEMENT OF DECEMBER 12, 2017

The cost synergies and dis-synergies included in the administrative expenses in the Pro Forma adjustments are those achieved as at December 31, 2018. They are mainly related to the termination costs of Sydney head office employees and WFD senior management, the disposal of the corporate aircraft and do not include savings related to the OneMarket demerger, as described in note 1. They have been included in the Pro Forma adjustments as if they had occurred on January 1, 2017.

The net amount of cost synergies and dis-synergies included in the Pro Forma adjustments in the line administrative expenses is €26.7 Mn in 2018 and €50.3 Mn in 2017. The annual run-rate synergies as at December 31, 2018 amount to €75.0 Mn, including the impact of the OneMarket demerger[(1)].

The underlying tax effect has been calculated according to the country of realization and included in the Pro Forma adjustments for -€2.4 Mn in 2018 and -€4.2 Mn in 2017.

NOTE 3 ● ACQUISITION AND RELATED COSTS

Acquisition and related costs were cancelled in 2018 for €289.8 Mn. An amount of -€209.9 Mn[(2)] was adjusted as incurred on January 1, 2017 for the full year 2017. These amounts do not include the integration costs incurred by the Group in 2018 and classified within the "acquisition and related costs".

The amortization in employee share plan benefit accounted for in 2017 and until the acquisition date was also included in the "Acquisition and related costs" in the 2017 pro forma statements of income for an amount of -€25.4 Mn.

The total Westfield acquisition and related costs of €303.4 Mn was reversed in the "Non-continuing impact" column in the pro forma statement of income for year ended December 31, 2017.

(1) Based on 2017 expenses charged to WFD's 2017 income statement and do not include OneMarket expenses capitalized.
(2) This amount does not include the financial advisory and legal fees paid by WFD, as they were not incurred by the acquirer.

NOTE 4 • FINANCIAL EXPENSES AND FAIR VALUE ADJUSTMENT OF DEBT AND DERIVATIVES

— Financial expenses

To finance the Transaction, UR issued four public EMTN bonds for a total amount of €3,000 Mn in May 2018.

In addition, URW issued €2,0 Bn of hybrid securities on April 16, 2018. These hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option, and are accounted for as equity under IFRS.

The financing costs on the senior bonds net of the related hedging have been calculated as if the transaction had occurred on January 1, 2017, and the corresponding difference resulted in an increase of financing costs in 2018 of -€1.9 Mn and 2017 of -€1.9 Mn.

— Debt amortization & cancellation of amortization of borrowing costs

The amortization of the fair value of the WFD existing debt at the acquisition date was reflected from January 1, 2017, and amounted to -€1.5 Mn in 2018 and -€3.8 Mn in 2017, on the line "Fair value adjustments of derivatives and debt" of the Pro Forma adjustments.

The discount effect of the amortized cost method has been reversed, as a consequence of the valuation at fair value of the debt, on the line "Net financing costs" of the Pro Forma adjustments. The impact of this reversal amounted to €5.8 Mn in 2018 and €17.7 Mn in 2017.

— Capitalized financial expenses

The capitalized financial expenses of WFD were recomputed for 2018 and full year 2017 and using the UR accounting policies. The difference between both calculations was reflected accordingly in the line "Net financing costs" of Pro Forma adjustments for -€6.7 Mn in 2018 and -€41.0 Mn in 2017.

— Compound option and cash-settled equity swap

The cost related to the compound option implemented by UR at the announcement date to cover the EUR/USD foreign exchange risk of the Transaction, has been considered to be incurred as at January 1, 2017. Consequently, the mark-to-market of the instrument was adjusted on the line "Fair value adjustments of derivatives and debt" of the Pro Forma adjustments for €11.7 Mn in 2018 and -€11.7 Mn in 2017.

The change in the fair value of the cash-settled equity swap representing a 4.90% economic interest in Westfield Securities owned by UR was reversed on the line "Fair value adjustments of derivatives and debt" of the Pro Forma adjustments for €40.2 Mn in 2018 and -€37.1 Mn in 2017.

NOTE 5 • DEPRECIATION IMPACT RELATED TO INTANGIBLE ASSETS

The depreciation relating to the intangible assets recognized in the consolidated balance sheet at the date of acquisition has been accounted for in the Pro Forma adjustments as follows:

- on the line "Valuation movements on assets" by -€50.8 Mn in 2018 and -€88.3 Mn in 2017 for 5 months depreciation in 2018 and 12 months in 2017;
- on the line "Income tax expenses" by €12.6 Mn in 2018 and €22.1 Mn in 2017 for the corresponding tax effect.

4.1.8 EPRA PERFORMANCE MEASURES

In compliance with the EPRA[1] best practices recommendations[2], URW summarises the Key Performance Measures of 2018 and 2017 below.

4.1.8.1 EPRA earnings

EPRA earnings are defined as "recurring earnings from core operational activities", and are equal to the Group's definition of recurring earnings.

	2018	2017
EPRA Earnings *(Mn€)*	1,609.8	1,202.1
EPRA Earnings/share *(€/share)*	13.15	12.05
Growth EPRA Earnings/share *(%)*	9.1%	7.2%

(1) EPRA: European Public Real estate Association.
(2) Practices Recommendations. See www.epra.com

Bridge between Earnings per IFRS Statement of income and EPRA Recurring Earnings

Recurring Earnings per share		2018	2017
Net Result of the period attributable to the holders of the Stapled Shares (€Mn)		**1,031.1**	**2,439.5**
Adjustments to calculate EPRA Recurring Earnings, exclude:			
(i)	Changes in value of investment properties, development properties held for investment and other interests	62.2	1,364.4
(ii)	Profits or losses on disposal of investment properties, development properties held for investment and other interests	83.1	73.8
(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	(33.7)	(12.8)
(v)	Goodwill impairment	(4.9)	(9.2)
(vi)	Changes in fair value of financial instruments and associated close-out costs	(289.8)	(0.9)
(vii)	Acquisition costs on share deals and non-controlling joint venture interests	(268.7)	(62.4)
(viii)	Deferred tax in respect of EPRA adjustments	(53.4)	(43.7)
(ix)	Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(65.2)	34.1
(x)	External non-controlling interests in respect of the above	(8.4)	(106.0)
EPRA Recurring Earnings		**1,609.8**	**1,202.1**
Average number of shares and ORA		122,412,784	99,752,597
EPRA Recurring Earnings per Share (REPS)		**€13.15**	**€12.05**
EPRA Recurring Earnings per Share growth		**9.1%**	**7.2%**

4.

4.1.8.2 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, 2018	December 31, 2017
EPRA NAV (€/share)	221.80	211.00
EPRA NNNAV (€/share)	210.80	200.50
% change over 1 year (%)	5.1%	9.1%

4.1.8.3 EPRA Net Initial Yields

The following table provides the Group yields according to the EPRA Net Initial Yield definitions per segment for UR's (December 31, 2017) and URW's (December 31, 2018) Net Initial Yields:

	December 31, 2018		December 31, 2017	
	Retail(3)	Offices(3)	Retail(3)	Offices(3)
Unibail-Rodamco yields	**4.3%**	**5.7%**	**4.3%**	**5.6%**
Effect of vacant units	0.0%	-0.3%	0.0%	-0.1%
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%**	**4.2%**	**5.3%**
Effect of lease incentives	-0.1%	-1.1%	-0.1%	-1.9%
EPRA Net Initial Yields(2)	**4.2%**	**4.2%**	**4.1%**	**3.4%**

(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: 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.

(3) Assets under development or not controlled are not included in the calculation.

4.1.8.4 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). The vacancy in the US is calculated as the ERV of vacant units over the sum of existing MGR + ERV of vacant units.

	December 31, 2018	December 31, 2017
Retail		
France	2.6%	2.8%
Central Europe	1.2%	0.4%
Spain	0.9%	1.0%
Nordics	3.1%	4.2%
Austria	0.9%	1.0%
Germany	3.8%	4.0%
The Netherlands	5.1%	6.5%
TOTAL RETAIL	**2.4%**	**2.6%**
Offices		
France	2.9%	3.3%
TOTAL OFFICES	**4.4%**	**4.6%**
United States	8.3%	
United Kingdom	7.4%	

4.1.8.5 EPRA Cost ratios

		Proportionate		IFRS
EPRA references		2018	2017	2017
	Include:			
(i-1)	General expenses	(143.8)	(120.8)	(119.5)
(i-2)	Development expenses	(2.1)	(3.6)	(3.6)
(i-3)	Operating expenses	(307.0)	(113.8)	(111.6)
(ii)	Net service charge costs/fees	(35.9)	(24.4)	(22.8)
(iii)	Management fees less actual/estimated profit element	0.0	0.0	0.0
(iv)	Other operating income/recharges intended to cover overhead expenses	0.0	0.0	0.0
(v)	Share of Joint Ventures expenses	(10.0)	(3.7)	(10.0)
	Exclude (if part of the above):			
(vi)	Investment Property Depreciation	0.0	0.0	0.0
(vii)	Ground rents costs	0.0	0.0	0.0
(viii)	Service charge costs recovered through rents but not separately invoiced	156.2	23.5	23.3
	EPRA Costs (including direct vacancy costs) (A)	**(342.6)**	**(242.9)**	**(244.2)**
(ix)	Direct vacancy costs	(35.9)	(24.4)	(22.8)
	EPRA Costs (excluding direct vacancy costs) (B)	**(306.7)**	**(218.5)**	**(221.4)**
(x)	Gross Rental Income (GRI) less ground rents	2,408.7	1,691.0	1,633.8
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	(156.2)	(23.5)	(23.3)
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	77.5	54.5	113.2
	Gross Rental Income (C)	**2,330.0**	**1,722.1**	**1,723.7**
	EPRA COST RATIO (INCLUDING DIRECT VACANCY COSTS) (A/C)	**14.7%**	**14.1%**	**14.2%**
	EPRA COST RATIO (EXCLUDING DIRECT VACANCY COSTS) (B/C)	**13.2%**	**12.7%**	**12.8%**

The calculation is based on the EPRA recommendations and is applied on shopping centres and offices sectors.

4.1.8.6 Capital expenditure

	Proportionate				IFRS	
	2018		2017		2017	
(€Mn)	100%	Group Share	100%	Group Share	100%	Group Share
Acquisitions[(1)]	217.1	228.4	67.2	62.9	67.2	62.9
Development[(2)]	691.5	640.0	474.1	467.5	472.3	465.7
Like-for-like portfolio[(3)]	530.5	464.0	640.9	537.4	627.0	524.9
Other[(4)]	223.2	198.1	190.8	171.8	188.8	169.9
TOTAL CAPITAL EXPENDITURE	**1,662.4**	**1,530.7**	**1,373.0**	**1,239.6**	**1,355.3**	**1,223.4**

(1) *In 2018, includes mainly the acquisitions in Spain (Parquesur and La Vaguada) and France (Rosny 2).*
(2) *In 2018, includes mainly the capital expenditures related to investments in the Vélizy 2, Lyon Part-Dieu, Gaîté Montparnasse and Mall of The Netherlands extension projects and to the Milan, Überseequartier and Trinity new development projects.*
(3) *In 2018, includes mainly the capital expenditures related to Westfield London, Shopping City Süd, Glòries, Viparis Porte de Versailles and the US Flagships.*
(4) *Includes eviction costs and tenant incentives, capitalized interest relating to projects referenced above, letting fees and other capitalized expenses of €81.4 Mn, €43.9 Mn, €51.9 Mn and €20.9 Mn in 2018, respectively (amounts in group share).*

4.1.8.7 LTV reconciliation with the Balance Sheet (B/S)

— Under IFRS

(Mn€)	December 31, 2018 IFRS	June 30, 2018 IFRS (restated)	June 30, 2018 IFRS (published)	December 31, 2017 IFRS
Amounts accounted for in B/S	**62,251.7**	**62,694.4**	**62,694.4**	**41,348.5**
Investment properties at fair value	45,904.3	44,770.7	44,770.7	37,181.5
Investment properties at cost	1,557.8	2,347.0	2,347.0	1,342.8
Shares and investments in companies accounted for using the equity method	10,273.3	9,965.7	9,965.7	1,913.3
Other tangible assets	292.2	282.1	282.1	216.3
Goodwill	2,863.1	3,888.5	3,888.5	522.4
Intangible assets	1,294.8	185.4	185.4	172.2
Properties or shares held for sale	66.2	1,255.0	1,255.0	0.0
Adjustments	441.0	421.5	1,973.9	1,708.5
Transfer taxes	2,189.8	2,213.2	2,213.2	1,947.5
Goodwill not justified by fee business*	(2,038.9)	(1,941.5)	(389.1)	(389.2)
Revaluation intangible and operating assets	679.0	536.1	536.1	548.5
IFRS restatements, including	(388.9)	(386.3)	(386.3)	(398.4)
Financial leases	*(386.6)*	*(387.5)*	*(387.5)*	*(355.2)*
Other	*(2.3)*	*1.2*	*1.2*	*(43.2)*
Total assets, including Transfer Taxes (= A)	62,692.7	63,115.9	64,668.3	43,057.0
Total assets, excluding Transfer Taxes (= B)	60,502.9	60,902.7	62,455.1	41,109.4
Amounts accounted for in B/S				
Net share settled bonds convertible into new and/or existing shares (ORNANE)	491.8	991.5	991.5	1,020.5
Long-term bonds and borrowings	20,655.3	22,571.1	22,571.1	12,889.6
Current borrowings and amounts due to credit institutions	3,850.7	3,068.2	3,068.2	2,301.9
Total financial liabilities	24,997.8	26,630.8	26,630.8	16,212.0
Adjustments				
Mark-to-market of debt	27.8	30.0	30.0	(20.5)
Current accounts with non-controlling interests	(1,282.7)	(1,348.1)	(1,348.1)	(1,248.4)
Impacts of derivatives instruments on debt raised in foreign currency	(44.6)	(124.3)	(124.3)	(30.2)
Accrued interest/issue fees	(100.8)	(55.1)	(55.1)	(48.9)
Total financial liabilities (nominal value)	23,597.5	25,133.3	25,133.3	14,864.0
Cash & cash equivalents	(369.9)	(584.1)	(584.1)	(574.7)
NET FINANCIAL DEBT (= C)	**23,227.6**	**24,549.2**	**24,549.2**	**14,289.3**
LTV ratio including Transfer Taxes (= C/A)	**37.0%**	**38.9%**	**38.0%**	**33.2%**
LTV ratio excluding Transfer Taxes (= C/B)	**38.4%**	**40.3%**	**39.3%**	**34.8%**

* *Adjustment of goodwill according to bank covenants.*

On a proportionate basis:

(Mn€)	December 31, 2018 Proportionate	December 31, 2017 Proportionate
Amounts accounted for in B/S	**64,538.2**	**41,856.6**
Investment properties at fair value	57,216.5	38,562.8
Investment properties at cost	1,656.0	1,354.2
Shares and investments in companies accounted for using the equity method	1,057.0	937.3
Other tangible assets	294.2	217.2
Goodwill	2,953.6	612.9
Intangible assets	1,294.8	172.2
Properties or shares held for sale	66.2	0.0
Adjustments	**662.6**	**1,640.7**
Transfer taxes	2,470.6	2,037.6
Goodwill not justified by fee business*	(2,129.3)	(479.7)
Revaluation intangible and operating assets	677.2	548.5
IFRS restatements, including	(355.9)	(465.8)
Financial leases	*(395.8)*	*(355.2)*
Other	*39.9*	*(110.6)*
Total assets, including Transfer Taxes (= A)	**65,200.8**	**43,497.3**
Total assets, excluding Transfer Taxes (= B)	**62,730.2**	**41,459.6**
Amounts accounted for in B/S		
Net share settled bonds convertible into new and/or existing shares (ORNANE)	491.8	1,020.5
Long-term bonds and borrowings	22,446.5	13,283.7
Current borrowings and amounts due to credit institutions	4,282.8	2,325.4
Total financial liabilities	**27,221.1**	**16,629.6**
Adjustments		
Mark-to-market of debt	43.4	(20.5)
Current accounts with non-controlling interests	(1,282.7)	(1,248.4)
Impacts of derivatives instruments on debt raised in foreign currency	(44.5)	(30.2)
Accrued interest/issue fees	(108.5)	(48.9)
Total financial liabilities (nominal value)	**25,828.8**	**15,281.6**
Cash & cash equivalents	(463.2)	(600.9)
NET FINANCIAL DEBT (= C)	**25,365.6**	**14,680.7**
LTV ratio including Transfer Taxes (= C/A)	**38.9%**	**33.8%**
LTV ratio excluding Transfer Taxes (= C/B)	**40.4%**	**35.4%**

* *Adjustment of goodwill according to bank covenants.*

4.2 STATUTORY AUDITORS' REPORT ON PRO FORMA FINANCIAL INFORMATION

This is a translation into English of the statutory auditors' report on pro forma financial information issued in French 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.

To Mr. Christophe Cuvillier, Chairman of the Unibail-Rodamco Management Board and Mr. Jaap Tonckens, Member of the Unibail-Rodamco Management Board,

In our capacity as Statutory Auditors of your company and in accordance with Commission Regulation (EC) n°809/2004501, we hereby report to you on the pro forma financial information of Unibail-Rodamco SE for the year ended December 31, 2017 and the year ended December 31, 2018 set out in section 4 of the registration document.

The pro forma financial information has been prepared for the sole purpose of illustrating the impact that the acquisition of Westfield Corporation Limited by Unibail-Rodamco SE (the "Transaction") might have had on the consolidated statement of income of Unibail-Rodamco SE for the year ended December 31, 2017 and on the consolidated statement of income for the year ended December 31, 2018 as if the Transaction had occurred on January 1, 2017. By its very nature, the pro forma financial information is based on a hypothetical situation and, therefore, does not represent the financial position or performance that would have been reported, had the transaction taken place at an earlier date than the actual or contemplated date.

It is your responsibility to prepare the pro forma financial information in accordance with the provisions of Commission Regulation (EC) n°809/2004 and ESMA's recommendations on pro forma financial information.

It is our responsibility to express an opinion, based on our work, in accordance with Annex II, item 7 of Commission Regulation (EC) n°809/2004, as to the proper compilation of the pro forma financial information.

We performed those procedures that we deemed necessary in accordance with the professional auditing standards applicable in France to such engagements. These procedures, which did not include an audit or a review of the financial information used as a basis to prepare the pro forma financial information, mainly consisted in ensuring that the information used to prepare the pro forma information was consistent with the underlying financial information, as described in the notes to the pro forma financial information, reviewing the evidence supporting the pro forma adjustments and conducting interviews with management of Unibail-Rodamco SE to obtain the information and explanations that we deemed necessary.

In our opinion:

- the pro forma financial information has been properly compiled on the basis stated; and
- that basis is consistent with the accounting policies of Unibail-Rodamco SE.

This report has been issued solely for the purposes of filing the registration document with the French financial markets authority, and cannot be used for any other purpose.

Paris-La Défense, on March 26th, 2019

The statutory auditors French original signed by

Deloitte & Associés Pascal Colin	ERNST & YOUNG Audit Jean-Yves Jégourel

5.

FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

On February 7, 2019, the Management Board approved the consolidated financial statements of Unibail-Rodamco SE for the year ended December 31, 2018 and authorised their publication.

These consolidated financial statements will be submitted to the approval of the Annual General Meeting expected to be held on May 17, 2019.

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.

Because of the significance on Westfield's side (WFD), the following changes of presentation were made in the Consolidated financial statements:

- the "Contribution of companies accounted for using the equity method" was included in the "Net operating result";
- the separate presentation of "Net property development and project management income".

The comparative information was restated accordingly.

Further to the Westfield Corporation acquisition, two new segments were included in the Consolidated income statement by segment to present the activities of WFD in the United States and in the United Kingdom, respectively.

5.1.1 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€Mn)	Notes	2018	2017
Gross rental income	4.2.1/4.4.1	2,211.3	1,822.3
Ground rents paid	*4.2.1/4.4.2*	*(20.9)*	*(18.1)*
Net service charge expenses	*4.2.1/4.4.2*	*(28.8)*	*(22.8)*
Property operating expenses	*4.2.1/4.4.2*	*(321.2)*	*(198.7)*
Operating expenses and net service charges		(370.9)	(239.6)
Net rental income		**1,840.3**	**1,582.6**
Property development and project management revenue		215.5	-
Property development and project management costs		(178.5)	-
Net property development and project management income	**4.4.4**	**37.0**	**-**
Property services and other activities revenues		307.2	256.1
Property services and other activities expenses		(198.9)	(176.3)
Net property services and other activities income	**4.2.1/4.4.3**	**108.2**	**79.8**
Share of the result of companies accounted for using the equity method		233.9	91.6
Income on financial assets		32.1	27.0
Contribution of companies accounted for using the equity method	**6**	**266.0**	**118.6**
Corporate expenses		(141.4)	(117.3)
Development expenses		(2.1)	(3.6)
Depreciation of other tangible assets		(1.9)	(2.2)
Administrative expenses	**4.4.5**	**(145.5)**	**(123.1)**
Acquisition and related costs	**4.4.6**	**(268.7)**	**(62.4)**
Proceeds from disposal of investment properties		985.4	592.5
Carrying value of investment properties sold		(905.3)	(518.7)
Result on disposal of investment properties	**5.6**	**80.1**	**73.8**
Proceeds from disposal of shares		463.4	27.3
Carrying value of disposed shares		(460.5)	(27.3)
Result on disposal of shares	**5.6**	**3.0**	**0.0**
Valuation gains on assets		885.1	1,770.0
Valuation losses on assets		(822.9)	(405.6)
Valuation movements on assets	**5.5**	**62.2**	**1,364.4**
Impairment of goodwill	**5.4**	**(4.9)**	**(9.2)**
NET OPERATING RESULT		**1,977.8**	**3,024.6**
Result from non-consolidated companies		-	0.9
Financial income		*171.0*	*119.5*
Financial expenses		*(502.6)*	*(347.5)*
Net financing costs	7.2.1	(331.6)	(228.0)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	7.2.2/7.3	28.9	21.1
Fair value adjustments of derivatives, debt and currency effect	7.2.2	(318.0)	(21.3)
Debt discounting	7.2.2	(0.7)	(0.7)
RESULT BEFORE TAX		**1,356.5**	**2,796.7**
Income tax expenses	8.2	(113.6)	(74.2)
NET RESULT FOR THE PERIOD		**1,242.8**	**2,722.5**
Net result for the period attributable to:			
• The holders of the Stapled Shares[(1)]		1,031.1	2,439.5
• External non-controlling interests	3.4.2	211.7	283.0
NET RESULT FOR THE PERIOD		**1,242.8**	**2,722.5**
Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to:			
• Unibail-Rodamco SE members		926.3	2,439.5
• WFD Unibail-Rodamco NV members		104.8	0.0
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES[(1)]		**1,031.1**	**2,439.5**
Average number of shares (undiluted)	11.2	122,405,156.0	99,744,934.0
Net result for the period (Holders of the Stapled Shares)		1,031.1	2,439.5
Net result for the period per share (Holders of the Stapled Shares) *(€)*		**8.42**	**24.46**
Net result for the period restated (Holders of the Stapled Shares)[(2)]		1,002.2	2,418.4
Average number of shares (diluted)	11.2	126,031,428	103,155,132
Diluted net result per share (Holders of the Stapled Shares) *(€)*		**7.95**	**23.44**

(1) In 2017, Net result for the period (Owners of the parent).
(2) 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	2018	2017
NET RESULT FOR THE PERIOD		**1,242.8**	**2,722.5**
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries		9.1	(16.9)
Other comprehensive income that may be subsequently recycled to profit or loss		**9.1**	**(16.9)**
Employee benefits		(0.4)	0.2
Fair Value of Financial assets		(16.2)	-
Other comprehensive income not subsequently recyclable to profit or loss		**(16.6)**	**0.2**
OTHER COMPREHENSIVE INCOME		**(7.5)**	**(16.7)**
NET COMPREHENSIVE INCOME		**1,235.3**	**2,705.8**
• External non-controlling interests		211.7	283.1
NET COMPREHENSIVE INCOME (HOLDERS OF THE STAPLED SHARES)		**1,023.6**	**2,422.7**

5.1.2 CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€Mn)	Notes	12/31/2018	12/31/2017
Non current assets		62,818.5	41,650.8
Investment properties	**5.1**	**47,462.1**	**38,524.3**
Investment properties at fair value		*45,904.3*	*37,181.5*
Investment properties at cost		*1,557.8*	*1,342.8*
Shares and investments in companies accounted for using the equity method	6	10,273.3	1,913.3
Other tangible assets	5.2.2	292.2	216.3
Goodwill	5.4.2	2,863.1	522.4
Intangible assets	5.3.2	1,294.8	172.2
Financial assets	7.3.1	302.9	107.6
Deferred tax assets	8.3	26.9	21.9
Derivatives at fair value	7.4	303.2	172.8
Current assets		1,708.7	1,590.2
Properties or shares held for sale		66.2	-
Derivatives at fair value	7.4	-	57.9
Inventories		95.2	-
Trade receivables from activity		550.6	416.5
Tax receivables		285.7	216.2
Other receivables		341.1	324.9
Cash and cash equivalents	7.3.9	369.9	574.7
TOTAL ASSETS		**64,527.2**	**43,241.0**
Equity attributable to the holders of the Stapled Shares		**26,176.1**	**18,916.2**
Share capital		691.4	499.3
Additional paid-in capital		13,471.0	6,470.7
Consolidated reserves		11,175.0	9,717.0
Hedging and foreign currency translation reserves		(192.4)	(210.3)
Consolidated result		1,031.1	2,439.5
Equity attributable to Unibail-Rodamco SE members		***24,594.8***	***18,916.2***
Equity attributable to WFD Unibail-Rodamco NV members		***1,581.3***	-
Hybrid securities		**1,989.0**	-
External non-controlling interests		**3,976.4**	**3,777.0**
TOTAL SHAREHOLDERS' EQUITY		**32,141.5**	**22,693.2**
Non current liabilities		26,399.2	16,851.6
Long-term commitment to non-controlling interests	3.4.1	178.4	-
Net share settled bonds convertible into new and/or existing shares (ORNANE)	7.2.2/7.3	491.8	1,020.5
Long-term bonds and borrowings	7.3.9	20,655.3	12,889.6
Long-term financial leases		384.0	353.2
Derivatives at fair value	7.4	450.7	315.8
Deferred tax liabilities	8.3	3,796.7	1,752.5
Long-term provisions	9	17.6	30.5
Employee benefits	10.3.1	11.7	9.3
Guarantee deposits		231.2	223.9
Tax liabilities		-	0.1
Amounts due on investments		181.8	256.2
Current liabilities		5,986.5	3,696.2
Current commitment to non-controlling interests		**1.5**	**7.0**
Amounts due to suppliers and other creditors		**1,401.5**	**953.9**
Amounts due to suppliers		207.4	187.5
Amounts due on investments		624.7	425.9
Sundry creditors		569.4	340.5
Other liabilities		**219.6**	**207.7**
Current borrowings and amounts due to credit institutions	**7.3.9**	**3,850.7**	**2,301.9**
Current financial leases		**2.6**	**2.0**
Derivatives at fair value	**7.4**	**77.0**	-
Tax and social liabilities		**403.4**	**210.5**
Short-term provisions	**9**	**30.2**	**13.2**
TOTAL LIABILITIES AND EQUITY		**64,527.2**	**43,241.0**

5.1.3 CONSOLIDATED STATEMENT OF CASH FLOWS

(€Mn)	Notes	2018	2017
OPERATING ACTIVITIES			
Net result		**1,242.8**	**2,722.5**
Depreciation & provisions[1]		(29.8)	(7.9)
Impairment of goodwill		4.9	9.2
Changes in value of property assets		(62.2)	(1,364.4)
Changes in value of financial instruments		289.8	0.9
Charges and income relating to stock options and similar items		24.2	9.2
Net capital gains/losses on disposal of shares		(3.0)	0.0
Net capital gains/losses on sales of properties[2]		(80.1)	(73.8)
Share of the result of companies accounted for using the equity method		(233.9)	(91.6)
Income on financial assets		(32.1)	(27.0)
Dividend income from non-consolidated companies		(0.1)	(0.1)
Net financing costs	7.2.1	331.6	228.0
Income tax charge		113.6	74.2
Westfield's acquisition and related costs		108.7	-
Cash flow before net financing costs and tax		**1,674.4**	**1,497.2**
Income on financial assets		32.1	27.0
Dividend income and result from companies accounted for using the equity method or non consolidated		257.5	5.3
Income tax paid		(65.9)	(25.5)
Change in working capital requirement		(104.0)	0.5
TOTAL CASH FLOW FROM OPERATING ACTIVITIES		**1,794.0**	**1,486.5**
INVESTMENT ACTIVITIES			
Property activities		**(4,269.0)**	**(1,017.2)**
Acquisition of businesses, net of cash acquired	3.3.1	(4,457.8)	(85.1)
Amounts paid for works and acquisition of property assets	5.6	(1,597.6)	(1,368.2)
Repayment of property financing	5.6	212.3	23.2
Increase of property financing	6.6	(262.4)	(300.6)
Disposal of shares/consolidated subsidiaries	3.3.2	797.2	121.0
Disposal of investment properties	5.6	1,039.3	592.5
Financial activities		**(2.1)**	**(7.7)**
Acquisition of financial assets		(11.6)	(10.0)
Disposal of financial assets		5.7	2.5
Change in financial assets		3.8	(0.2)
TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES		**(4,271.1)**	**(1,024.9)**
FINANCING ACTIVITIES			
Capital increase of parent company		13.4	77.9
Purchase of own shares		-	(7.3)
Change in capital from companies with non controlling shareholders		5.0	2.2
Hybrid securities		1,989.0	-
Distribution paid to parent company shareholders	11.3	(1,079.2)	(1,018.3)
Dividends paid to non-controlling shareholders of consolidated companies		(98.2)	(66.2)
Coupon on the Hybrid Securities		(13.3)	-
New borrowings and financial liabilities		5,098.7	1,941.4
Repayment of borrowings and financial liabilities		(3,274.3)	(990.1)
Financial income	7.2.1	139.9	95.9
Financial expenses	7.2.1	(440.2)	(318.8)
Other financing activities	7.3.7	(88.8)	(10.1)
TOTAL CASH FLOW FROM FINANCING ACTIVITIES		**2,252.0**	**(293.4)**
Change in cash and cash equivalents during the period		**(225.1)**	**168.2**
Net cash and cash equivalents at the beginning of the year		**565.7**	**396.0**
Effect of exchange rate fluctuations on cash held		**28.1**	**1.5**
Net cash and cash equivalents at period-end	**7.3.9**	**368.7**	**565.7**

(1) Includes straight lining of key money and lease incentives.
(2) Includes capital gains/losses on property sales, disposals of short term investment properties and disposals of operating assets.

5.

5.1.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(€Mn)	Share capital	Additional paid-in capital	Bonds Redeemable for Shares	Consolidated reserves	Consolidated net result	Hedging & foreign currency translation reserves[1]	Equity attributable to the holders of the Stapled Shares	Hybrid Securities	External non-controlling interests	Total shareholders' equity
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
Profit or loss of the period	-	-	-	-	1,031.1	-	1,031.1	-	211.7	1,242.8
Other comprehensive income	-	-	-	(16.6)	-	9.1	(7.5)	-	-	(7.5)
Net comprehensive income	**-**	**-**	**-**	**(16.6)**	**1,031.1**	**9.1**	**1,023.6**	**-**	**211.7**	**1,235.3**
Earnings appropriation	-	-	-	2,439.5	(2,439.5)	-	-	-	-	-
Dividends related to 2017	-	-	-	(1,079.2)	-	-	(1,079.2)	-	(98.2)	(1,177.4)
Stock options and Company Savings Plan	0.5	13.0	-	-	-	-	13.5	-	-	13.5
Conversion of Bonds Redeemable for Shares	-	-	(0.1)	-	-	-	(0.1)	-	-	(0.1)
Westfield acquisition	191.6	6,987.3	-	101.9	-	-	7,280.8	-	85.1	7,365.9
Share based payment	-	-	-	24.2	-	-	24.2	-	-	24.2
Hybrid Securities	-	-	-	-	-	-	-	1,989.0	2.0	1,991.0
Coupon on the Hybrid Securities	-	-	-	(13.3)	-	-	(13.3)	-	-	(13.3)
Transactions with non-controlling interests	-	-	-	1.0	-	-	1.0	-	(1.1)	(0.1)
Changes in scope of consolidation and other movements	-	-	-	0.6	-	8.8	9.4	-	(0.1)	9.3
EQUITY AS AT 12/31/2018	**691.4**	**13,471.0**	**1.0**	**11,174.0**	**1,031.1**	**(192.4)**	**26,176.1**	**1,989.0**	**3,976.4**	**32,141.5**

(1) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. The hedging reserve is used to record the effect of hedging net investments in foreign operations.

5.2 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

5.

NOTE 1 ● SIGNIFICANT EVENTS OF THE YEAR

The activity of the Group Unibail-Rodamco-Westfield ("URW") is not significantly affected by seasonality.

1.1 Westfield Corporation acquisition

On June 7, 2018, Unibail-Rodamco ("UR") announced it had completed the acquisition of Westfield Corporation ("WFD"), to create Unibail-Rodamco-Westfield ("URW" or "the Group"), the premier global developer and operator of flagship shopping destinations. URW combines two of the strongest and most respected names in the real estate industry to build on their legacies. The acquisition of WFD is a natural extension of UR's strategy of concentration, differentiation and innovation.

WFD comprises WCL, WFDT and WAT. At completion of the Transaction, UR held directly or indirectly 100% of WCL and WFDT, and 40% of WFD Unibail-Rodamco NV, which owns 100% of WAT, owning 83% of WEA, through WAT; the remaining 17% of WEA being indirectly held by WCL. As a result of the Stapled Share Principle, the same shareholders together hold 100% of UR and of WFD Unibail-Rodamco NV, of which 60% directly (WFD Unibail-Rodamco NV Class A Shares) and 40% indirectly through UR.

As a result of the characteristics of the Transaction, UR is deemed to be the accounting acquirer under IFRS. Consequently, WCL, WFDT and, consistent with the legal set up of the Transaction and governance of WFD Unibail-Rodamco NV, WAT, are fully consolidated by UR. The holders of the Stapled Shares are entitled to the same rights and obligations with respect to UR and WFD Unibail-Rodamco NV. As a consequence, the 60% economic interest in WFD Unibail-Rodamco NV directly held by such holders is reflected under the caption "Net result for the period attributable to the holders of the Stapled Shares", which is split between:

- "Net result of the period attributable to the holders of the Stapled Shares analyzed by amount attributable to Unibail-Rodamco SE members"; and
- "Net result for the period attributable to the holders of the Stapled Shares analyzed by amount attributable to WFD Unibail-Rodamco NV members" on the face of the consolidated statement of comprehensive income.

On the face of the statement of financial position, the caption "Equity attributable to the holders of the Stapled Shares" is split between "Equity attributable to Unibail-Rodamco SE members" and "Equity attributable to WFD Unibail-Rodamco NV members".

As the impact was not deemed significant, WFD is consolidated from June 1, 2018 rather than from June 7, 2018. From initial consolidation to December 31, 2018, WFD has contributed €342.1 Mn to the gross rental income and -€82.0 Mn to the net result of the Group.

If the combination had taken place on January 1, 2018, the contribution of WFD would have been:

- gross rental income: +€571.9 Mn;
- net result of the Group: -€31.2 Mn.

1.2 Goodwill as of the acquisition date and main impacts on the consolidated financial statements

The purchase price for 100% of the outstanding stock of WFD was €11,911.4 Mn, of which:

- market value of the 38,319,974 UR shares issued in exchange of WFD shares of €7,280.8 Mn. The share price used was €190.00, corresponding to the closing price of the UR share on June 4, 2018, its last day of quotation;
- cash consideration of €4,742.7 Mn;
- net hedging impact of -€112.1 Mn.

The preliminary purchase price allocation of the WFD acquisition is presented below:

Purchase price allocation *(€Mn)*	WFD at acquisition date
TOTAL CONSIDERATION	**11,911.4**
Identifiable net asset at fair value(1)	
Investment properties	9,092.3
Intangible assets	1,122.2
Shares and investments in companies accounted for using the equity method	8,200.9
Other tangible assets	63.1
Financial assets	221.1
Deferred tax assets	58.5
Derivatives at fair value	81.0
Other current assets	263.0
Cash and cash equivalents	258.0
	19,360.2
External non-controlling interests	85.1
Long-term commitment to non-controlling interests	181.8
Long-term bonds and borrowings	6,787.6
Deferred tax liabilities	2,014.3
Other non current liabilities	134.6
Other current liabilities	582.4
	9,785.7
TOTAL IDENTIFIABLE NET ASSET AT FAIR VALUE	**9,574.5**
GOODWILL ARISING ON ACQUISITION	**(2,336.9)**

(1) The Group has recorded at fair value the standing assets, the development projects, the intangible assets, the financial liabilities and the associated deferred taxes.

The total identifiable net assets at fair value acquired amounted to €9,574.5 Mn as at June 7, 2018. These values were based on the accounting principles and methods defined in IFRS 3R applied by the Group requiring that the assets and liabilities are valued at their market value on the acquisition date.

The Westfield trademark for flagships (in the US and the UK) and the following contracts with third parties have been valued and recorded as intangible assets:

- the Property Management (PM) business in the US and the UK;

- the Development, Design & Construction (DD&C) business in the US and the UK;
- the Airport activities in the US.

External appraisers valued these activities and the trademark at €1,814.4 Mn for opening balance sheet purposes of which:

- €1,122.2 Mn for the PM, DD&C and Airport contracts with third parties and the trademark. This amount was allocated to the intangible assets in the Consolidated statement of financial position;
- the difference of €692.2 Mn relates to the value of internal contracts with entites which are fully consolidated and future PM, DD&C and Airport activities to be generated.

The Deferred Tax Liabilities (DTL) related to the intangible assets in the US and the UK amount to €267.7 Mn, which were booked in the non-current DTL of the Consolidated statement of financial position at opening balance sheet.

Consequently, the goodwill related to the WFD acquisition (WFD Goodwill) resulting from the preliminary purchase price accounting amounted to €2,336.9 Mn.

The preliminary purchase price accounting will be finalized in 2019. However, barring unforeseen events, the Group does not expect any material change.

Allocation of the goodwill

Each investment property meets the criteria to qualify as a Cash Generated Unit ("CGU"). As part of operational management, investment properties are managed at a geographical segment level. As a consequence, goodwill has been allocated to geographical segments which is the lowest level at which goodwill is monitored for internal management purposes.

The €2,336.9 Mn goodwill has been allocated to the geographical segments of URW benefiting from the acquisition of Westfield as follows:

- the expected cost and revenue synergies were allocated to the US, the UK, France Retail, Spain, Central Europe and the Nordics;
- the values attributable to the incremental part of the PM and DD&C businesses were allocated to the US and the UK and the value of the incremental part of the Airport activities was allocated to the US, based on the external valuation;
- the amount related to the value of the workforce acquired was allocated to the US and the UK.

The allocation per geographical segment breaks down as follows:

(€Mn)	Goodwill per geographical segment at acquisition date
France Retail	728.8
Central Europe	145.2
Spain	103.8
Nordics	99.8
TOTAL CONTINENTAL EUROPE	**1,077.6**
US	818.7
UK	440.5
WFD GOODWILL	**2,336.9**

The intangible assets and goodwill allocated to the US and to the UK were converted into USD and GBP, respectively, with the exchange rates at acquisition date, and were converted into euros with the closing rates as at December 31, 2018 in the year-end Consolidated statement of financial position. The remaining goodwill allocated to Continental Europe segment was kept in euros.

Impairment tests

Since the geographical segments are the lowest level within the URW company at which goodwill is monitored, for internal management purposes, the impairment test is performed at geographical segment level and, as a result, in accordance with IAS 36 for a group of CGUs.

The geographical segments to which goodwill has been allocated are tested for impairment by comparing the net asset value of the geographical segment (as presented in the note 4.5.2 "Statement of financial position by segment on a proportionate basis") with the recoverable value which is determined as the higher of the fair value less cost of disposal and its value in use. Value in use is determined based on the Discounted Cash Flow derived from the 5-year Business Plan ("5YBP") approved by the Management Board and the Supervisory Board.

The Group has performed an impairment test of the goodwill allocated to each geographical segment as per December 31, 2018, based on:

- the detailed 5-year BP per geographical segment, including detailed profit & loss statements, proposed capital expenditure and disposals;
- the discount rates before tax per geographical segment based on a calculation of the WACC per region which reflects the current market assessment of the interest rate effect and the specific risk associated with each geographical segment;
- an allocation of the Group's corporate administrative expenses to the geographical segments, as a percentage of their respective NRI;
- a discounted cash-flow calculation for each geographical segment on a 10-year basis, consistent with the method applied by the Group's appraisers, and a discounted terminal value, to which a Long Term Growth Rate (LTGR) is applied.

The main assumptions having an impact on the calculations of the Value in use are the following:

- the WACC per geographical segment calculated by URW includes a portfolio premium, which is not included in the discount rates per investment property used by the appraisers;
- the LTGR per geographical segment estimated by URW can be higher than the LTGR of the appraisers, due to:
  - A higher level of the Estimated Rental Values (ERV) of the different units of each shopping centre, due to the know-how of URW operating management teams;
  - The incremental value creation related to active asset management and new business or projects, not taken into account by appraisers in their valuations;
  - The impact of the revenue synergies resulting from the acquisition of WFD, which are not yet reflected in the fair value of investment properties.

As at December 31, 2018, no impairment was booked as result of this test. Sensitivity analysis is presented in the note 5.4.2 "Changes in Goodwill".

1.3 Acquisition and related costs

In 2018, acquisition and related costs amounted to -€268.7 Mn (-€62.4 Mn in 2017), which breaks down as follows:

- -€110.3 Mn were incurred by UR (financial and legal advisory fees, including VAT) for the WFD acquisition;
- -€108.7 Mn incurred by WFD (redundancy and other employee related costs as well as the costs associated with the accelerated vesting of the WFD employee share plan);
- -€48.9 Mn of integration costs incurred by URW; and
- -€0.8 Mn of other acquisition costs, mainly in France.

In 2017, UR and WFD had collectively booked as expenses -€68.0 Mn of WFD related transaction costs, of which -€58.9 Mn in UR and -€9.1 Mn in WFD.

In addition, -€80.9 Mn of financial advisory and legal fees paid by WFD were included in the opening balance sheet of WFD.

Lastly, UR paid -€94.7 Mn to hedge the USD cash component of its offer for WFD, of which -€47.3 Mn was registered in 2017 in “Fair value adjustments of derivatives and debt” in its 2017 financial accounts and -€47.4 Mn was accounted for in the purchase consideration in 2018. The fair value gain on the hedge was +€159.6 Mn and was accounted for in the purchase consideration in 2018. The net gain in cash resulting from the FX hedge was +€64.9 Mn.

1.4 Financing of the Westfield Corporation acquisition

To finance the cash component of the total consideration, UR issued four public EMTN bonds for a total amount of €3,000 Mn in May 2018 (see note 7.3.2 “Main financing transactions in 2018”).

In addition, UR issued €2,000 Mn of hybrid securities on April 16, 2018. These hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option and are accounted for in equity (see note 7.3.2 “Main financing transactions in 2018”).

NOTE 2 • ACCOUNTING POLICIES

In accordance with EC regulation no. 1606/2002 of July 19, 2002, on the application of international accounting standards, URW has prepared its consolidated financial statements for the financial year ending December 31, 2018 under International Financial Reporting Standards (IFRS) as adopted in the European Union and applicable at this date.

These can be consulted on the website: http://ec.europa.eu/finance/company-reporting/ifrs-financialstatements/index_en.htm.

2.1 IFRS basis adopted

The accounting principles and methods used are the same as those applied for the preparation of the annual consolidated financial statements as at December 31, 2017, except for the application of the new obligatory standards and interpretations described below.

— Standards, amendments and interpretations effective as of January 1, 2018

- IFRS 15 - Revenue from Contracts with Customers;
- IFRS 9 - Financial Instruments;
- IFRIC 22 - Foreign Currency Transactions and Advance Consideration;
- IAS 40 A – Transfers of Investment Property;
- IFRS 2 A – Classification and Measurement of Share-based Payment Transactions;
- amendments to IFRS 4 – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;
- annual Improvements to IFRS Standards 2014-2016 Cycle.

These standards, amendments and interpretations do not have a significant impact on the Group's accounts as at December 31, 2018.

— Standards, amendments and interpretations not mandatorily applicable as of January 1, 2018

The following standards have been adopted by the European Union as at December 31, 2018, but not applied in advance by the Group:

- IFRS 9 A – Prepayment Features with Negative Compensation;
- IFRS 16 – Leases;
- IFRIC 23 – Uncertainty over Income Tax Treatments.

The Group has carried out an analysis of the impact of IFRS 16 which should have a limited impact on the Group's financial statements.

The following texts were published by the IASB but have not yet been adopted by the European Union:

- IFRS 17 – Insurance Contracts;
- IAS 28 A – Long-term Interests in Associates and Joint Ventures;
- Annual Improvements to IFRS Standards 2015-2017 Cycle;
- IAS 19 A – Plan Amendment, Curtailment or Settlement;
- amendments to References to the Conceptual Framework in IFRS Standards;
- amendment to IFRS 3 - Business Combinations;
- amendments to IAS 1 and IAS 8 – Definition of Material.

The measurement of the potential impacts of these texts on the consolidated accounts of URW is on-going; no significant impact expected.

2.2 Estimates and assumptions

Certain amounts recorded in the consolidated financial statements reflect estimates and assumptions made by management, particularly with regards to the fair value of investment properties and financial instruments as well as the valuation of goodwill and intangible assets.

The actual amounts may differ from the estimates as the business environment may develop differently than assumed. In this case, the assumptions and, where necessary, the carrying amounts of the assets or liabilities affected are adjusted accordingly.

Assumptions and estimates are reviewed on an ongoing basis and are based on experience and other factors, including expectations regarding future events that appear reasonable under the given circumstances.

The most significant estimates are set out in the following 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 URW and all companies in which the Group exercises joint control or significant influence.

According to IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group considers all facts and circumstances when assessing whether it controls an investee. The control over an investee is reassessed if facts and circumstances indicate that there are changes to one or more of the elements above mentioned.

The method of consolidation is determined by the type of control exercised:

- control: the companies are fully consolidated;
- joint control: is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement:
  - a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Each party shall account for the assets which it has rights to, liabilities which it has obligations for, revenues and expenses relating to its interests in a joint operation.
  - a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Joint ventures are accounted for using the equity method.

    Following WFD's acquisition, the Group has significant co-ownership interest in a number of properties, mainly in the US through property partnerships or trusts. These joint ventures are accounted for using the equity method. The Group and its joint ventures use consistent accounting policies.
- significant influence: accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but it is not control or joint control of those policies. It is presumed where an entity holds 20% or more of the voting power (directly or through subsidiaries) of an investee, unless it can be clearly demonstrated that this is not the case.

3.1.2 Foreign currency translation

● *Group companies with a functional currency different from the presentation currency*

The Group's consolidated financial statements are presented in euros. The financial statements of each consolidated Group company are prepared in its functional currency. The functional currency is the currency of the principal economic environment in which it operates.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency, the euro, are translated into the presentation currency as follows:

- the assets and liabilities, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the foreign exchange rate as at the accounting date;
- income and expenses are translated into euros at rates approximating the foreign exchange rates applicable at the dates of the transactions;
- all resulting exchange rate differences are recognised as a separate component of equity (currency translation reserve);
- when a Group company is sold, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale.

● *Foreign currency transactions*

The Group's entities can realise operations in a foreign currency which is not their own functional currency. These transactions in foreign currencies are translated into euro at the spot exchange rate on the date of the transaction. At the closing date, monetary assets and liabilities denominated in foreign currency are translated into functional currency at the exchange rate on that date. Foreign exchange differences arising on translation or on settlement of these transactions are recognised in the income statement account, with the exception of:

- unrealised translation results on net investments;
- unrealised translation results on intercompany loans that, in substance, form part of the net investment.

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instruments relating to the effective portion of the hedge are recognised directly in equity, whereas those relating to the ineffective portion are recognised in the income statement account.

Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rate on the date of transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at exchange rates on the dates the fair value was determined, and are reported as part of the fair value gain or loss.

— 3.1.3 Business combinations

To identify whether a transaction is a business combination the Group notably considers whether an integrated set of activities is acquired besides the investment property. The criteria applied may include the number of property assets held by the target company, the extent of the acquired processes and, particularly, the auxiliary services provided by the acquired entity. If the acquired assets are not a business, the transaction is recorded as an asset acquisition.

Business combinations are accounted for using the acquisition method. The acquisition is recognised at the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition costs incurred are booked as expenses. For the companies accounted for using the equity method, acquisition costs are capitalised in the value of the shares.

At the date of acquisition and in accordance with IFRS 3 Revised, identifiable assets, liabilities and contingent liabilities of the acquired company are valued individually at their market value regardless of their purpose based upon current best estimates at such date. It is possible that further adjustments to initial evaluation may be recognised within 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 the income statement.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Subsequent changes to the fair value of any contingent consideration classified as liability will be recognised in 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 – Holders of the stapled shares. Any subsequent change in debt is also accounted for as equity – Holders of the stapled shares. Income from non-controlling interests and dividends are booked in equity – Holders of the stapled shares.

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-Ile-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 controls Unibail-Rodamco Germany GmbH which is thusfully consolidated.

— Parly 2 shopping centre

The Parly 2 shopping centre (Paris region) is held by the Group and the Abu Dhabi Investment Authority (ADIA).

The relevant activities are the leasing, equipment, building, renovation as well as the management, servicing and maintenance of the shopping centre.

The Managing Director is a URW company designated for an indefinite term, which holds powers in order to administrate the companies and obtain the 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 URW 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 for 53.3% by the Group and for 46.7% by two insurance companies.

The Managing Director is a URW company designated for an indefinite term, which holds large powers in order to administrate the Company and obtain the 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 businesses, net of cash acquired (Consolidated statement of cash flows)

The acquisitions of the year refer mainly to the WFD acquisition (see note 1 "Significant events of the year").

ACQUISITION OF BUSINESSES, NET OF CASH ACQUIRED

(€Mn)	2018	2017
Acquisition price of shares	(4,716.4)	(85.1)
Cash and current accounts	258.6	-
ACQUISITION OF CONSOLIDATED SHARES	**(4,457.8)**	**(85.1)**

— 3.3.2 Disposals of consolidated shares (Consolidated statement of cash flows)

DISPOSAL OF SHARES/CONSOLIDATED SUBSIDIARIES

(€Mn)	2018	2017
Net price of shares sold	482.4	27.7
Cash and current accounts	314.7	88.5
DISPOSAL OF SHARES/CONSOLIDATED SUBSIDIARIES(1)	**797.2**	**116.2**

(1) In 2018, corresponds mainly to the disposal of the Capital 8 office building in France.

DISPOSAL OF INTERESTS IN SUBSIDIARIES NOT RESULTING IN A LOSS OF CONTROL

(€Mn)	2018	2017
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

The convertible redeemable preference shares arising from the WFD acquisition are included in the captions "Long-term commitment to non-controlling interests" and "current commitment to non-controlling interests".

They are measured at fair value through profit or loss.

— 3.4.2 Non-controlling interests

In 2018, this item comprised mainly non-controlling interests in the following entities:

- several shopping centres in France (€149.7 Mn, mainly Les Quatre Temps, Parly 2 and Le Forum des Halles);
- Convention & Exhibition entities (€14.2 Mn);
- several shopping centres in Germany (€23.6 Mn) and in Spain (€19.1 Mn).

3.5 Description of significant joint operations

— Westfield London

Westfield London is jointly controlled by both partners (CRI and WFD) since all the major decisions relating to the relevant activities of the company (leasing strategy, standard form lease agreements, operating expenses and capital expenses), require the approval of both partners. Each year, the Annual Budget Plan comprising Gross income and Operating expenses, capital expenditure, rent levels projected to be achieved on review of rents under each lease, proposed new lettings and the projected net income, shall be approved by both partners. The arrangements between CRI and WFD give equal rights to both partners in the assets and the liabilities of the company.

Therefore, Westfield London is a Joint Operation company.

NOTE 4 ● NET RECURRING RESULT AND SEGMENT REPORTING

4.1 Accounting principles

Segment information is presented in respect of the Group's divisions and geographical segments, based on the Group's management and internal reporting structure and in accordance with IFRS 8.

Contributions of affiliates are also presented according to the Group's divisions and geographical segments.

Since the joint-controlled entities represent a significant part of the Group's operations in the US and the UK, the Group's management and internal reporting structure segment information is prepared in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis, instead of being accounted for using the equity method under IFRS.

Therefore, the segment information presented in this section is prepared in a proportionate format.

— Business segments

The Group presents its result by segment: Shopping Centres, Offices, Convention & Exhibition and property development and project management income.

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;
- United States;
- Central Europe, including the Czech Republic, Poland and Slovakia;
- Spain;
- United Kingdom and Italy;
- Nordics, including Sweden, Denmark and Finland;
- Austria;
- Germany;
- The Netherlands.

The following note is presented on a proportionate basis.

4.2 Consolidated financial statements on a proportionate basis

4.2.1 Consolidated statement of comprehensive income on a proportionate basis

(€Mn)	2018 IFRS	Proportionate	Total 2018 Proportionate	2017 IFRS	Proportionate	Total 2017 Proportionate
Gross rental income	2,211.3	408.3	2,619.6	1,822.3	59.6	1,881.9
Ground rents paid	*(20.9)*	*(0.8)*	*(21.7)*	*(18.1)*	*(0.2)*	*(18.3)*
Net service charge expenses	*(28.8)*	*(7.1)*	*(35.9)*	*(22.8)*	*(1.6)*	*(24.4)*
Property operating expenses	*(321.2)*	*(79.7)*	*(400.9)*	*(198.7)*	*(3.7)*	*(202.4)*
Operating expenses and net service charges	(370.9)	(87.6)	(458.5)	(239.6)	(5.5)	(245.1)
Net rental income	1,840.3	320.7	2,161.0	1,582.6	54.2	1,636.8
Property development and project management revenue	215.5	(0.0)	215.5	-	-	-
Property development and project management costs	(178.5)	0.0	(178.5)	-	-	-
Net property development and project management income	37.0	(0.0)	37.0	-	-	-
Property services and other activities revenues	307.2	(0.0)	307.2	256.1	-	256.1
Property services and other activities expenses	(198.9)	(4.4)	(203.3)	(176.3)	(1.4)	(177.7)
Net property services and other activities income	108.2	(4.4)	103.8	79.8	(1.4)	78.3
Share of the result of companies accounted for using the equity method	233.9	(195.6)	38.3	91.6	(54.7)	36.9
Income on financial assets	32.1	(5.5)	26.6	27.0	(1.0)	26.0
Contribution of companies accounted for using the equity method	266.0	(201.1)	64.9	118.6	(55.7)	62.9
Corporate expenses	(141.4)	(0.4)	(141.8)	(117.3)	(1.3)	(118.6)
Development expenses	(2.1)	-	(2.1)	(3.6)	-	(3.6)
Depreciation of other tangible assets	(1.9)	-	(1.9)	(2.2)	-	(2.2)
Administrative expenses	(145.5)	(0.4)	(145.9)	(123.1)	(1.3)	(124.4)
Acquisition and related costs	(268.7)	-	(268.7)	(62.4)	-	(62.4)
Proceeds from disposal of investment properties	985.4	82.7	1,068.1	592.5	-	592.5
Carrying value of investment properties sold	(905.3)	(82.8)	(988.1)	(518.7)	-	(518.7)
Result on disposal of investment properties	80.1	(0.0)	80.1	73.8	-	73.8
Proceeds from disposal of shares	463.4	(0.0)	463.4	27.3	-	27.3
Carrying value of disposed shares	(460.5)	-	(460.5)	(27.3)	-	(27.3)
Result on disposal of shares	3.0	(0.0)	3.0	0.0	-	0.0
Valuation gains on assets	885.1	131.4	1,016.4	1,770.0	34.7	1,804.7
Valuation losses on assets	(822.9)	(200.9)	(1,023.8)	(405.6)	(10.4)	(416.0)
Valuation movements on assets	62.2	(69.6)	(7.4)	1,364.4	24.3	1,388.7
Impairment of goodwill	(4.9)	-	(4.9)	(9.2)	-	(9.2)
NET OPERATING RESULT	**1,977.8**	**45.1**	**2,023.0**	**3,024.6**	**20.0**	**3,044.5**
Result from non-consolidated companies	-	(0.1)	(0.1)	0.9	0.0	0.9
Financial income	*171.0*	*0.0*	*171.0*	*119.5*	*-*	*119.5*
Financial expenses	*(502.6)*	*(37.9)*	*(540.5)*	*(347.5)*	*(13.5)*	*(361.0)*
Net financing costs	(331.6)	(37.9)	(369.5)	(228.0)	(13.5)	(241.5)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	28.9	0.0	28.9	21.1	-	21.1
Fair value adjustments of derivatives, debt and currency effect	(318.0)	1.0	(317.0)	(21.3)	0.8	(20.4)
Debt discounting	(0.7)	0.0	(0.7)	(0.7)	-	(0.7)
RESULT BEFORE TAX	**1,356.5**	**8.2**	**1,364.6**	**2,796.7**	**7.4**	**2,804.0**
Income tax expenses	(113.6)	(8.2)	(121.8)	(74.2)	(7.4)	(81.5)
NET RESULT FOR THE PERIOD	**1,242.8**	**0.0**	**1,242.8**	**2,722.5**	**(0.0)**	**2,722.5**
Net result for the period attributable to:						
• The holders of the Stapled Shares[(1)]	1,031.1	0.0	1,031.1	2,439.5	(0.0)	2,439.5
• External non-controlling interests	211.7	-	211.7	283.0	-	283.0
NET RESULT FOR THE PERIOD	**1,242.8**	**0.0**	**1,242.8**	**2,722.5**	**(0.0)**	**2,722.5**

(1) In 2017, Net result for the period (Holders of the stapled shares).

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— 4.2.2 Consolidated statement of financial position on a proportionate basis

(€Mn)	12/31/2018 IFRS	Proportionate	12/31/2018 Proportionate	12/31/2017 IFRS	Proportionate	12/31/2017 Proportionate
Non current assets	**62,818.5**	**2,294.6**	**65,113.1**	**41,650.8**	**509.0**	**42,159.8**
Investment properties	**47,462.1**	**11,410.4**	**58,872.5**	**38,524.3**	**1,392.7**	**39,917.0**
Investment properties at fair value	*45,904.3*	*11,312.2*	*57,216.5*	*37,181.5*	*1,381.3*	*38,562.8*
Investment properties at cost	*1,557.8*	*98.2*	*1,656.0*	*1,342.8*	*11.4*	*1,354.2*
Shares and investments in companies accounted for using the equity method	10,273.3	(9,216.3)	1,057.0	1,913.3	(976.0)	937.3
Other tangible assets	292.2	2.0	294.2	216.3	0.9	217.2
Goodwill	2,863.1	90.5	2,953.6	522.4	90.5	612.9
Intangible assets	1,294.8	0.0	1,294.8	172.2	0.0	172.2
Financial assets	302.9	8.0	310.9	107.6	0.8	108.4
Deferred tax assets	26.9	(0.0)	26.9	21.9	0.2	22.1
Derivatives at fair value	303.2	-	303.2	172.8	-	172.8
Current assets	**1,708.7**	**217.4**	**1,926.1**	**1,590.2**	**58.6**	**1,648.8**
Properties or shares held for sale	**66.2**	**-**	**66.2**	**-**	**-**	**-**
Derivatives at fair value	-	-	-	57.9	-	57.9
Inventories	95.2	1.9	97.1	-	-	-
Trade receivables from activity	550.6	70.6	621.2	416.5	21.5	438.0
Tax receivables	285.7	4.0	289.7	216.2	1.3	217.5
Other receivables	341.1	47.5	388.6	324.9	9.6	334.5
Cash and cash equivalents	369.9	93.3	463.2	574.7	26.2	600.9
TOTAL ASSETS	**64,527.2**	**2,511.9**	**67,039.1**	**43,241.0**	**567.6**	**43,808.6**
Equity attributable to the holders of the Stapled Shares	**26,176.1**		**26,176.1**	**18,916.2**	**-**	**18,916.2**
Share capital	691.4	-	691.4	499.3	-	499.3
Additional paid-in capital	13,471.0	-	13,471.0	6,470.7	-	6,470.7
Consolidated reserves	11,175.0	-	11,175.0	9,717.0	-	9,717.0
Hedging and foreign currency translation reserves	(192.4)	-	(192.4)	(210.3)	-	(210.3)
Consolidated result	1,031.1	-	1,031.1	2,439.5	-	2,439.5
Equity attributable to Unibail-Rodamco SE members	***24,594.8***	**-**	***24,594.8***	***18,916.2***	**-**	***18,916.2***
Equity attributable to WFD Unibail-Rodamco NV members	***1,581.3***	**-**	***1,581.3***	**-**	**-**	**-**
Hybrid securities	**1,989.0**	**-**	**1,989.0**	**-**	**-**	**-**
External non-controlling interests	**3,976.4**	**-**	**3,976.4**	**3,777.0**	**-**	**3,777.0**
TOTAL SHAREHOLDERS' EQUITY	**32,141.5**	**-**	**32,141.5**	**22,693.2**	**-**	**22,693.2**
Non current liabilities	**26,399.2**	**1,928.5**	**28,327.7**	**16,851.6**	**502.1**	**17,353.7**
Long-term commitment to non-controlling interests	178.4	2.1	180.5	-	-	-
Net share settled bonds convertible into new and/or existing shares (ORNANE)	491.8	-	491.8	1,020.5	-	1,020.5
Long-term bonds and borrowings	20,655.3	1,791.2	22,446.5	12,889.6	394.1	13,283.7
Long-term financial leases	384.0	9.1	393.1	353.2	-	353.2
Derivatives at fair value	450.7	0.0	450.7	315.8	0.0	315.8
Deferred tax liabilities	3,796.7	108.7	3,905.4	1,752.5	103.9	1,856.4
Long-term provisions	17.6	0.3	17.9	30.5	0.6	31.1
Employee benefits	11.7	-	11.7	9.3	-	9.3
Guarantee deposits	231.2	17.1	248.3	223.9	3.5	227.4
Tax liabilities	-	-	-	0.1	-	0.1
Amounts due on investments	181.8	0.0	181.8	256.2	0.0	256.2

(€Mn)	12/31/2018 IFRS	Proportionate	12/31/2018 Proportionate	12/31/2017 IFRS	Proportionate	12/31/2017 Proportionate
Current liabilities	5,986.5	583.3	6,596.8	3,696.2	65.5	3,761.7
Current commitment to non-controlling interests	**1.5**	**-**	**1.5**	**7.0**	**-**	**7.0**
Amounts due to suppliers and other creditors	**1,401.5**	**122.8**	**1,524.3**	**953.9**	**34.8**	**988.7**
Amounts due to suppliers	207.4	27.6	235.0	187.5	12.7	200.2
Amounts due on investments	624.7	31.7	656.4	425.9	0.2	426.1
Sundry creditors	569.4	63.5	632.9	340.5	21.9	362.4
Other liabilities	**219.6**	**20.5**	**240.1**	**207.7**	**4.6**	**212.3**
Current borrowings and amounts due to credit institutions	**3,850.7**	**432.1**	**4,282.8**	**2,301.9**	**23.5**	**2,325.4**
Current financial leases	**2.6**	**0.0**	**2.6**	**2.0**	**-**	**2.0**
Derivatives at fair value	**77.0**	**-**	**77.0**	**-**	**-**	**-**
Tax and social liabilities	**403.4**	**6.2**	**409.6**	**210.5**	**2.6**	**213.1**
Short-term provisions	**30.2**	**1.7**	**31.9**	**13.2**	**-**	**13.2**
TOTAL LIABILITIES AND EQUITY	**64,527.2**	**2,511.9**	**67,039.1**	**43,241.0**	**567.6**	**43,808.6**

4.3 Net recurring result definition

The income statement by segment is split between recurring and non-recurring activities. The non-recurring result before tax consists of the valuation movements on investment properties, fair value adjustments on derivatives and debts, termination costs of financial instruments on the full cancelled commitment period when the maturity of the financial instrument is beyond the current reporting period, bond tender premiums, currency gains/losses on revaluation of balance sheet items, the net result on disposals, impairment of goodwill or recognition of negative goodwill, as well as costs directly related to a business combination and other non-recurring items.

The income tax is split between recurring taxes and non-recurring taxes.

Recurring tax is the outcome of:

- the amount of income tax effectively due on recurring income, after deduction of any tax losses;
- plus/minus changes in a deferred tax asset recognised on tax losses stemming from recurring income (excluding those caused by a change in tax rate and/or those caused by a use of such deferred tax asset by non-recurring profits);
- plus/minus changes in deferred tax assets not related to tax losses and deferred tax liabilities relating to recurring result (excluding those caused by a change in tax rate and/or those caused by a use of such deferred tax asset by non-recurring profits).

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4.4 Net result by segment on a proportionate basis

		2018			2017		
(€Mn)		Recurring activities	Non-recurring activities	Result	Recurring activities	Non-recurring activities	Result
SHOPPING CENTRES							
France	Gross rental income	706.9	-	706.9	691.1	-	691.1
	Operating expenses and net service charges	(55.8)	-	(55.8)	(73.0)	-	(73.0)
	Net rental income	**651.1**	**-**	**651.1**	**618.1**	**-**	**618.1**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	3.1	3.1	-	15.1	15.1
	Valuation movements on assets	-	(36.0)	(36.0)	-	519.1	519.1
	Result from operations Shopping Centres France	**651.1**	**(32.8)**	**618.3**	**618.1**	**534.3**	**1,152.4**
United States	Gross rental income	544.2	-	544.2	-	-	-
	Operating expenses and net service charges	(193.1)	-	(193.1)	-	-	-
	Net rental income	**351.1**	**-**	**351.1**	**-**	**-**	**-**
	Contribution of companies accounted for using the equity method	7.1	(15.4)	(8.3)	-	-	-
	Gains/losses on sales of properties	-	(0.2)	(0.2)	-	-	-
	Valuation movements on assets	-	(153.4)	(153.4)	-	-	-
	Result from operations Shopping Centres United States	**358.2**	**(169.0)**	**189.2**	**-**	**-**	**-**

(€Mn)		2018 Recurring activities	2018 Non-recurring activities	2018 Result	2017 Recurring activities	2017 Non-recurring activities	2017 Result
Central Europe	Gross rental income	216.9	-	216.9	180.5	-	180.5
	Operating expenses and net service charges	(5.3)	-	(5.3)	(6.7)	-	(6.7)
	Net rental income	**211.6**	**-**	**211.6**	**173.9**	**-**	**173.9**
	Contribution of companies accounted for using the equity method	46.6	27.5	74.1	45.5	22.1	67.6
	Gains/losses on sales of properties	-	(0.2)	(0.2)	-	-	-
	Valuation movements on assets	-	149.9	149.9	-	304.0	304.0
	Result from operations Shopping Centres Central Europe	**258.3**	**177.2**	**435.4**	**219.4**	**326.1**	**545.5**
Spain	Gross rental income	174.7	-	174.7	178.3	-	178.3
	Operating expenses and net service charges	(19.2)	-	(19.2)	(17.0)	-	(17.0)
	Net rental income	**155.5**	**-**	**155.5**	**161.3**	**-**	**161.3**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	24.5	24.5	-	(0.6)	(0.6)
	Valuation movements on assets	-	124.1	124.1	-	141.1	141.1
	Result from operations shopping centres Spain	**155.5**	**148.6**	**304.1**	**161.3**	**140.5**	**301.8**
United Kingdom	Gross rental income	127.7	-	127.7	-	-	-
	Operating expenses and net service charges	(28.3)	-	(28.3)	-	-	-
	Net rental income	**99.4**	**-**	**99.4**	-	-	**-**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	(0.0)	(0.0)	-	-	-
	Valuation movements on assets	-	(99.6)	(99.6)	-	-	-
	Result from operations Shopping Centres United Kingdom	**99.4**	**(99.7)**	**(0.3)**	**-**	**-**	**-**
Nordics	Gross rental income	151.6	-	151.6	159.1	-	159.1
	Operating expenses and net service charges	(10.1)	-	(10.1)	(13.3)	-	(13.3)
	Net rental income	**141.5**	**-**	**141.5**	**145.8**	**-**	**145.8**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	0.5	0.5	-	0.1	0.1
	Valuation movements on assets	-	28.9	28.9	-	132.0	132.0
	Result from operations Shopping Centres Nordics	**141.5**	**29.4**	**170.9**	**145.8**	**132.1**	**277.9**
Austria	Gross rental income	111.8	-	111.8	109.1	-	109.1
	Operating expenses and net service charges	(4.3)	-	(4.3)	(5.9)	-	(5.9)
	Net rental income	**107.6**	**-**	**107.6**	**103.2**	**-**	**103.2**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	-	-	-	-	-
	Valuation movements on assets	-	39.8	39.8		79.4	79.4
	Result from operations Shopping Centres Austria	**107.6**	**39.8**	**147.4**	**103.2**	**79.4**	**182.5**
Germany	Gross rental income	149.8	-	149.8	145.9	-	145.9
	Operating expenses and net service charges	(10.2)	-	(10.2)	(10.0)	-	(10.0)
	Net rental income	**139.6**	**-**	**139.6**	**135.9**	**-**	**135.9**
	Contribution of companies accounted for using the equity method	1.0	(1.9)	(0.9)	1.0	(5.7)	(4.7)
	Gains/losses on sales of properties	-	(0.3)	(0.3)	-	-	-
	Valuation movements on assets	-	(23.8)	(23.8)	-	70.3	70.3
	Result from operations Shopping Centres Germany	**140.6**	**(26.1)**	**114.5**	**136.9**	**64.6**	**201.5**
The Netherlands	Gross rental income	70.4	-	70.4	70.2	-	70.2
	Operating expenses and net service charges	(11.5)	-	(11.5)	(8.5)	-	(8.5)
	Net rental income	**59.0**	**-**	**59.0**	**61.7**	**-**	**61.7**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	(0.7)	(0.7)	-	1.9	1.9
	Valuation movements on assets	-	(80.8)	(80.8)	-	(53.1)	(53.1)
	Result from operations Shopping Centres The Netherlands	**59.0**	**(81.5)**	**(22.5)**	**61.7**	**(51.2)**	**10.5**
TOTAL RESULT FROM OPERATIONS SHOPPING CENTRES		**1,971.0**	**(14.1)**	**1,956.9**	**1,446.4**	**1,225.7**	**2,672.1**

(€Mn)		2018 Recurring activities	2018 Non-recurring activities	2018 Result	2017 Recurring activities	2017 Non-recurring activities	2017 Result
OFFICES & OTHER							
France	Gross rental income	120.9	-	120.9	126.8	-	126.8
	Operating expenses and net service charges	(3.3)	-	(3.3)	(3.2)	-	(3.2)
	Net rental income	**117.7**	**-**	**117.7**	**123.6**	**-**	**123.6**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	56.6	56.6	-	57.2	57.2
	Valuation movements on assets	-	188.9	188.9	-	336.0	336.0
	Result from operations Offices France	**117.7**	**245.6**	**363.2**	**123.6**	**393.2**	**516.8**
Other countries	Gross rental income	31.8	-	31.8	20.9	-	20.9
	Operating expenses and net service charges	(6.8)	-	(6.8)	(3.7)	-	(3.7)
	Net rental income	**25.0**	**-**	**25.0**	**17.2**	**-**	**17.2**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	(0.2)	(0.2)	-	0.0	0.0
	Valuation movements on assets	-	(51.7)	(51.7)	-	6.5	6.5
	Result from operations Offices other countries	**25.0**	**(51.9)**	**(26.9)**	**17.2**	**6.5**	**23.8**
TOTAL RESULT FROM OPERATIONS OFFICES & OTHER		**142.6**	**193.7**	**336.3**	**140.8**	**399.7**	**540.5**
CONVENTION & EXHIBITION							
France	Gross rental income	201.6	-	201.6	184.2	-	184.2
	Operating expenses and net service charges	(105.6)	-	(105.6)	(99.6)	-	(99.6)
	Net rental income	**96.0**	**-**	**96.0**	**84.6**	**-**	**84.6**
	On site property services net income	**64.9**	-	**64.9**	**50.0**	-	**50.0**
	Hotels net rental income	**6.1**	-	**6.1**	**11.6**	-	**11.6**
	Valuation movements, depreciation, capital gains	(13.1)	(48.1)	(61.3)	(12.2)	(144.2)	(156.4)
	Impairment of goodwill		(4.9)	(4.9)		(9.2)	(9.2)
TOTAL RESULT FROM OPERATIONS C & E		**153.8**	**(53.0)**	**100.8**	**133.9**	**(153.4)**	**(19.4)**
Net property development and project management income		37.0	(32.3)	4.7	-	-	-
Other property services net income		52.1	(13.2)	38.9	40.5	(2.4)	38.1
Administrative expenses		(143.8)	-	(143.8)	(120.8)	-	(120.8)
Development expenses		(2.1)	-	(2.1)	(3.6)	-	(3.6)
Acquisition and related costs		-	(268.7)	(268.7)	-	(62.4)	(62.4)
NET OPERATING RESULT		**2,210.6**	**(187.6)**	**2,023.0**	**1,637.2**	**1,407.3**	**3,044.5**
Result from non consolidated companies		(0.1)	-	(0.1)	0.9	0.0	1.0
Financing result		(369.5)	(288.8)	(658.3)	(241.5)	0.0	(241.5)
RESULT BEFORE TAX		**1,841.0**	**(476.4)**	**1,364.6**	**1,396.7**	**1,407.3**	**2,804.0**
Income tax expenses		(27.9)	(93.9)	(121.8)	(17.6)	(63.9)	(81.5)
NET RESULT FOR THE PERIOD		**1,813.1**	**(570.2)**	**1,242.8**	**1,379.0**	**1,343.5**	**2,722.5**
Non-controlling interests		(203.4)	(8.4)	(211.7)	(177.0)	(106.0)	(283.0)
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES[(1)]		**1,609.8**	**(578.6)**	**1,031.1**	**1,202.1**	**1,237.4**	**2,439.5**

(1) In 2017, Net result for the period (Owners of the parent).

Note: non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortization of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.

4.4.1 Gross rental income

Revenue recognition

ACCOUNTING TREATMENT OF INVESTMENT PROPERTY LEASES

Assets leased as operating leases are recorded in the statement of financial position as investment property assets. Gross rental revenue is recorded on a straight-line basis over the firm duration of the lease.

In case of an Investment Property Under Construction (IPUC), revenues are recognised once spaces are delivered to tenants.

RENTS AND KEY MONEY

Gross rental income consists of rents and similar income (*e.g.* occupancy compensation, key money, parking revenues) invoiced for Shopping Centres and Offices 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.

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 except for in the US.

In 2018 the charges invoiced to tenants for the entities fully consolidated and deducted from net service charge expenses amount to €375 Mn

Gross rental income by segments on a proportionate basis

(€Mn excluding taxes)	2018	2017
Shopping Centres	**2,253.9**	**1,534.3**
France	706.9	691.1
United States	544.2	-
Central Europe	216.9	180.5
Spain	174.7	178.3
United Kingdom	127.7	-
Nordics	151.6	159.1
Austria	111.8	109.1
Germany	149.8	145.9
The Netherlands	70.4	70.2
Offices	**152.7**	**147.8**
France	120.9	126.8
Other countries	31.8	20.9
Convention & Exhibition	**212.9**	**199.9**
TOTAL	**2,619.6**	**1,881.9**

● *Minimum guaranteed rents under leases on a proportionate basis*

As at December 31, 2018, 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
2019	2,310.7	119.3	2,430.0
2020	1,955.8	98.1	2,053.9
2021	1,565.4	89.7	1,655.1
2022	1,274.3	83.9	1,358.2
2023	1,027.8	66.5	1,094.3
2024	848.8	64.1	912.9
2025	695.9	62.0	757.9
2026	566.1	29.5	595.6
2027	406.6	26.4	432.9
2028	247.4	21.6	269.0
2029	166.1	7.0	173.1
Beyond	322.5	3.3	325.8
TOTAL	**11,387.5**	**671.3**	**12,058.7**

— 4.4.2 Operating expenses and net service charges

The operating expenses and net service charges are composed of ground rents paid, net service charge expenses and property operating expenses.

● *Ground rents paid*

GROUND LEASEHOLDS

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.

4.4.3 Net property services and other activities income

● ***Revenue recognition***

The net property services and other activities income consists of on-site property services, airport activities and other property services net income.

Based on the analysis of existing contracts, the current recognition of revenues complies with IFRS 15.

Convention & Exhibition's contracts consist of occupancy agreements or short term lease including provision of premises and services. Both provision of premises and services form an indivisible whole and should be combined into a single contract (and single performance obligation) for the purposes of IFRS 15 revenue recognition.

Revenues are recognized over the length of premises lease according to the *prorata temporis* method.

Other property services net income is recognized when the services are provided.

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 consulting services. These fees are capitalised by the company owning the asset after elimination of the internal margins generated;
- fees for property services received by companies in the Convention & Exhibition segment.

Other expenses comprise charges relating to property services, general costs and depreciation charges for related fixed assets.

(€Mn)	2018	2017
Net other income	**103.8**	**78.3**
Convention & Exhibition	51.7	37.8
Other property services	52.1	40.5

4.4.4 Net property development and project management income

● ***Revenue recognition***

Property development and project management income relates to Development, Design and Construction (DD&C) business which provides 3 types of services: provision of design, development and ultimately construction of a property project.

Based on the analysis of existing contracts, DD&C services are not distinct as the customer cannot benefit from each service on its own or together with other resources readily available to the customer, because the services are bundled to generate a single commercial outcome. As such, the Group takes the view that the three types of contracts should be combined into a single contract (and single performance obligation) for the purposes of IFRS 15 revenue recognition.

Revenues from DD&C business consists of fixed price contracts. URW has elected to use the input method of calculating revenue over time, which in this case is cost incurred.

Expenses comprise construction costs and related project management costs.

4.4.5 Administrative expenses

This item comprises personnel costs, head office and Group administrative expenses, expenses relating to development projects and not capitalised and depreciation charges and rents relating mainly to URW's headquarters in Paris and in the regions.

4.4.6 Acquisition and related costs

In 2018, this item comprises mainly the acquisition costs related to the WFD acquisition. See note 1.3 "Acquisition and related costs".

4.5 Other information by segment on a proportionate basis

4.5.1 Reconciliation between the results by segment and the income statement of the period on a proportionate basis

- **For 2018**

(€Mn)	Net rental income	Net property development and project management income, net property services and other activities income	Contribution of companies accounted for using the equity method	Administrative expenses	Result on disposal of investment properties and shares	Valuation movements on assets	Acquisition and related costs	Impairment of goodwill	Total
SHOPPING CENTRES									
France	651.1	-	-	-	3.1	(36.0)	-	-	618.3
United States	351.1	-	(8.3)	-	(0.2)	(153.4)	-	-	189.2
Central Europe	211.6	-	74.1	-	(0.2)	149.9	-	-	435.4
Spain	155.5	-	-	-	24.5	124.1	-	-	304.1
United Kingdom	99.4	-	-	-	-	(99.6)	-	-	(0.3)
Nordics	141.5	-	-	-	0.5	28.9	-	-	170.9
Austria	107.6	-	-	-	-	39.8	-	-	147.4
Germany	139.6	-	(0.9)	-	(0.3)	(23.8)	-	-	114.5
The Netherlands	59.0	-	-	-	(0.7)	(80.8)	-	-	(22.5)
Total Shopping Centres	1,916.3	-	64.9	-	26.7	(51.0)	-	-	1,956.9
OFFICES & OTHERS									
France	117.7	-	-	-	56.6	188.9	-	-	363.2
Others	25.0	-	-	-	(0.2)	(51.7)	-	-	(26.9)
Total Offices & Others	142.6	-	-	-	56.4	137.3	-	-	336.3
C. & E. (1)									
France	102.1	51.7	-	-	-	(48.1)	-	(4.9)	100.8
Total C. & E.	102.1	51.7	-	-	-	(48.1)	-	(4.9)	100.8
Not allocated	-	89.1	(0.0)	(145.9)	-	(45.5)	(268.7)	-	(371.0)
TOTAL 2018	2,161.0	140.8	64.9	(145.9)	83.1	(7.4)	(268.7)	(4.9)	2,023.0

(1) Convention & Exhibition segment.

- **For 2017**

(€Mn)	Net rental income	Net property services and other activities income	Contribution of companies accounted for using the equity method	Administrative expenses	Result on disposal of investment properties and shares	Valuation movements on assets	Acquisition and related costs	Impairment of goodwill	Total
SHOPPING CENTRES									
France	618.1	-		-	15.1	519.1	-	-	1,152.4
United States	-	-	-	-	-	-	-	-	-
Central Europe	173.9	-	67.6	-	0.0	304.0	-	-	545.5
Spain	161.3	-	-	-	(0.6)	141.1	-	-	301.8
United Kingdom	-	-	-	-	-	-	-	-	-
Nordics	145.8	-	-	-	0.1	132.0	-	-	277.9
Austria	103.2	-	-	-	-	79.4	-	-	182.5
Germany	135.9	-	(4.7)	-	-	70.3	-	-	201.5
The Netherlands	61.7	-	-	-	1.9	(53.1)	-	-	10.5
Total Shopping Centres	1,399.9	-	62.9	-	16.6	1,192.8	-	-	2,672.1
OFFICES & OTHERS									
France	123.6	-	-	-	57.2	336.0	-	-	516.8
Others	17.2	-	-	-	0.0	6.5	-	-	23.8
Total Offices & Others	140.8	-	-	-	57.2	342.5	-	-	540.5
C. & E.(1)									
France	96.2	37.8	-	-	0.0	(144.2)	-	(9.2)	(19.4)
Total C. & E.	96.2	37.8	-	-	0.0	(144.2)	-	(9.2)	(19.4)
Not allocated	-	40.5	-	(124.4)	-	(2.4)	(62.4)	-	(148.7)
TOTAL 2017	1,636.8	78.3	62.9	(124.4)	73.8	1,388.7	(62.4)	(9.2)	3,044.5

(1) Convention & Exhibition segment.

4.5.2 Statement of financial position by segment on a proportionate basis

- ***For 2018***

(€Mn)	Investment properties	Goodwill	Shares and investments in companies under the equity method	Other non current assets	Properties or shares held for sale	Other current assets	Total Assets	Total Liabilities excluding shareholders' equity
SHOPPING CENTRES								
France	15,449.6	731.7	(0.0)	7.5	16.5	288.4	16,493.7	726.2
United States	13,891.6	836.5	229.4	1,013.8	-	210.3	16,181.7	2,275.9
Central Europe	4,417.8	255.7	791.6	20.3	-	27.3	5,512.8	678.9
Spain	3,621.3	103.8	-	27.2	-	30.2	3,782.5	321.0
United Kingdom & Italy	4,443.7	431.8	-	343.8	-	177.2	5,396.4	413.1
Nordics	3,333.7	148.5	-	1.0	-	33.4	3,516.6	557.6
Austria	2,489.3	72.9	-	0.9	-	13.1	2,576.2	517.8
Germany	3,336.6	347.1	36.0	33.2	-	101.4	3,854.3	403.8
The Netherlands	1,550.3	-	-	0.0	-	19.2	1,569.5	80.5
Total Shopping Centres	52,533.8	2,928.0	1,057.0	1,447.7	16.5	900.5	58,883.6	5,975.0
OFFICES								
France	2,455.3	-	-	156.3[2]	-	136.4	2,748.0	102.9
Other	1,122.2	-	-	0.0	49.7	35.4	1,207.3	34.3
Total Offices	3,577.5	-	-	156.3	49.7	171.8	3,955.3	137.3
C. & E.[1]								
France	2,761.2	15.3	-	244.5[3]	-	127.8	3,148.8	240.5
Total C. & E.	2,761.2	15.3	-	244.5	-	127.8	3,148.8	240.5
Not allocated	-	10.3	-	381.5[4]	-	659.7[5]	1,051.4	28,544.9
TOTAL 12/31/2018	58,872.5	2,953.6	1,057.0	2,229.9	66.2	1,859.9	67,039.1	34,897.6

(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 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	15,013.7	2.9	-	14.1	295.1	15,325.8	777.5
Central Europe	4,227.4	110,5	909.5	16.7	35.2	5,299.3	672.6
Spain	3,685.8	-	-	26.4	84.4	3,796.6	305.8
Nordics	3,360.2	48.9	-	0.0	34.6	3,443.7	587.9
Austria	2,410.6	72.9	-	0.0	31.9	2,515.3	501.6
Germany	3,440.6	347.2	27.8	30.9	106.2	3,952.7	369.8
The Netherlands	1,525.9	-	-	-	5.9	1,531.8	19.4
Total Shopping Centres	33,664.1	582.5	937.3	88.1	593.2	35,865.2	3,234.7
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	2,717.6	20.1	-	204.7[3]	124.5	3,066.9	224.8
Total C. & E.	2,717.6	20.1	-	204.7	124.5	3,066.9	224.8
Not allocated	-	10.3	-	242.7[4]	788.0[5]	1,040.9	17,512.4
TOTAL 12/31/2017	39,917.0	612.9	937.3	692.6	1,648.8	43,808.6	21,115.4

(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.

4.5.3 Investments by segment on a proportionate basis

(€Mn)	2018 Investments in investment properties at fair value	2018 Investments in investment properties at cost[2]	2018 Total investments	2017 Investments in investment properties at fair value	2017 Investments in investment properties at cost[2]	2017 Total investments
SHOPPING CENTRES						
France	302.7	190.1	492.9	346.9	101.7	448.6
United States	142.3	9.0	151.3	-	-	-
Central Europe	25.5	2.8	28.3	125.5	63.5	189.1
Spain	218.2	15.5	233.7	79.2	16.2	95.4
United Kingdom & Italy	75.1	2.9	78.1	-	-	-
Nordics	41.4	-	41.4	24.9	-	24.9
Austria	39.0	-	39.0	53.2	-	53.2
Germany	30.3	38.8	69.1	22.6	204.5	227.1
The Netherlands	34.8	72.1	106.9	30.2	50.2	80.3
Total Shopping Centres	909.3	331.4	1,240.7	682.5	436.1	1,118.6
OFFICES						
France	112.2	33.5	145.7	41.7	61.6	103.4
Others	107.5	39.7	147.1	11.3	-	11.3
Total Offices	219.7	73.1	292.8	53.0	61.6	114.7
C. & E.[1]						
France	124.9	4.0	128.9	134.9	4.8	139.7
Total C. & E.	124.9	4.0	128.9	134.9	4.8	139.7
TOTAL	**1,254.0**	**408.5**	**1,662.4**	**870.4**	**502.5**	**1,373.0**

(1) Convention & Exhibition segment.
(2) Before transfer between category of investment property.

5.

NOTE 5 • INVESTMENT PROPERTIES, TANGIBLE AND INTANGIBLE ASSETS, GOODWILL

5.1 Investment properties

5.1.1 Accounting principles

Investment properties (IAS 40 & IFRS 13)

Under the accounting treatment recommended by IAS 40, investment properties are shown at their market value. According to IFRS 13, the fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (*i.e.* an exit price). Expectations about future improvements or modifications to be made to the property interest to reflect its highest and best use have to be considered in the appraisal, such as the renovation of or an extension to the property interest.

URW complies with the IFRS 13 fair value measurement rule and the position paper[(1)] on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

Transaction costs incurred for an asset deal are capitalised in the value of the investment property. Capitalised expenses include capital expenditures, evictions costs, capitalised financial interests, letting fees and other internal costs related to development projects.

Investment Properties Under Construction (IPUC) are covered by IAS 40 and are eligible to be measured at fair value. In accordance with the Group's investment properties valuation method, they are measured at fair value by an external appraiser twice a year. Projects for which the fair value is not reliably determinable are measured at cost until such time that a fair value measurement becomes reliable, or until one year before the construction completion.

According to the Group, a development project is eligible for a fair value measurement once all three of the following criteria are fulfilled:

- all administrative authorisations needed to complete the project are obtained;
- the construction has started and costs are committed toward the contractor; and
- substantial uncertainty in future rental income has been eliminated.

If the time to delivery is less than one year, the project is accounted for at fair value.

For properties measured at fair value, the market value adopted by URW is determined on the basis of appraisals by independent external experts, who value the Group's portfolio as at June 30 and December 31 of each year. The gross value is reduced by disposal costs and transfer taxes[(2)], depending on the country and on the tax situation of the property, in order to arrive at a net market value.

For the Shopping Centres and Offices portfolios, the independent appraisers determine the fair market value based on the results of two methods: the discounted cash flow methodology as well as the yield methodology. Furthermore, the resulting valuations are cross-checked against the initial yield, value per 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 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.

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.

(1) EPRA position paper on IFRS 13 – Fair value measurement and illustrative disclosures, February 2013.
(2) Transfer taxes are valued on the assumption that the property is sold directly, even though the cost of these taxes can, in certain cases, be reduced by selling the property's holding company.

5.1.2 Investment properties at fair value: IFRS basis

(€Mn)	12/31/2018	12/31/2017
Shopping Centres	**40,090.2**	**31,250.9**
France	14,804.8	14,490.4
United States	5,855.2	-
Central Europe	4,243.4	4,069.5
Spain	3,486.7	3,567.8
United Kingdom & Italy	2,562.8	-
Nordics	3,333.7	3,360.2
Austria	2,489.3	2,410.6
Germany	2,111.9	2,102.2
The Netherlands	1,202.4	1,250.2
Offices	**3,053.7**	**3,221.1**
France	2,288.6	2,946.4
Other countries	765.1	274.7
Convention & Exhibition	**2,760.4**	**2,709.5**
TOTAL	**45,904.3**	**37,181.5**

(€Mn)	Shopping Centres	Offices	Convention & Exhibition	Total investment properties	Properties held for sale	Total
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	668.4	47.2	134.7	850.2	-	850.2
Disposals/exits from the scope of consolidation	(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**
Acquisitions	184.8	32.1	0.2	217.1	-	217.1
Entry into scope of consolidation(1)	8,430.5	372.3	-	8,802.8	-	8,802.8
Capitalised expenses(2)	575.9	165.5	124.4	865.8	-	865.8
Disposals/exits from the scope of consolidation	(422.3)	(1,146.7)	(0.0)	(1,569.0)	-	(1,569.0)
Reclassification and transfer of category(3)	68.0	265.7	11.0	344.6	16.5	361.2
Discounting impact	4.2	1.0	-	5.2	-	5.2
Valuation movements	19.7	153.4	(84.7)	88.4	-	88.4
Currency translation	(21.6)	(10.7)	-	(32.3)	-	(32.3)
12/31/2018	**40,090.2**	**3,053.7**	**2,760.4**	**45,904.3**	**16.5**	**45,920.8**

(1) Mainly acquisition of WFD (see note 1 "Significant events of the year").
(2) Capitalised expenses mainly include:
- Shopping Centres in France and Spain;
- Offices in France;
- Convention & Exhibition sites such as Parc des Expositions de la Porte de Versailles.
(3) Includes the reclassification into the category of the properties held for sale (-€16.5 Mn) and the transfer from IPUC at cost to investment property under construction at fair value, mainly Trinity office project and Vélizy 2 extension retail project.

● *Valuation assumptions and sensitivity*

Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the non-public rent rolls of the Group's assets, URW believes it 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 URW's assets.

As at December 31, 2018, 97% of URW's portfolio was appraised by independent appraisers.

The outstanding balances of deferred lease incentives and key monies amortised over the firm term of the lease, which corrected the appraisal value, represented -€100.2 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 – 12/31/2018		Net Initial Yield	Rent (€ per sqm)(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
France	Max	7.6%	896	8.5%	7.4%	13.9%
	Min	2.3%	162	5.3%	3.5%	2.0%
	Weighted average	4.0%	514	5.7%	4.0%	4.1%
Central Europe	Max	7.2%	602	8.4%	7.7%	3.0%
	Min	4.4%	140	6.3%	4.7%	2.1%
	Weighted average	4.9%	384	6.8%	5.0%	2.6%
Spain	Max	7.4%	547	9.3%	6.5%	3.8%
	Min	4.0%	128	6.9%	4.3%	1.4%
	Weighted average	4.4%	346	7.1%	4.4%	3.3%
Nordics	Max	5.3%	468	8.3%	5.2%	3.6%
	Min	3.8%	184	6.2%	3.9%	2.6%
	Weighted average	4.1%	374	6.6%	4.2%	3.1%
Germany	Max	7.4%	480	8.0%	6.6%	3.8%
	Min	3.8%	159	6.0%	3.8%	2.0%
	Weighted average	4.4%	302	6.3%	4.3%	3.0%
Austria	Max	4.3%	406	6.2%	4.1%	3.0%
	Min	4.1%	376	6.1%	4.1%	2.4%
	Weighted average	4.2%	390	6.2%	4.1%	2.7%
The Netherlands	Max	6.6%	405	7.5%	6.7%	3.4%
	Min	4.3%	168	5.8%	4.2%	2.4%
	Weighted average	5.1%	270	6.5%	5.2%	2.6%
US	Max	20.4%	2,493	12.0%	10.5%	11.7%
	Min	3.2%	82	5.8%	4.3%	1.8%
	Weighted average	4.2%	419	6.4%	5.1%	4.6%
UK & Italy	Max	4.5%	692	5.8%	4.6%	3.6%
	Min	4.1%	678	5.7%	4.5%	2.4%
	Weighted average	4.3%	684	5.7%	4.6%	3.1%

Net Initial Yield, Discount Rate and Exit yield weighted by Gross Market Value (GMV). Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled, the trademark and the airport activities are not included in this table. Assets fully consolidated and in joint-control are included.

(1) Average annual rent (Minimum Guaranteed Rent + Sales Based Rent) per asset per sqm.
(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).

For the US, the split between Flagship and Regional shopping centres is as follows:

Shopping centres – 12/31/2018		Net Initial Yield	Rent (€ per sqm)(1)	Discount Rate(2)	Exit yield(3)	CAGR of NRI(4)
US Flagships	Max	5.0%	2,493	6.8%	5.8%	6.0%
	Min	3.2%	313	5.8%	4.3%	3.0%
	Weighted average	3.9%	602	6.1%	4.8%	4.8%
US Regionals	Max	20.4%	361	12.0%	10.5%	11.7%
	Min	4.6%	82	6.8%	5.8%	1.8%
	Weighted average	6.1%	205	7.9%	6.7%	3.9%

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 Min and Max calculation. Assets under development or not controlled, the trademark and the airport activities are not included in this table. Assets fully consolidated and in joint-control are included.

(1) Average annual rent (Minimum Guaranteed Rent + Sales Based Rent) per asset per sqm.
(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 (10 years).

Based on an asset value excluding estimated transfer taxes and transaction costs, the Continental European Shopping Centre division's (Europe segments excluding United Kingdom) Net Initial Yield (NIY) is stable at 4.3% as at December 31, 2018 compared to 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 -€2,919 Mn (or -5.5%) of URW's shopping centre portfolio value (excluding assets under development, the trademark and the airport activities).

OFFICES

Appraisers value the Group's offices using the discounted cash flow and yield methodologies.

Offices – 12/31/2018		Net Initial Yield on occupied space	Rent (*€ per sqm*)[1]	Discount Rate[2]	Exit yield[3]	CAGR of NRI[4]
France	Max	11.0%	554	9.0%	8.0%	2.2%
	Min	4.4%	108	5.0%	4.3%	-0.6%
	Weighted average	5.6%	473	5.6%	4.7%	1.2%
Nordics	Max	10.0%	221	9.4%	7.8%	3.7%
	Min	6.6%	172	7.1%	5.2%	2.4%
	Weighted average	7.9%	189	8.0%	6.4%	3.0%
Other countries	Max	13.0%	162	8.8%	8.8%	17.5%
	Min	4.7%	43	5.6%	4.0%	0.5%
	Weighted average	7.1%	94	5.9%	4.7%	2.0%
US	Max	8.8%	485	9.3%	8.5%	6.1%
	Min	4.5%	249	6.9%	5.8%	3.6%
	Weighted average	5.8%	382	7.2%	6.6%	5.4%

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 Min and Max calculation. Assets under development are not included in this table, as well as UK asset. Assets fully consolidated and in joint-control are included.

(1) Average annual rent (Minimum Guaranteed Rent) per asset per sqm. 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 Net Rental Income 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 Continental European office division's net initial yield increased by +22 basis points to 5.8% as at December 31, 2018.

A change of +25 basis points in Net Initial Yield, the main output of the appraisal models, would result in a downward adjustment of -€110 Mn (-4.4%) of URW's office portfolio value (occupied and vacant spaces, excluding assets under development).

CONVENTION & EXHIBITION

Based on these valuations, the average EBITDA yield (recurring earnings before interest, tax, depreciation and amortization divided by the value of assets, excluding estimated transfer taxes and transaction costs) of Viparis consolidated venues increased by +5 basis points from December 31, 2017, to 5.3% as at December 31, 2018.

A change of +25 basis points of the WACC as determined at December 31, 2018 would result in a downward adjustment of -€123.1 Mn (-5.2%) of the Convention & Exhibition portfolio value.

5.

5.1.3 Investment properties under construction at cost

(€Mn)	12/31/2018	12/31/2017
Shopping Centres	**1,199.1**	**1,021.3**
France	441.2	323.7
United States	16.6	-
Central Europe	34.9	32.6
Spain	134.1	117.6
United Kingdom & Italy	62.7	-
Nordics	-	-
Austria	-	-
Germany	161.8	271.6
The Netherlands	347.9	275.8
Offices	**358.7**	**314.3**
France	166.7	314.3
Other countries	192.0	-
Convention & Exhibition	**-**	**7.2**
TOTAL	**1,557.8**	**1,342.8**

As at December 31, 2018, assets under construction valued at cost are notably:

- shopping centres extension and renovation projects such as La Part-Dieu (Lyon) and Mall of The Netherlands (Leidsenhage);
- office developments such as Sisters in La Défense;
- mixed-used projects such as Gaîté Montparnasse (Paris) and Überseequartier (Hamburg).

Assets still stated at cost were subject to impairment tests as at December 31, 2018. Allowances were booked for a total amount of €17.6 Mn.

(€Mn)	Gross value	Impairment	Total investment properties at cost	Properties held for sale	Total
12/31/2016	1,025.4	(71.5)	954.0	-	954.0
Acquisitions	155.1	-	155.1	-	155.1
Capitalised expenses	282.7	-	282.7	-	282.7
Disposals/exits from the scope of consolidation	(1.6)	-	(1.6)	-	(1.6)
Reclassification and transfer of category	(28.6)	4.3	(24.3)	-	(24.3)
Discounting impact	0.5	-	0.5	-	0.5
Impairment/reversal	-	(23.7)	(23.7)	-	(23.7)
Currency translation	0.1	-	0.1	-	0.1
12/31/2017	1,433.6	(90.9)	1,342.8	-	1,342.8
Acquisitions	30.8	-	30.8	-	30.8
Entry into scope of consolidation(1)	309.2	-	309.2	-	309.2
Capitalised expenses(2)	368.4	-	368.4	-	368.4
Disposals/exits from the scope of consolidation	(61.1)	3.0	(58.1)	-	(58.1)
Reclassification and transfer of category(3)	(417.5)	-	(417.5)	49.7	(367.8)
Discounting impact	-	-	-	-	-
Impairment/reversal	-	(17.6)	(17.6)	-	(17.6)
Currency translation	(0.2)	-	(0.2)	-	(0.2)
12/31/2018	1,663.3	(105.5)	1,557.8	49.7	1,607.5

(1) Acquisition of WFD (see note 1 "Significant events of the year").
(2) Capitalised expenses mainly refer to investments in Überseequartier development project as well as Mall of The Netherlands and La Part-Dieu extension and renovation project.
(3) Includes the reclassification into the category of the properties held for sale (-€49.7 Mn) and the transfer to investment property under construction at fair value, mainly Trinity office project and Vélizy 2 extension Retail project.

5.2 Tangible assets

5.2.1 Accounting principles

Under the preferential method proposed by IAS 16, operating assets are valued at their historic cost, less cumulative depreciation and any decrease in value. Depreciation is calculated using the "component accounting" method, where each asset is broken down into major components based on their useful life. The four components of a property are the main structure, the facade, technical equipment and finishing fixtures and fittings, depreciated respectively over 60, 30, 20 and 15 years for Offices 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
12/31/2016	**150.1**	**69.7**	**219.8**
Acquisitions and capitalised expenses	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	-	0.6	0.6
12/31/2017	**148.0**	**68.2**	**216.3**
Acquisitions and capitalised expenses[2]	0.6	36.0	36.6
Entry into scope of consolidation[3]	-	63.1	63.1
Reclassification	-	6.6	6.6
Disposals/exits from the scope of consolidation	-	(2.1)	(2.1)
Depreciation	(1.9)	(24.9)	(26.8)
Impairment/reversal[4]	-	(1.3)	(1.3)
Currency translation	-	(0.1)	(0.1)
12/31/2018	**146.7**	**145.6**	**292.2**

(1) Related to the headquarters of the Group located at 7 Place Adenauer (Paris).
(2) Increase on Viparis assets and property services entities.
(3) Acquisition of WFD (see note 1 “Significant events of the year”).
(4) 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 arise from:

- the Property Management (PM) business in the US and the UK;
- the Development, Design & Construction (DD&C) business in the US and the UK;
- the Airport activities in the US;
- the WFD trademark for Flagships, in the US and the UK;
- rights and exhibitions: mainly Viparis entities;
- other intangible assets.

Intangible assets for PM, DD&C and Airport relate to the value of the customer contracts identified for these activities at the date of acquisition of WFD. They correspond to contracts with shopping centres held through joint-ventures in accordance with IAS 28 and to contracts with airport operators and/or local authorities. Customer contracts have been separately analysed for Flagship and Regional centres as they present different features.

The incremental value of the WFD trademark corresponds to the portion of the trademark value that is not captured in the shopping centre values.

Intangible assets are valued by independent external appraisers using the Discounted Cash Flow methodology. If the appraisal value of an intangible asset is lower than net book value, an impairment is booked.

5.

The useful life of the PM contracts with Flagship centres are considered indefinite since the PM contracts have no termination date and URW shall remain the sole property manager as long as it is the co-owner of the shopping centres. The useful life of the WFD trademark is also considered indefinite but tested for impairment. As a consequence, these assets are not amortized but tested for impairment.

Other assets are amortized over their remaining useful life:

- PM contracts with regionals: 3 years;
- DD&C contracts: between 1 to 3 years;
- Airport activities: between 11 to 25 years.

5.3.2 Changes in intangible assets

Net value *(€Mn)*	PM/DD&C/Airport	Trademark	Rights and exhibitions	Other intangible assets	Total
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**
Acquisitions	-	-	-	2.7	2.7
Changes in the scope of consolidation(1)	700.8	421.5	-	-	1,122.2
Amortisation	(43.1)	-	(4.4)	(2.9)	(50.4)
Impairment/reversal	-	-	38.3	-	38.3
Currency translation	5.5	4.3	-	-	9.9
Other movement	-	-	-	(0.2)	(0.2)
12/31/2018	**663.2**	**425.8**	**197.7**	**8.0**	**1,294.8**

(1) Acquisition of WFD (see note 1 "Significant events of the year").

One of the main assumptions used to value the PM, DD&C, Airport business and Trademark is the discount rate which stands between 6.5% to 10.5%.

A change of +25 basis points on the discount rate of PM, DD&C, Airport business' intangible assets as determined at December 31, 2018 would result in an impairment of -€20.9 Mn.

A change of -25 basis points on the long term growth rate of PM, DD&C, Airport business' intangible assets as determined at December 31, 2018 would result in an impairment of -€12.4 Mn.

A change of +25 basis points on the WACC of Viparis intangible assets as determined at December 31, 2018 would result in a negative adjustment of -€27.9 Mn (-5.4%) on the appraisal value of the intangible assets. It would lead to an impairment of intangible assets for an amount of -€6.7 Mn.

5.4 Goodwill

5.4.1 Accounting principles

The accounting rules for business combinations comply with IFRS 3 (revised).

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

IFRS 3 (revised) stipulates a maximum period of twelve months from the acquisition date for the accounting of the acquisition to be finalized: adjustments to values applied must be related to facts and circumstances existing at the acquisition date. Therefore, beyond this 12-month period, any earn-out adjustment must be recognized in income for the fiscal year unless the additional consideration is an equity instrument.

Where a business is acquired in stages, the previous investment is remeasured at fair value at the date if and when the control is transferred. Any difference between fair value and net book value of this investment is recognized in income.

Any change in the Group's interest in an entity that results in a loss of control is recognized as a gain/loss on disposal and the remaining interest is remeasured at fair value with the change being recognized in income.

A transaction that does not affect control (additional acquisition or disposal) is accounted for as an equity transaction between the Group share and the non-controlling interest share without an impact on profit or loss and/or a goodwill adjustment.

- ***Goodwill subsequent measurement and impairment***

Goodwill is carried at cost less any accumulated impairment losses. In compliance with IAS 36, the Group performs impairment testing to determine if there is any indication of impairment, at least once a year. For the purposes of this test, assets are grouped into Cash Generating Units (CGUs).

CGUs are standardized groups of assets whose continued use generates cash inflows that are largely separate from those generated by other asset groups.

An impairment loss must be recognized whenever the recoverable value of the goodwill is less than its carrying amount. Impairment losses relating to the value of goodwill cannot be reversed.

- ***Goodwill relating to optimized value of deferred taxes***

Goodwill may arise on acquiring an asset *via* a share deal, where the Group inherits the fiscal basis of the assets. 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.

- ***Goodwill relating to fee business***

This goodwill relates to the following activities: Property Management, Airport and Development, Design and Construction (DD&C).

Impairment tests are performed annually or when an impairment indicator is identified and are based on valuations performed by independent external appraisers, using the Discounted Cash Flow (DCF) method.

The values attributable to the PM and DD&C businesses were allocated to the United States (US) and the United Kingdom (UK) and the value of the Airport activities was allocated to the US, based on independent external valuation.

- ***Goodwill relating to synergies and workforce and to the ability to generate development projects***

(see note 1.2 "Goodwill as of the acquisition date and main impacts on the consolidated statement of comprehensive income")

GOODWILL RELATING TO SYNERGIES AND WORKFORCE

Goodwill relating to the WFD acquisition has been allocated per geographical segment as it is the lowest level within the Group at which goodwill is monitored.

The allocation by geographical segment was performed based on the cost and revenue synergies expected to be generated as a result of the business combination.

The expected cost and revenue synergies were allocated to the US, the UK, France Retail, Spain, Central Europe and the Nordics.

The amount related to the value of the workforce acquired was allocated to the US and the UK.

IMPAIRMENT TESTS

The Recoverable value is determined on Value in use based on the Discounted Cash Flow derived from the 5 year Business Plan ("5YBP").

The Group has performed comprehensive impairment tests of the goodwill allocated to each geographical segment as per December 31, 2018, based on:

- the detailed 5-year BP per geographical segment, including detailed profit & loss statements, proposed capital expenditure and disposals;
- the discount rates per geographical segment based on a calculation of the WACC per region;
- an allocation of the Group's corporate administrative expenses to the geographical segments, as a percentage of their respective NRI;
- a discounted cash-flow calculation for each geographical segment on a 10-year basis, consistent with the method applied by the Group's appraisers, and a discounted terminal value, to which a Long Term Growth Rate (LTGR) is applied.

A comparison is performed for each geographical segment, between:

- the Value in use of the geographical segment, based on above mentioned method ;
- the Net Asset value of the geographical segment, based on the segment reporting disclosed in the note 4.5.2 "Statement of financial position by segment".

GOODWILL RELATING TO THE ABILITY TO GENERATE DEVELOPMENT PROJECTS

This goodwill relates to UR Germany business.

Impairment tests performed on this goodwill are based on an independent external appraisal, performed once a year as at December 31, or when there is an indication of impairment, and using the Discounted Cash Flow (DCF) method.

— 5.4.2 Changes in goodwill

As at December 31, 2018 the goodwill breaks down as follows:

Net Value *(€Mn)*	12/31/2017	Change in scope[1]	Impairment	Currency translation	12/31/2018
Optimized value of deferred taxes	255.7	-	-	-	255.7
Fee business	133.2	692.2	(4.9)	3.8	824.3
Synergies, workforce and ability to generate development projects	133.4	1,644.8	-	5.0	1,783.2
TOTAL URW	**522.4**	**2,336.9**	**(4.9)**	**8.8**	**2,863.1**

(1) Acquisition of WFD (see note 1 "Significant events of the year").

Goodwill relating to WFD has been allocated per geographical segment. The allocation of the goodwill per groups of CGUs will be finalized in 2019. However the Group does not expect any material change.

The allocation between different groups of CGUs of URW was made as follows:

- The expected cost and revenue synergies were allocated to the US, the UK, Franec Retail, Spain, Central Europe and the Nordics;
- the values attributable to the PM and DD&C businesses were allocated to the United States (US) and the United Kingdom (UK) and the value of the Airport activities was allocated to the US, based on the external appraiser valuation;
- the amount related to the value of the workforce acquired was allocated to the US and the UK.

The allocation of WFD's goodwill per geographical segment breaks down as follows:

(€Mn)	France Retail	Central Europe	Spain	Nordics	United States	United Kingdom	Total
Allocation of the goodwill as at acquisition	**728.8**	**145.2**	**103.8**	**99.8**	**818.7**	**440.5**	**2,336.9**
Currency translation	-	-	-	(0.2)	17.8	(8.7)	8.8
Goodwill 12/31/2018	**728.8**	**145.2**	**103.8**	**99.6**	**836.5**	**431.8**	**2,345.7**
WACC before tax in %	5.5%	6.5%	6.6%	6.1%	6.1%	5.6%	-
Long Term Growth Rate in %	1.7%	2.4%	2.3%	2.3%	2.2%	2.2%	-

The main assumptions for calculating the enterprise value are the Weighted Average Cost of Capital (WACC) and long-term growth rates displayed in the table above.

The value in use calculated for each geographical segment was then compared to the net asset value of each geographical segment, including the intangible assets and goodwill allocated as at December 31, 2018. Impairment tests performed have not led to impairment losses being recognized on a geographical segment basis.

An increase in the WACC or a decrease in the long-term growth rate as determined at December 31, 2018 would not necessarily result in a value in use lower than the net asset value as the net asset value includes investment properties which are carried at fair value. These changes would reduce the fair value of those properties and ultimately the net asset value.

Therefore, the impact of such changes should be viewed on a combined basis on the value in use and the net asset value to appreciate the net effect on the financial statements. A change of +25 basis points in the WACC would not require an impairment of the goodwill, except for the US segment for an amount of -€245.6 Mn.

A change of -10 basis points in the long-term growth rate as determined at December 31, 2018, without any change of the WACC would not lead to any impairment of goodwill.

5.5 Valuation movements on assets

This item reflects changes in market valuation of investment properties, impairment and reversal on tangible and intangible assets.

(€Mn)	2018	2017
Investment properties at fair value	88.4	1,440.1
• *Shopping Centres*	*19.7*	*1,190.8*
• *Offices*	*153.4*	*342.5*
• *Convention & Exhibition*	*(84.7)*	*(93.2)*
Investment properties at cost	(17.6)	(23.7)
Tangible and intangible assets	(8.5)	(52.0)
TOTAL	**62.2**	**1,364.4**

5.6 Amounts paid for works and acquisition/disposal of property assets (Consolidated statement of cash flows)

In 2018, amounts paid for works and acquisition of property assets amount to €1,597.6 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 2018, asset disposals amounted to €1,039.3 Mn (total net disposal price) mainly from offices €514.0 Mn and from shopping centres €471.3 Mn.

The result on disposal of shares/consolidated subsidiaries which amounts to €3.0 Mn relates mainly to the disposal of the Capital 8 office building.

The repayment of property financing which amounts to €212.3 Mn is mainly due to the disposal of the Skylight and Lumen office buildings (accounted for using the equity method) and the repayment of the related current account granted by the Group.

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

(€Mn)	12/31/2018	12/31/2017
Shares in Shopping Centres and Convention & Exhibition companies	9,478.0	1,165.5
Loans granted to Shopping Centres and Convention & Exhibition companies	795.3	747.8
TOTAL SHARES AND INVESTMENTS IN COMPANIES UNDER THE EQUITY METHOD	**10,273.3**	**1,913.3**

The increase of the "Shares in Shopping Centres and Convention & Exhibition companies" corresponds mainly to the acquisition of WFD (see note 1 "Significant events of the year") for the amount of €8,231.7 Mn as at December 31, 2018, of which €6,983.7 Mn in the US and €1,248.0 Mn in the UK.

The companies accounted for using the equity method acquired through the WFD's acquisition are mainly jointly controlled.

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:

	2018			2017		
(€Mn)	Recurring activities	Non-recurring activities[1]	Result	Recurring activities	Non-recurring activities[1]	Result
Result from stake in Shopping Centres and Convention & Exhibition companies	299.1	(65.2)	233.9	57.5	34.1	91.6
TOTAL SHARE OF THE RESULT OF COMPANIES UNDER THE EQUITY METHOD	**299.1**	**(65.2)**	**233.9**	**57.5**	**34.1**	**91.6**
Interest on the loans granted to Shopping Centres companies	32.1	-	32.1	27.0	-	27.0
TOTAL INTEREST ON LOANS GRANTED TO COMPANIES UNDER THE EQUITY METHOD	**32.1**	**-**	**32.1**	**27.0**	**-**	**27.0**

(1) Correspond mainly to the fair value adjustment and related deferred tax on the underlying investment properties.

The increase of the "Result from stake in Shopping Centers and Convention & Exhibition companies" corresponds mainly to the acquisition of WFD (see note 1 "Significant events of the year") for the amount of €151.9 Mn as at December 31, 2018, of which €141.8 Mn in the US and €10.1 Mn in the UK.

6.4 Joint ventures

According to IFRS 11, joint ventures are those entities in which the Group has joint control established by contractual agreement and rights to the net assets of the arrangement.

6.4.1 Description of the main joint ventures accounted for using the equity method

The main jointly controlled assets accounted for using the equity method are the following:

Name of investment	Geographical area	% Interest as at 12/31/2018
Westfield Stratford City	United Kingdom	50.0%
Metropole Zlicin	Central Europe	50.0%
Rosny 2	France	26.0%
CentrO	Germany	45.4%
Paunsdorf Center	Germany	25.5%
Westfield Annapolis	United States	55.0%
Westfield Culver City	United States	55.0%
Westfield Garden State Plaza	United States	50.0%
Westfield Montgomery	United States	50.0%
Westfield Santa Anita	United States	49.3%
Westfield Southcenter	United States	55.0%
Westfield Topanga	United States	55.0%
Westfield UTC	United States	50.0%
Westfield Valley Fair	United States	50.0%

- ***Westfield Stratford City (London, United Kingdom)***

Westfield Stratford is a joint venture with Canneth Limited Partnership Inc.

The partnership is governed through a Business Manager, which is a company jointly owned by both partners. This Business Manager has significant powers to conduct the Business. The budget, capital expenditures, and a number of major decisions relating to the debt financing, approval of any refurbishment and development, disposals, require the approval of both partners. Therefore under IFRS 10, Westfield Stratford is jointly controlled by both partners.

- ***Partnerships in the United States***

Per the Co-ownership and Property Management Agreements with its joint venture partners, the Group is restricted from exercising control over these interests even though the Group has more than 50% ownership interest and voting rights. Major decisions require the approval of both the Group and the joint venture partners and operating and capital budgets must be approved by the Management Committee (both owners have equal representation on this committee). The Group therefore has joint control over the investments and they are accounted for using the equity method.

- ***CentrO (Germany)***

CentrO, a leading shopping centre located in Oberhausen, is jointly held by the Group and Canada Pension Plan Investment Board (CPPIB).

The joint venture is governed by a Board of Directors with six members, three of which are designated by URW and three designated by CPPIB.

The relevant activities are the leasing, equipment, building, renovation as well as the management, servicing and maintenance of these assets.

The decision-making process for all these relevant activities 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 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)	12/31/2018	12/31/2017
Investment properties	11,410.4	1,392.7
Other non-current assets	9.9	1.9
Current assets	217.4	58.6
TOTAL ASSETS	**11,637.7**	**1,453.2**
Restated shareholders' equity	8,808.9	778.0
Deferred tax liabilities	108.7	103.9
Internal borrowings	316.9	107.6
External borrowings [(1)]	2,234.5	417.7
Other non-current liabilities	17.5	4.1
Current liabilities	151.2	41.9
TOTAL LIABILITIES	**11,637.7**	**1,453.2**

(1) Includes current and non-current borrowings.

(€Mn)	2018	2017
Net rental income	320.7	54.2
Change in fair value of investment properties	(69.6)	24.3
Net result	195.6	54.7

6.5 Associates

Associates are those entities, not controlled by the Group, but in which it has a significant influence according to revised IAS 28 R.

6.5.1 Description of the main associates accounted for using the equity method

The main associates are the following assets:

- Zlote Tarasy complex (Warsaw);
- Ring-Center (Berlin);
- Gropius Passagen (Berlin);
- Starwood I, Starwood II and Blum (USA).

- ***Zlote Tarasy complex***

The Group is the sole limited partner in a partnership which holds 100% of a holding company (Warsaw III) which owns 100% of Zlote Tarasy complex (Warsaw). In compliance with the restrictions imposed on URW by the Polish competition authorities in connection with the acquisition by the Group of the shopping centres Arkadia and Wilenska in July 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 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)	12/31/2018	12/31/2017
Investment properties	1,409.2	1,051.4
Other non-current assets	9.6	15.3
Current assets	104.6	68.7
TOTAL ASSETS	**1,523.4**	**1,135.4**
Restated shareholders' equity	578.7	297.4
Deferred tax liabilities	126.9	125.7
Internal borrowings	478.4	640.3
External borrowings	295.8	46.2
Other non-current liabilities	9.3	4.0
Current liabilities	34.3	21.8
TOTAL LIABILITIES	**1,523.4**	**1,135.4**

(€Mn)	2018	2017
Net rental income	54.7	53.0
Change in fair value of investment properties	18.0	25.5
Net result	38.2	36.9

6.6 Transactions with related-parties (joint ventures and associates)

The consolidated financial statements include all companies in the Group's scope of consolidation.

The parent company is Unibail-Rodamco 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)	12/31/2018	12/31/2017
Shopping Centre and Convention & Exhibition companies		
Loans(1)	813.5	757.0
Recognised interest	27.6	27.0
Current account in debit	4.2	2.0
Current account in credit	(1.2)	(8.9)
Asset management fees invoiced and other fees(2)	157.9	17.1

(1) Corresponds to 100% of the financing in the shopping centres investment.
(2) The increase is mainly due to project management income on WFD.

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/IFRS 7/IFRS 9/IFRS 13)

● *Classification and measurement of non-derivative financial assets and liabilities*

Under IFRS 9, on initial recognition, a financial asset is classified and measured at amortised cost, at Fair Value through Other Comprehensive Income (FVOCI) or Fair Value Through Profit and Loss (FVTPL). The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

The financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets for the Group:

FINANCIAL ASSETS AT FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

FINANCIAL ASSETS AT AMORTISED COST

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses, which are determined by comparing the net value of the asset to an external evaluation. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

FINANCIAL ASSETS AT FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

EQUITY INVESTMENTS AT FVOCI

These assets are subsequently measured at fair value though profit or loss except in the case of an irrevocable election to classify them at fair value through other comprehensive income that cannot be reclassified.

Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

FINANCIAL LIABILITIES

Interest bearing financial liabilities are initially measured at fair value, less transaction costs directly attributable to the issue, and after initial booking at amortised cost using the effective interest rate.

Being a financial debt with an embedded derivative, and based on the option provided by IFRS 9, the ORNANE convertible bond, net of write off of the issuance costs, are accounted for fully, at inception, at fair value, on a separate line in the statement of financial position, with subsequent changes recorded on a separate line in the income statement except for the impact of the variation of the credit spread which is accounted for in OCI. The interest expenses are booked based on the contractual interest rates and are classified in the statement of comprehensive income on the line "Net financing costs".

Other non-derivatives financial liabilities are recognized at FVTPL.

● *Classification and measurement of financial derivatives and hedge accounting*

The Group uses derivative financial instruments to hedge its exposure to movements in interest and currency exchange rates.

All financial derivatives are recorded as financial assets or liabilities at fair value on the statement of financial position. Fair value variations of financial derivatives, apart from those designated as cash flow hedges or as net investment hedges (see below), are recognised in the income statement for the period.

URW has a macro-hedging strategy for its debt. Except for some currency derivatives, it has chosen not to use the hedge accounting proposed by IFRS 9. All such derivatives are therefore measured at their market value and any fair value variations are recorded in the income statement.

Regarding the currency derivatives, they aim at hedging the investments made in countries outside the 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, on the line fair value adjustments of derivative and debt and currency effect.

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the income statement.

Both the changes in fair value of the forward contracts and the foreign exchange gains and losses relating to the monetary items are recognised as part of the "financing result" as these instruments are designated as hedging instruments.

- ***Hedging instruments***

The Group, which holds a group of financial assets or financial liabilities, is exposed to market risks and credit risks of every single counterparty as defined in IFRS 7. The Group applies the exception provided by IFRS 13 (§ 48) which permits to measure the fair value of a group of financial assets or a group of financial liabilities on the basis of the price that would be received to sell or transfer a net position towards a particular risk in an orderly transaction between market participants at the measurement date under current market conditions.

To determine the net position, the Group takes into account existing arrangements to mitigate the credit risk exposure in the event of default (*e.g.* a master netting agreement with the counterparty). The fair value measurement takes into consideration the likelihood that such an arrangement would be legally enforceable in the event of default.

Valuation of derivatives takes into account the Credit Valuation Adjustment (CVA) and the Debit Valuation Adjustment (DVA).

CVA, calculated for a given counterparty, is the product of:

- the total mark-to-market the Group has with this counterparty, in case it is positive;
- the probability of default of this counterparty over the average maturity, weighted by the nominal of the derivatives booked with them. This probability of default is taken from the Bloomberg model, based on market data and derived from the Credit Default Swaps of the banks;
- and the loss given default following market standard.

DVA based on URW's credit risk corresponds to the loss that the Group's counterparties may face in case of the Group's default. It is the product of:

- the total mark-to-market the Group has with a counterparty, in case it is negative;
- the probability of default of the Group over the average maturity, weighted by the nominal of the total portfolio of derivatives. The Group's probability of default is derived from the Credit Default Swaps of URW and taken from the Bloomberg model;
- and the loss given default following market standard.

7.1.2 Borrowing costs generated by construction projects (IAS 23)

Borrowing costs directly attributable to the acquisition or construction of an asset are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest costs capitalised are calculated using the Group's weighted average costs of borrowing applied to the average value of the work completed during each quarter, unless specific financing exists for the project. In this case, the specific interest costs of the project are capitalised.

Capitalisation of borrowing costs starts when the asset is qualified as an Investment Property Under Construction and/or as inventory and ends when the project is transferred to standing investment property at the delivery date to the tenant or earlier when the project is technically completed or when an asset is available for sale.

7.1.3 Discounting of deferred payments

Long-term liabilities and receivables are discounted when this has a significant impact:

- deferred payments on assets deals, share deals, 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.

7.2 Financing result

7.2.1 Net financing costs

(€Mn)	2018	2017
Security transactions	4.1	4.5
Other financial interest	13.8	4.9
Interest income on derivatives	153.1	110.1
Subtotal financial income	171.0	119.5
Security transactions	(0.5)	(0.4)
Interest on bonds and EMTNs	(367.3)	(258.0)
Interest and expenses on borrowings	(82.2)	(50.4)
Interest on preferred shares	(7.6)	-
Interest on partners' advances	(28.7)	(29.2)
Other financial interest	(5.3)	(2.4)
Interest expenses on derivatives	(40.3)	(25.8)
Financial expenses before capitalisation of financial expenses	**(531.9)**	**(366.2)**
Capitalised financial expenses	29.3	18.7
Subtotal net financial expenses	(502.6)	(347.5)
TOTAL NET FINANCIAL COSTS	**(331.6)**	**(228.0)**

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

— ***Fair value adjustment of derivatives and debts***

(€Mn)	2018	2017
Mark-to-market of the ORNANEs	28.9	21.1
Currency impact	(42.5)	70.3
Restructuring of hedges and mark-to-market of derivatives	(281.6)	(90.1)
Debt discounting and other items	5.4	(2.2)
TOTAL NON-RECURRING FINANCIAL RESULT	**(289.8)**	**(0.9)**

5.

7.3 Financial assets and liabilities

7.3.1 Financial assets

Change in Financial assets is mainly due to WFD integration including equity interests in unlisted investments.

7.3.2 Main financing transactions in 2018

Four public EMTN bonds were issued in May 2018 for a total amount of €3,000 Mn with the following features:

Amount	Maturity *(years)*
€800 Mn	3.0
€800 Mn	7.3
€900 Mn	12.7
€500 Mn	20.0

The weighted average maturity, coupon and spread over mid-swaps were ca. 10 years, 1.27% and 50 bps, respectively.

- The first USD bonds for the Group were issued in September 2018 in two tranches:
  - $500 Mn (eq. €437 Mn) with a 10-year maturity;
  - $500 Mn (eq. €437 Mn) with a 30-year maturity.
- Three private placements were issued under URW's EMTN programme for a total amount of €640 Mn:
  - a €500 Mn Floating Rate Note (FRN) with a 2-year maturity;
  - a €40 Mn indexed bond swapped back to floating with a 15-year maturity;
  - a €100 Mn private placement with a 15-year maturity.

In total, ca. €4,513 Mn of bonds were issued in 2018 with a weighted average maturity of 11 years *vs.* an average duration of 14 years in 2017.

In addition, ca. €3,370 Mn of medium- to long-term bank financing transactions were completed in 2018, including the signing of:

- a €400 Mn "green" 5-year revolving credit facility;
- a $3,000 Mn (€2,620 Mn) revolving credit facility with a maturity of 4 years (and two 6-month extension option);
- a €200 Mn mortgage loan in Poland to refinance a maturing mortgage loan on Galeria Mokotow;
- a new €150 Mn 5-year credit facility.

URW also issued €2,000 Mn of deeply subordinated, perpetual hybrid securities on April 2018 in two tranches:

- €1,250 Mn callable after 5.5 years;
- €750 Mn callable after 8 years.

The hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option[(1)] and are classified as equity according to IFRS.

URW also accessed the money market by issuing short-term paper (Neu CP and Neu MTN). The average amount of short-term paper outstanding end of 2018 was €1,256 Mn (*vs.* €1,378 Mn on average in 2017) including €1,069 Mn Neu CP.

As at December 31, 2018, the total amount of undrawn credit lines came to €8,409 Mn (€6,203 Mn as at December 2017) and cash on-hand came to €370 Mn (€575 Mn as at December 31, 2017). The undrawn credit lines include $2,361 Mn (ca. €2,062 Mn) from the Group's USD revolving credit facility.

7.3.3 Financial debt breakdown and outstanding duration to maturity

	Current	Non-current			
Outstanding duration to maturity *(€Mn)*	Less than 1 year	1 year to 5 years	More than 5 years	**Total 12/31/2018**	Total 12/31/2017
Net share settled bonds convertible into new and/or existing shares (ORNANE)	**499.8**	**491.8**	**-**	**991.6**	**1,020.8**
Principal debt	500.0	500.0	-	1,000.0	1,000.3
Mark-to-market of debt	(0.2)	(8.2)	-	(8.4)	20.5
Accrued interest	-	-	-	-	-
Bonds and EMTNs	**2,130.1**	**5,336.7**	**12,158.8**	**19,625.6**	**11,437.4**
Principal debt[(1)]	2,040.6	5,349.6	12,158.0	19,548.2[(1)]	11,378.1[(1)]
Accrued interest	193.9	-	-	193.9	132.3
Issuance costs	(37.5)	-	-	(37.5)	(19.9)
Bonds redemption premium	(60.2)	-	-	(60.2)	(53.1)
Mark-to-market of debt	(6.7)	(12.9)	0.8	(18.8)	-
Bank borrowings	**628.1**	**1,191.6**	**463.5**	**2,283.2**	**1,285.9**
Principal debt	618.2	1,193.8	465.7	2,277.7	1,287.2
Accrued interest	27.8	-	-	27.8	5.2
Borrowings issue fees	(22.9)	-	-	(22.9)	(15.5)
Bank overdrafts & current accounts to balance out cash flow	1.2	-	-	1.2	9.0
Mark-to-market of debt	3.8	(2.2)	(2.2)	(0.6)	-
Other financial liabilities	**592.7**	**360.2**	**1,144.5**	**2,097.4**	**2,467.9**
Interbank market instruments and negotiable instruments	593.0	222.0	-	815.0	1,172.3
Accrued interest on interbank market instruments and negotiable instruments	(0.3)	-	-	(0.3)	(0.1)
Current accounts with non-controlling interests[(2)]	-	138.2	1,144.5	1,282.7	1,248.4
Other	-	-	-	-	47.3[(3)]
Financial leases	**2.6**	**8.9**	**375.1**	**386.6**	**355.2**
TOTAL	**3,853.3**	**7,389.2**	**14,141.9**	**25,384.4**	**16,567.2**

(1) Include currency impacts on debt raised in foreign currency for an amount of +€44,6 Mn as at 12/31/2018 (+€30.2 Mn as at 12/31/2017). The amount shown in the Financial Resources note (€19,504 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 WFD acquisition.

(1) Details on the hybrid securities at: https://www.urw.com/-/media/Corporate~o~Sites/Unibail-Rodamco-Corporate/Files/Homepage/INVESTORS/Financing-Activity/BOND~o~ISSUES/Prospectuses-Hybrid/2018_Prospectus-Hybrid.ashx

The variation of financial debt by flows breaks down as follows:

	12/31/2017	Cash flows[1] Increase[2]	Cash flows[1] Decrease	Variation of accrued interest[3]	Non-cash flows Scope movements	Non-cash flows Currency translation	Non-cash flows Fair value impact	Non-cash flows Others	12/31/2018
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,020.8	-	(0.3)	-	-	-	(28.9)	-	991.6
Bonds and EMTNs	11,437.4	4,481.1	(950.2)	56.6	4,554.6	54.9	4.5	8.7	19,625.6
Bank borrowings	1,285.9	248.7	(1,565.9)	(11.6)	2,327.1	(7.2)	(2.2)	8.4	2,283.2
Other financial liabilities	2,467.9	352.9	(723.2)	(0.2)	0.2	(0.2)	-	-	2,097.4
Financial leases	355.2	-	(2.5)	-	33.2	0.7	-	-	386.6
TOTAL	**16,567.2**	**5,082.7**	**(3,242.1)**	**44.8**	**6,893.1**	**48.2**	**(26.6)**	**17.1**	**25,384.4**

(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 and ORNANE

(€Mn)	Current Less than 1 month	Current 1 month to 3 months	Current More than 3 months	Total 12/31/2018
Net share settled bonds convertible into new and/or existing shares (ORNANE)	-	-	500.0	500.0
Bonds and EMTNs	-	458.9	1,581.7	2,040.6
Bank borrowings	558.2	-	60.0	618.2
Other financial liabilities	396.0	167.0	30.0	593.0
Financial leases	-	-	2.6	2.6
TOTAL	**954.2**	**625.9**	**2,174.3**	**3,754.4**

7.3.4 Net share settled bonds convertible into new and/or existing shares (ORNANE)

As at December 31, 2018, 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	-	0.1
ORNANE issued in 2014	499.8	25.4
ORNANE issued in 2015	491.8	3.4
TOTAL	**991.6**	**28.9**

7.3.5 Characteristics of bonds and EMTNs (excluding ORNANE)

Issue date	Rate	Currency	Amount at Dec. 31, 2018 (€Mn)	Maturity
July 2009	Fixed rate 4.22 % during 2 years then linked to inflation	EUR	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%)	EUR	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%)	EUR	50.0	August 2019
May 2010	Structured coupon linked to CMS 10 year	EUR	50.0	May 2020
June 2010	Structured coupon linked to CMS 10 year	EUR	50.0	June 2020
November 2010	Fixed rate 4.17%	EUR	41.0	November 2030
November 2010	Fixed rate 3.875%	EUR	616.7	November 2020
October 2011	Fixed rate 4.10%	EUR	27.0	October 2031
November 2011	Fixed rate 4.05%	EUR	20.0	November 2031
March 2012	Fixed rate 3.000%	EUR	428.9	March 2019
May 2012	Fixed rate 3.196%	EUR	425.0	May 2022
February 2013	Fixed rate 2.375%	EUR	418.4	February 2021
February 2013	Fixed rate HKD swapped back into EUR	EUR	78.1	February 2025
March 2013	Fixed rate HKD swapped back into EUR	EUR	65.2	March 2025
June 2013	Fixed rate 2.500%	EUR	498.8	June 2023

Issue date	Rate	Currency	Amount at Dec. 31, 2018 (€Mn)	Maturity
October 2013	Fixed rate HKD swapped back into EUR	EUR	44.6	October 2025
November 2013	Fixed rate CHF swapped back into EUR	EUR	119.8	November 2023
February 2014	Float rate (Erb3M + 70bps)	EUR	30.0	February 2019
February 2014	Fixed rate 2.50%	EUR	750.0	February 2024
March 2014	Fixed rate 3.08%	EUR	20.0	March 2034
April 2014	Fixed rate 3.08%	EUR	30.0	April 2034
April 2014	Float rate USD swapped back into EUR	EUR	174.7	April 2019
June 2014	Float rate SEK (Stib3M + 78bps)	SEK	63.0	June 2019
June 2014	Fixed rate 2.250 % SEK	SEK	82.4	June 2019
June 2014	Fixed rate 2.50%	EUR	600.0	June 2026
September 2014	Fixed rate 2.7%	USD	1,091.7	September 2019
September 2014	Fixed rate 3.75%	USD	873.4	September 2024
September 2014	Fixed rate 4.75%	USD	436.7	September 2044
October 2014	Fixed rate 1.375%	EUR	318.5	October 2022
April 2015	Fixed rate 1.375%	EUR	655.0	April 2030
April 2015	Fixed rate 1.00%	EUR	500.0	March 2025
October 2015	Float rate (Erb3M + 81bps)	EUR	50.0	October 2024
October 2015	Fixed rate 3.25%	USD	262.0	October 2020
October 2015	Float rate USD swapped back into GBP	USD	611.4	October 2020
November 2015	Fixed rate 2.066%	EUR	30.0	November 2030
November 2015	Fixed rate HKD swapped back into EUR	EUR	83.6	November 2025
December 2015	Fixed rate 2.1 % during 3 years then Constant Maturity Swap 10 years (floored at 0% capped at 4%)	EUR	70.0	December 2030
March 2016	Fixed rate 1.375%	EUR	500.0	March 2026
March 2016	Float rate (Erb6M+0%, floored at 0.95%, capped at 3%)	EUR	20.0	March 2027
April 2016	Fixed rate 1.125%	EUR	500.0	April 2027
April 2016	Fixed rate 2.0%	EUR	500.0	April 2036
October 2016	Fixed rate 0.850% SEK	SEK	145.4	October 2021
November 2016	Fixed rate 0.875%	EUR	500.0	February 2025
December 2016	Fixed rate HKD swapped into EUR	EUR	55.8	November 2026
February 2017	Fixed rate 1.5%	EUR	600.0	February 2028
March 2017	Fixed rate 2.125%	GBP	335.4	March 2025
March 2017	Fixed rate 2.625%	GBP	559.0	March 2029
April 2017	Fixed rate 3.15%	USD	436.7	April 2022
May 2017	Fixed rate 1.5%	EUR	500.0	May 2029
May 2017	Fixed rate 2.0%	EUR	500.0	May 2037
June 2017	Fixed rate 0.875% SEK	SEK	58.1	June 2022
June 2017	Float rate SEK (Stib3M + 80bps)	SEK	38.8	June 2022
May 2018	Fixed rate 0.125%	EUR	800.0	May 2021
May 2018	Fixed rate 1.125%	EUR	800.0	September 2025
May 2018	Fixed rate 1.875%	EUR	900.0	January 2031
May 2018	Fixed rate 2.25%	EUR	500.0	May 2038
May 2018	Float rate (Erb3M+10bp, floored at 0%)	EUR	500.0	May 2020
May 2018	Structured coupon linked to CMS 15 year	EUR	40.0	June 2033
September 2018	Fixed rate 4.625%	USD	436.7	September 2048
September 2018	Fixed rate 4.125%	USD	436.7	September 2028
December 2018	Fixed rate 2.0%	EUR	100.0	December 2033
Total			**19,548.2**	

7.3.6 Covenants

As at December 31, 2018, the LTV[1] ratio amounted to 37.0% (39.8% on a *pro forma* basis and 33.2% for UR on a stand-alone basis, both as at December 31, 2017).

The ICR[2] stood at 6.1x for 2018 (>5x in 2017 on a *pro forma* basis and 6.7x for UR on a stand-alone basis) as a result of strong rental growth, a controlled cost of debt and the WFD acquisition.

These ratios show ample headroom vis-à-vis the following bank covenants usually set at:

- for URW bank loans (in Europe):
  - a maximum loan-to-value of 60%,
  - a minimum ICR of 2x and;
- for the US revolving credit facility:
  - a maximum loan-to-value of 65%,
  - a minimum ICR of 1.5x,
  - a maximum of 50% for the Secured debt ratio[3];
  - a minimum of 1.5x for the Unencumbered leveraged ratio[4].

These covenants are tested twice a year based on the Group's IFRS financial statements.

As at December 31, 2018, 94% of the Group's credit facilities and bank loans allowed loan-to-value of up to 60% for the Group or the borrowing entity, as the case may be.

There are no financial covenants (such as loan-to-value or ICR) in the EMTN, the CP and the USCP programs of UR.

The WFD bond indentures (144A and Reg S bonds) contain financial covenants based on the Group's financial statements:

- a maximum loan-to-value of 65%;
- a minimum ICR of 1.5x;
- a maximum of 45% for the Secured debt ratio;
- a minimum of 1.25x for the Unencumbered leveraged ratio.

7.3.7 Other financing activities

In the consolidated statement of cash flows, "Other financing activities" comprise mainly costs paid on hedging instruments purchase and disposal.

7.3.8 Debt's market value

The market value of URW's fixed-rate and index-linked debt is presented in the table below.

	12/31/2018		12/31/2017	
(€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	21,516.1[1]	21,558.6	13,333.2[1]	13,911.8

(1) ORNANE included, at market value (see note 7.3.4 "Net share settled bonds convertible into new and/or existing shares (ORNANE)").

Financial debt is valued at market value based on market rates and on spread issuers at each closing date.

(1) Loan-to-Value (LTV) = Net financial debt/Total assets excluding €2,039 Mn of goodwill as per the Group's European leverage covenants, including transfer taxes.
(2) 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.
(3) Secured debt ratio = Secured debt/Total assets. 2.2% as at December 31, 2018, on a pro forma basis.
(4) Unencumbered leverage ratio = unencumbered assets/unsecured debt. 2.2 as at December 31, 2018, on a pro forma basis.

— 7.3.9 Net financial debt

Net financial debt is determined as below:

NET FINANCIAL DEBT

(€Mn)	12/31/2018	12/31/2017
Amounts accounted for in B/S		
Net share settled bonds convertible into new and/or existing shares (ORNANE)	491.8	1,020.5
Long-term bonds and borrowings	20,655.3	12,889.6
Current borrowings and amounts due to credit institutions	3,850.7	2,301.9
Total financial liabilities	**24,997.8**	**16,212.0**
Adjustments		
Mark-to-market of debt	27.8	(20.5)
Current accounts with non-controlling interests	(1,282.7)	(1,248.4)
Impact of derivatives instruments on debt raised in foreign currency	(44.6)	(30.2)
Accrued interests/issuance fees	(100.8)	(48.9)
Total financial liabilities (nominal value)	**23,597.5**[1]	**14,864.0**[1]
Cash & cash equivalents	**(369.9)**[1]	**(574.7)**[1]
NET FINANCIAL DEBT	**23,227.6**	**14,289.3**

(1) Bank overdrafts & current accounts to balance out cash flow are included in the total financial liabilities, in 2018 for €1.2 Mn and in 2017 for €9.0 Mn.

NET CASH AT PERIOD-END

(€Mn)	12/31/2018	12/31/2017
Available for sale investments[1]	7.0	297.9
Cash	362.9	276.8
Total asset	**369.9**	**574.7**
Bank overdrafts & current accounts to balance out cash flow	(1.2)	(9.0)
Total liabilities	**(1.2)**	**(9.0)**
NET CASH AT PERIOD-END	**368.7**	**565.7**

(1) This item includes investments in money-market SICAV (marketable securities).

7.4 Hedging instruments

CHANGE IN DERIVATIVES

		Amounts recognised in the Statement of Comprehensive Income				
(€Mn)	12/31/2017	Fair value adjustments of derivatives	Other comprehensive income	Changes in scope of consolidation	Acquisitions/ Disposals	12/31/2018
Assets						
Derivatives at fair value non-current	**172.8**	**(7.3)**	**-**	**88.3**	**49.4**	**303.2**
• *Without a hedging relationship*	*145.2*	*(9.0)*	*-*	*88.3*	*49.4*	*273.9*
• *Other derivatives*	*27.6*	*1.7*	*-*			*29.3*
Derivatives at fair value current	**57.9**	**(66.6)**	**-**	**-**	**8.7**	**-**
• *Without a hedging relationship*	*57.9*	*(66.6)*	*-*	*-*	*8.7*	*-*
Liabilities						
Derivatives at fair value non-current	**315.8**	**121.2**	**(0.1)**	**30.5**	**(16.7)**	**450.7**
• *Without a hedging relationship*	*315.8*	*121.2*	*(0.1)*	*30.5*	*(16.7)*	*450.7*
Derivatives at fair value current	**-**	**77.0**	**-**	**-**	**-**	**77.0**
• *Other derivatives*	*-*	*77.0*	*-*	*-*	*-*	*77.0*
NET	**(85.1)**	**(272.1)**	**0.1**	**57.8**	**74.8**	**(224.5)**

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, 2018. Credit lines drawn as at December 31, 2018 are considered as drawn until maturity.

Commercial paper have been allocated at the earliest period of redemption even if they are rolled over. All other borrowings have been allocated by date of maturity.

	Carrying amount[1]	Less than 1 year		1 year to 5 years		More than 5 years	
(€Mn)	12/31/2018	Interest	Redemption	Interest	Redemption	Interest	Redemption
BONDS, BORROWINGS AND AMOUNTS DUE TO CREDIT INSTITUTIONS							
Bonds and EMTNs	(20,548.2)	(436.0)	(2,540.6)	(1,315.0)	(5,849.6)	(2,135.0)	(12,158.0)
Bank borrowings and other financial liabilities[2]	(3,092.7)	(37.1)	(1,211.2)	(78.8)	(1,415.8)	(15.4)	(465.7)
FINANCIAL DERIVATIVES							
Derivative financial liabilities							
Derivatives without a hedging relationship	(527.7)	(2.0)	-	(327.0)	-	(194.4)	(18.7)
Derivative financial assets							
Derivatives without a hedging relationship	303.2	139.0	29.7	350.0	10.6	308.8	23.0

(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, 2018, taking into account the unused credit lines increased to 7.5 years (7.2 years as at December 2017) as a result of the inclusion of WFD's debt and issuances completed in 2018.

The net financial debt repayment needs[1] for the next 12 months are covered by the available undrawn credit lines and cash on-hand. The amount of bonds and bank loans outstanding as at December 31, 2018, and maturing or amortising within a year is €2,071 Mn (including a total of €2,011 Mn of bonds) compared with €8,409 Mn of undrawn committed credit lines and €370 Mn of cash on-hand as at December 31, 2018.

URW's long-term refinancing policy consists of diversifying the Group's expiry schedules and financial resources. Accordingly, bonds & EMTN issues represented 83% of financial nominal debt at December 31, 2018, bank loans and overdrafts 10%, convertible bonds 4% and short term paper 3%.

The commercial paper programs are backed by confirmed credit lines. These credit lines protect URW against the risk of a temporary or more sustained absence of lenders in the short- or medium-term debt markets and were provided by leading international banks.

● Counterparty risk

Due to its use of derivatives to minimise its interest and exchange rate risk, the Group is exposed to potential counterparty defaults. The counterparty risk is the risk of replacing the derivative transactions at current market rates in the case of default. To limit counterparty risk, URW relies solely on major international banks for its hedging operations.

In case of derivative termination, netting can apply as a result of existing agreements between the Group and the banks. The related amounts of derivative instruments, including accrued interests, would be €42.5 Mn for assets and €228.5 Mn for liabilities.

● Interest rate risk

URW is exposed to interest rate fluctuations on its existing or future variable rate borrowings. URW's strategy regarding interest rate risk is to minimise the impact that changes in rates could have on earnings and cash flow and optimise the overall cost of financing in the medium-term. In order to implement this strategy, URW uses notably derivatives (mainly caps and swaps) to hedge its interest rate exposure. The Group's market transactions are confined exclusively to those interest hedging activities. All transactions are managed centrally and independently by the Group.

AVERAGE COST OF DEBT

It corresponds to the ratio between "recurring financial expenses (excluding the ones on financial leases and partners' current accounts) + capitalised financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact)" and "average net debt over the period".

(1) Excluding Neu CP and Neu MTN maturing in 2019 (€593 Mn), overdrafts and drawdowns (€558 Mn) as well as debt with investors' repayment option exercisable in 2019 (€500 Mn).

URW's average cost of debt (including seven months of WFD financial expenses) for the period was 1.6% (1.4% in 2017). This 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 debt to finance the Transaction;
- the cost of debt of WFD since its acquisition (3.4%), which is higher than that of URW due to:
  - WFD's "BBB+" rating before the completion of the acquisition;
  - higher rates in the US and the UK.

The average cost of debt of UR on a standalone basis for the period would have been 1.2% (1.4% in 2017).

INTEREST RATE HEDGING TRANSACTIONS

The Group pursued its cautious hedging policy, putting in place caps and swaps to limit its interest rate exposure.

This includes the following macro hedges:

- EUR caps over the next 5 years with an average nominal amount of €6.9 Bn per year;
- USD caps and swaps for a nominal amount of USD $2.0 Bn.

MEASURING INTEREST RATE RISK

As at December 31, 2018, the measuring interest risk is as follows:

	Financial assets		Financial liabilities		Net exposure before hedging	
(€Mn)	Fixed rate	Variable rate	Fixed rate	Variable rate(1)	Fixed rate	Variable rate
Less than 1 year	362.9	7.0	2,867.2	885.8	2,504.3	878.8
1 year to 2 years	-	-	2,268.7	232.0	2,268.7	232.0
2 years to 3 years	-	-	1,388.7	210.0	1,388.7	210.0
3 years to 4 years	-	-	1,978.5	48.8	1,978.5	48.8
4 years to 5 years	-	-	818.6	320.0	818.6	320.0
More than 5 years	-	-	12,343.7	280.0	12,343.7	280.0
TOTAL	**362.9**	**7.0**	**21,665.5**	**1,976.6**	**21,302.6**	**1,969.6**

(1) Including index-linked debt.

The Group does not have a micro-hedging strategy, except when both currency exchange risk and interest rate risk are hedged, which enables it not to correlate its liquidity risk and interest rate risk management. Consequently, the maturities of the debts and hedging instruments can be dissociated and the outstanding derivatives instruments can hedge a part of the fixed rate debt maturing in the following years.

The hedging balance as at December 31, 2018 breaks down as follows:

The outstanding debt was hedged at 100% as at December 31, 2018 through both:

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

	Outstanding total at 12/31/2018	
(€Mn)	Fixed rate	Variable rate(1)
Financial liabilities	(21,665.5)	(1,976.6)
Financial assets	362.9	7.0
Net financial liabilities before hedging program	**(21,302.6)**	**(1,969.6)**
Micro-hedging	11,041.4	(11,056.3)
Net financial liabilities after micro-hedging(2)	**(10,261.1)**	**(13,025.9)**
Swap rate hedging(3)		-
Net debt not covered by swaps		**(13,025.9)**
Cap and floor hedging		13,096.7
HEDGING BALANCE		**70.8**

(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 URW in 2019, if interest rates (Euribor, Libor, Stibor or Pribor) were to rise by an average of +50 bps[(1)] during 2019, the estimated impact on financial expenses would be -€22.3 Mn:

- euro financial expenses -€23.4 Mn;
- dollar financial expenses +$2.3 Mn (€2.0 Mn);
- sterling financial expenses -£0.8 Mn (€0.9 Mn).

An additional rise of +50 bps would increase financial expenses by a further -€4.0 Mn.

In total, a +100 bps increase in interest rates during 2019 would have a net negative impact on financial expenses of -€26.3 Mn:

- euro financial expenses -€29.1 Mn;
- dollar financial expenses +$4.6 Mn (€4.0 Mn);
- sterling financial expenses -£1.0 Mn (€1.2 Mn).

A -50 bps drop in interest rates would reduce the financial expenses by +€67.8 Mn:

- euro financial expenses +€59.1 Mn;
- dollar financial expenses +$5.5 Mn (€4.7 Mn);
- sterling financial expenses +£3.6 Mn (€4.0 Mn).

Management of foreign exchange risks

Regarding exchange rate risk, the Group aims to limit its net exposure to an acceptable level by taking up debt in the same currency, by using derivatives and by buying or selling foreign currencies at spot or forward rates.

MEASURING CURRENCY EXCHANGE RATE EXPOSURE

The Group has extended its activities and investments in countries outside the Eurozone following the WFD acquisition. When converted into euros, the income and value of the Group's investments may be influenced by fluctuations in exchange rates against the euro. The Group's policy objective is to apply a broadly consistent LTV by currency allowing it to match part of the foreign currency asset value and income with debt and financial expenses in the same currency, thus reducing the exchange rate effects on net asset value and earnings. Foreign exchange risk can be hedged by either matching investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management goal.

Currency risk during the building period of pipeline investments is covered as early as possible after signing 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.

MEASURE OF THE EXPOSURE TO OTHER RISKS AS AT 12/31/2018 (€MN)

Currency	Assets	Liabilities	Net Exposure	Hedging instruments	Exposure net of hedges
USD	13,172.8	(7,327.9)	5,844.9	611.4	6,456.3
GBP	4,419.7	(1,042.5)	3,377.1	(618.9)	2,758.2
SEK	2,790.0	(769.2)	2,020.8	(77.5)	1,943.4
Other	612.3	(838.5)	(226.2)	621.8	395.6
TOTAL	**20,994.8**	**(9,978.1)**	**11,016.8**	**536.7**	**11,553.5**

EXPOSURE SENSITIVITY TO CURRENCY EXCHANGE RATE

The main exposures kept are in USD, GBP and SEK. A change of 10% of EUR/USD, EUR/GBP or EUR/SEK (*i.e.* a 10% increase of EUR against the USD, GBP or SEK) would have an impact on shareholders' equity and the recurring result as follows:

	12/31/2018		12/31/2017	
(€Mn)	Recurring result Gain/(Loss)	Equity Gain/(Loss)	Recurring result Gain/(Loss)	Equity Gain/(Loss)
Impact of an increase of +10% in the EUR/USD exchange	(32.1)	(586.9)	-	-
Impact of an increase of +10% in the EUR/GBP exchange	(12.0)	(250.7)	-	-
Impact of an increase of +10% in the EUR/SEK exchange	(9.6)	(176.7)	(10.3)	(163.8)

Management of other risks

The Group, through its activities, may be exposed to market risks which can generate losses as a result of fluctuations in stock markets. The Group is either (i) directly exposed to fluctuations in stock prices due to the ownership of participations or financial instruments, or, (ii) indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share based derivatives which are directly correlated with the price of the asset underlying such derivatives.

(1) The impact on exchange rates due to this theoretical increase of +50 bps in interest rates is not taken into account. The theoretical impact of a rise or decrease in interest rates is calculated relative to the applicable rates as at December 31, 2018: 3m Euribor (-0.31%), 3m USD Libor (2.81%) and 3m GBP Libor (0.91%).

5.

7.5.2 Credit risk

Credit risk arises from cash and equivalents as well as credit exposures with respect to rental customers. Credit risk is managed on a group level. The Group structures the level of credit risk it accepts by placing limits on its exposure to a single counterparty, or groups of counterparties, and to geographical and industry segments. Such risks are subject to at least an annual review, and often more frequently. The Group has policies in place to ensure that rental contracts are made with customers with an appropriate credit story.

The main tenants of URW's Office properties in France are blue-chip companies. The tenants profile 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.

According to IFRS 9, the estimated depreciation corresponds to the amount which the Company does not expect to recover. Though, when collecting a tenant deposit or obtaining a bank guarantee, URW covers the possible future losses.

URW depreciation policy meets the simplified model of IFRS 9:

- the estimated losses are calculated on a homogenous segment of receivables;
- the rate of estimated loss reflect the best estimation of the expected future losses, on the considered client segment: URW respects the notion of backtesting (comparison are performed with historical rates of losses) and if needed, the rates are adjusted to take into account any new trigger event;
- historical data are reviewed to better reflect the actual situation and integrate the best estimates for the near future.

The Group applies the following rules to calculate the provision for doubtful accounts:

- 50% for receivables due for more than three months (calculation after preliminary deduction of deposits and bank guarantee);
- 100% for receivables due for more than six months.

7.6 Carrying value of financial instruments per category

FAAC: Financial Asset at Amortised Cost

FAFVOCI: Financial Asset at Fair Value through Other Comprehensive Income

FAFVTPL: Financial Asset at Fair Value Through Profit or Loss

FLAC: Financial Liabilities at Amortised Cost

FLFVTPL: Financial Liabilities at Fair Value Through Profit or Loss

12/31/2018 (€Mn)	Categories in accordance with IFRS 9	Carrying Amount 12/31/2018	Amounts recognised in statement of financial position according to IFRS 9			Fair value
			Amortised Cost	Fair value recognised in equity	Fair value recognised in profit & loss	
ASSETS						
Financial assets	FAAC/FAFVOCI/FAFVTPL	302.9	275.7	16.1	11.1	302.9
Derivatives at fair value	FAFVTPL	303.2	-	-	303.2	303.2
Trade receivables from activity[1]	FAAC	379.4	379.4	-	-	379.4
Other receivables[2]	FAAC	185.8	185.8	-	-	185.8
Cash and cash equivalents	FAFVTPL	369.9	-	-	369.9	369.9
		1,541.2	**840.9**	**16.1**	**684.2**	**1,541.2**
LIABILITIES						
Commitment to non-controlling interests	FLFVTPL	179.9	-	-	179.9	179.9
Financial debts (excluding *ORNANE*)	FLAC	24,006.2	24,006.2	-	-	24,048.7
Net share settled bonds convertible into new and/or existing shares *(ORNANE)*	FLFVTPL	991.6	-	-	991.6	991.6
Derivatives at fair value	FLFVTPL	527.7	-	-	527.7	527.7
Non-current amounts due on investments	FLAC	181.8	181.8	-	-	181.8
Amounts due to suppliers and other current debt[3]	FLAC	1,344.7	1,344.7	-	-	1,344.7
		27,231.9	**25,532.7**	**-**	**1,699.2**	**27,274.4**

(1) Excluding rent-free periods and step rents
(2) Excluding prepaid expenses, service charges due and tax receivables
(3) Excluding deferred income, service charges billed and tax liabilities

12/31/2017 restated (€Mn)	Categories in accordance with IFRS 9	Carrying Amount 12/31/2017	Amounts recognised in statement of financial position according to IFRS 9			Fair value
			Amortised Cost	Fair value recognised in equity	Fair value recognised in profit & loss	
ASSETS						
Financial assets	FAAC/FAFVOCI/FAFVTPL	107.6	86.5	21.1	-	107.6
Derivatives at fair value	FAFVTPL	230.7	-	-	230.7	230.7
Trade receivables from activity[(1)]	FAAC	258.3	258.3	-	-	258.3
Other receivables[(2)]	FAAC	183.2	183.2	-	-	183.2
Cash and cash equivalents	FAFVTPL	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
Net share settled bonds convertible into new and/or existing shares *(ORNANE)*	FLFVTPL	1,020.8	-	-	1,020.8	1,020.8
Derivatives at fair value	FLFVTPL	315.8	-	-	315.8	315.8
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
		17,676.1	**16,339.5**	**-**	**1,336.6**	**18,254.8**

(1) Excluding rent-free periods and step rents.
(2) Excluding prepaid expenses, service charges due and tax receivables.
(3) Excluding deferred income, service charges billed and tax liabilities.

"Trade receivables from activity", "Other receivables", "Cash and cash equivalents" and "Amounts due to suppliers and other current debt" mainly have short-term maturity. Consequently, their carrying amounts at the reporting date approximate the fair value.

7.6.1 Fair value hierarchy of financial assets and liabilities

IFRS 13 establishes a hierarchy of valuation techniques for financial instruments. The following categories are identified:

- Level 1: financial instruments quoted in an active market;
- Level 2: financial instruments whose fair value is evidenced by comparison with other observable current market transactions in the same instrument (*i.e.* without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets;
- Level 3: financial instruments whose fair value is determined in whole or in part using a valuation technique based on assumptions that are not supported by prices from observable current market transactions in the same instrument (*i.e.* without modification or repackaging) and not based on available observable market data.

(€Mn)	Total	Fair value measurement at 12/31/2018		
		Level 1	Level 2	Level 3
ASSETS				
Fair value through profit or loss				
Financial assets	11.1	-	-	11.1
Derivatives	303.2	-	303.2	-
Available for sale investments	7.0	7.0	-	-
Fair value through equity				
Financial assets	16.1	-	-	16.1
Derivatives	-	-	-	-
TOTAL	**337.4**	**7.0**	**303.2**	**27.2**
LIABILITIES				
Fair value through profit or loss				
Commitment to non-controlling interest	179.9	-	-	179.9
ORNANE	991.6	991.6	-	-
Derivatives	527.7	-	527.7	-
TOTAL	**1699.2**	**991.6**	**527.7**	**179.9**

7.6.2 Net gain/loss by category

URW closely monitors its financial risk linked to its activity and the financial instruments it uses. The Group identifies and evaluates regularly its different risk exposures (liquidity, interest rates, and currency exchange rates) in order to implement the adopted strategy.

2018 *(€Mn)*	From interest	Net gain/(loss) in profit & loss	Net gain/(loss) in equity
Financial assets	7.4	7.4	(16.2)
Derivatives at fair value through profit and loss	112.8	112.8	-
Financial liabilities at amortised cost	(481.1)	(481.1)	-
	(360.9)	**(360.9)**	**(16.2)**
Capitalised expenses		29.3	
NET FINANCIAL EXPENSES		**(331.6)**	

2017 restated *(€Mn)*	From interest	Net gain/(loss) in profit & loss	Net gain/(loss) in equity
Financial assets	4.4	4.4	(0.0)
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)**	**(0.0)**
Capitalised expenses		18.7	
NET FINANCIAL EXPENSES		**(228.0)**	

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 recognized 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 recognized only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be used.

The main deferred tax liabilities relate to:

- the mark-to-market of investment properties, resulting in the recognition of a deferred tax liability for non-tax-exempt assets;
- the recognition of intangible assets at the acquisition date identified on Viparis entities, particularly Viparis-Porte de Versailles and Paris Nord Villepinte, as well as on WFD entities.

— 8.1.3 Tax regimes

Different tax regimes exist in the following countries.

● *France - SIIC regime (Société d'Investissement Immobilier Cotée)*

URW elected to participate in the SIIC regime from the creation of the regime on January 1, 2003. Its French subsidiaries eligible for SIIC status have also opted for this regime. The SIIC regime is based on the concept of tax transparency, meaning that rental income and capital gains made from divestments are not subject to income tax at the level of the Group's French property companies, but upon distribution to URW's shareholders. The SIIC regime requires that URW and its SIIC subsidiaries distribute 95% of their recurring income and 100% of their dividend income received from SIIC or equivalent subsidiaries before the end of the following tax year, and 70% of their capital gains before the end of the second tax year following the year in which the gain was generated.

The SIIC regime only applies to real estate rental activities, therefore income generated by URW and its SIIC subsidiaries' ancillary activities remains subject to income tax.

● *Spain - SOCIMI regime (Sociedades Ánonimas Cotizadas de Inversión en el Mercado Inmobiliaro)*

URW entered the SOCIMI-regime in 2013 with most of its Spanish subsidiaries which own standing-assets. The SOCIMI regime provides for a tax rate of 0% on recurring income provided that certain requirements –some of them related to the shareholders of URW - are fulfilled. Capital gains 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/FII regime (Fiscale BeleggingsInstelling/Fiscal Investment Institution)*

The requirements for companies to qualify for the FBI regime are partly related to their activities and their shareholding base. For the main part of the Group's Dutch real estate, following an agreement with the Dutch tax authorities, the FBI regime is not applied. WFD Unibail-Rodamco NV, which owns the majority of the US portfolio, does apply the FBI/FII regime. An FBI/FII has to distribute its income calculation according to the rules for Corporate Income Tax on a yearly base.

● *UK - UK REIT*

URW applies the UK REIT regime for part of its UK real estate portfolio. Based on the regime, various restrictions apply, among them the requirement that at least 75% of the REIT's net profit must be derived from the property rental business, and 75% of the REIT's assets must be used in the property rental business or be held as cash. At least 90% of the income from the property rental business must be distributed within 12 months after the end of the accounting period. There's no distribution obligation for gains arising from the disposal of real estate used in the property rental business.

● *US - US REIT*

URW has elected to apply the REIT regime for the main part of its US portfolio. Like in other REIT regimes, there's an asset test (75%) along with various securities ownership limits, and in addition there is a combined income test: at least 75% of the gross income must be derived from real estate property rental or from interest on mortgages on real estate property, whereas at least 95% of the gross income must come from a combination of real estate related sources and passive sources, such as dividends and interest. US law requires the REIT to annually distribute at least 90% of its ordinary taxable income.

8.2 Income tax expenses

(€Mn)	2018	2017
Recurring deferred and current tax on:		
• Allocation/reversal of provision concerning tax issues	13.2	(1.4)
• Other recurring results	(39.8)	(16.3)
Total recurring tax	(26.6)	(17.7)
Non-recurring deferred and current tax on:		
Change in fair value of investment properties and impairment of intangible assets	(66.0)	(51.7)
Other non-recurring results	(21.1)	(27.8)
3% tax levied on cash dividends (French companies)	-	30.6
Impairment of goodwill justified by taxes	-	(7.6)
Total non-recurring tax	(87.0)	(56.5)
TOTAL TAX	**(113.6)**	**(74.2)**
Total tax paid	(65.9)	(25.5)

(€Mn)	2018	2017
Current tax	(52.7)	2.8
Deferred tax	(60.9)	(77.0)
TOTAL TAX	**(113.6)**	**(74.2)**

Reconciliation of effective tax rate	%	2018	2017
Profit before tax, impairment of goodwill and result of associates		**1,127.5**	**2,715.1**
Income tax using the average tax rate	32.0%	(361.3)	(793.3)
Tax exempt profits (including SIIC and SOCIMI regimes)	(26.9%)	303.1	698.4
Non-deductible costs	(0.1%)	1.3	(4.2)
Effect of tax provisions	(3.3%)	37.0	(1.4)
Effect of non-recognised tax losses	9.0%	(101.0)	7.7
Effect of change in tax rates	(1.8%)	20.9	4.5
Effect of currency translation in tax	0.7%	(7.9)	(11.3)
Impairment of goodwill justified by taxes	0.0%	0.0	(7.6)
Other	0.5%	(5.7)	33.0[2]
	10.1%[1]	**(113.6)**	**(74.2)**

(1) The tax rate of 10.1% is mainly due to tax exempt profits in countries benefitting from REIT tax regimes (France, Spain, The Netherlands, United Kingdom, United States).
(2) Including the impact of the tax income relating to the 3% tax levied on cash dividends (French companies) in 2017.

8.3. Deferred taxes

2018 CHANGE

(€Mn)	12/31/2017	Increase	Decrease	Reclassification	Currency translation	Change in scope of consolidation [2]	12/31/2018
Deferred tax liabilities	**(1,849.0)**	**(121.4)**	**188.0**	**-**	**(25.6)**	**(2,013.9)**	**(3,821.9)**
Deferred tax on investment properties	(1,813.0)	(114.7)	187.4	-	(25.6)	(1,746.2)	(3,512.1)
Deferred tax on intangible assets	(36.0)	(6.7)	0.6	-	-	(267.7)	(309.8)
Other deferred tax	**96.5**	**0.3**	**(71.1)**	**(2.5)**	**2.3**	**(0.4)**	**25.2**
Tax loss carry-forward[1]	91.7	-	(17.6)	7.2	(0.2)	-	81.2
Other[1]	4.8	0.3	(53.4)	(9.7)	2.5	(0.4)	(56.0)
TOTAL DEFERRED TAX LIABILITIES	**(1,752.5)**	**(121.1)**	**116.9**	**(2.5)**	**(23.3)**	**(2,014.3)**	**(3,796.7)**
Deferred tax assets							
Tax loss carry-forward	27.9	1.4	(2.1)	(7.1)	(0.0)	-	20.1
Other deferred tax assets[1]	(6.0)	(3.7)	(49.3)	11.2	(1.0)	58.5	9.8
Provision on tax loss carry-forward	-	(3.0)	-	-	-	-	(3.0)
TOTAL DEFERRED TAX ASSETS	**21.9**	**(5.3)**	**(51.4)**	**4.1**	**(1.0)**	**58.5**	**26.9**

(1) Deferred tax assets and liabilities within a same tax group are offset.
(2) Mainly acquisition of WFD (see note 1 "Significant events of the year").

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(1)	86.2	2.1	(9.2)	12.6	-	-	91.7
Other(1)	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(1)	(8.1)	(0.2)	2.3	-	-	-	(6.0)
TOTAL DEFERRED TAX ASSETS	**24.0**	**0.3**	**(1.1)**	**(1.3)**	**-**	**-**	**21.9**

(1) Deferred tax assets and liabilities within a same tax group are offset.

Deferred tax liabilities on properties refer to:

- those countries where there is no REIT regime (like the SIIC-regime in France), providing a tax exemption on recurring income and capital gains on property sales with an obligation to distribute part of their net result, or
- to countries where such tax efficient status does exist, but where the structure of URW in its current form and under current legislation would lead to tax amounts to be paid in case of capital gains on property sales.

As at December 2018, further to an agreement with the Dutch tax authorities, calculation of deferred taxes for the main part of the Dutch real estate portfolio has been made in line with the regular system described above.

— Unrecognised deferred tax assets

The table below presents the tax basis on which no deferred tax assets were recognised:

(€Mn)	12/31/2018	12/31/2017
Temporary differences investment properties	-	-
Tax loss carry-forwards not recognised(1)	832.4	540.1
TOTAL UNRECOGNISED TAX-BASIS	**832.4**	**540.1**

(1) This amount does not include Dutch tax losses.

● *Detail of unrecognized tax losses at the end of 2018 into final year of use*

(€Mn)	
2019	0.0
2020	14.4
2021	0.1
2022	0.0
2023	28.1
Unlimited	789.8
TOTAL	**832.4**

The temporary differences and tax losses are mainly related to negative financial result on French SIIC entities (€523.6 Mn). Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available to be offset against these assets.

NOTE 9 ● PROVISIONS

The determination of the amount of provisions for liabilities and charges requires the use of estimates, assumptions and 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.

2018 CHANGE

(€Mn)	12/31/2017	Allocations	Reversals used	Reversals not used	Changes in scope of consolidation[2]	Other movements	12/31/2018
Long-term provisions	**30.5**	**5.1**	**(1.3)**	**(17.9)**	**1.3**	**-**	**17.6**
Provisions for litigation	22.7	1.4	(0.4)	(17.6)[1]	1.3	-	7.4
Other provisions	7.8	3.7	(0.9)	(0.3)	-	-	10.2
Short-term provisions	**13.2**	**7.9**	**(2.8)**	**(2.3)**	**14.5**	**(0.4)**	**30.2**
Provisions for litigation	11.0	4.0	(2.0)	(2.0)	6.1	(0.4)	16.8
Other provisions	2.2	3.9	(0.8)	(0.3)	8.4	-	13.4
TOTAL	**43.7**	**13.0**	**(4.1)**	**(20.2)**	**15.8**	**(0.4)**	**47.8**

(1) Relates mainly to the reversal of tax provision.
(2) Corresponds to the entry of WFD into the scope.

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**

NOTE 10 ● EMPLOYEE REMUNERATION AND BENEFITS

10.1. Headcount

The average number of employees of the Group's companies breaks down as follows:

Regions	2018	2017
France[1]	1,062	1,059
United States[2]	1,071	-
Central Europe	137	127
Spain	143	149
United Kingdom and Italy[2]	492	-
Nordics	109	109
Austria	62	60
Germany	441	434
The Netherlands	73	74
Australia[2]	16	-
TOTAL	**3,606**	**2,012**

(1) Of which Viparis: 362/376.
(2) Sum of the headcount on the last day of each month from June to December divided by seven months.

10.2 Personnel costs

(€Mn)	2018	2017
Head and regional office personnel costs[(1)]	292.7	112.0
Personnel costs for property services activities	34.4	33.4
Personnel costs for Convention & Exhibition centre management activities	32.2	32.6
Employee benefits[(2)]	24.2	9.2
TOTAL	**383.5**	**187.2**

(1) The increase relates mainly to the entry of WFD into the scope.
(2) Expenses relating to the Company Savings Plan, stock options and Performance Shares, recognized 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 recognize 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 recognized 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)*	12/31/2018	12/31/2017
Retirement allowances	8.5	6.5
Pension plans with defined benefit[(1)]	3.2	2.8
TOTAL	**11.7**	**9.3**

(1) The provision corresponds to the remaining obligation to the defined benefit contract in The Netherlands.

10.3.2 Share-based payments

Accounting principles

Under IFRS 2, all transactions relating to share-based payments must be recognized in the income statement. This is the case for URW's Company Savings Plan, Stock Option Plan, Performance Shares Plan.

Shares issued under the Company Savings Plan are offered at a discount to the share price. This discount represents an employee benefit and is recorded in the income statement for the period, with a corresponding increase in equity.

Stock options granted to employees are stated at their fair value on the date of allocation. As the transactions are equity-settled share-based payments, this value remains unchanged, even if the options are never exercised. The value applied to the number of options finally exercised at the end of the vesting period (estimation of the turnover) is booked as an expense, with a corresponding increase in equity which is spread over the vesting period (*i.e.* the period during which employees must work for the Company before they can exercise the options granted to them).

The stock options and Performance Shares, all subject to performance 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 SE shares, then in stapled shares as from June 2018). These voluntary contributions are limited to a maximum of one quarter of the annual salary with a cap of €25,000 (for shares acquired at the discount).

The total cost of subscriptions to the Company Savings Plan (employer contribution and difference between the subscription price and the share price on the date of the capital increase) amounted to €2.9 Mn in the 2018 compared to €1.5 Mn in 2017.

Stock option plans

There are currently three plans for stock options granted to directors and employees of the Group which 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.

All the plans have an external performance condition (TSR) based on the Group's share price performance. An internal performance metric The Recurring Earnings per Share (REPS) has been introduced in addition to the TSR for the plans granted in March 2017 and March 2018.

The performance condition of the outstanding stock option plans has been calculated as at December 11, 2017, prior to the impact of the WFD Transaction announcement, and the TSR performance condition was shown as met for the 2012-2017 outstanding stock option grants.

Pursuant to the foregoing the Supervisory Board has decided the TSR performance condition was met for all 2012 to 2016 stock option plans. As far as the 2017 and 2018 plans are concerned, the performance condition is considered as met for the year 2017 and partially met for the year 2018.

Consequently, the fair value of these stock plans were remeasured and an expense of €6 Mn has been recorded in the income statement in 2018.

The performance-related stock-options allocated in March 2018 were valued at €5.93 for those with a TSR condition and at €6.82 for those with Recurring Earnings per Share condition (REPS), using a Monte-Carlo model. This valuation is based on an initial exercise price of €190.09, a share price at the date of allocation of €187.45, a vesting period of four years, an estimated duration of 4.7 years, a market volatility of 14.7%, a dividend representing 5.0% of the share value, a risk-free interest rate of 0.15% and a volatility of European composite index of 11.2% with a correlation European composite index/UR of 83.5%.

Stock options are accounted for in accordance with IFRS 2. The expense recorded in the income statement in relation to stock options came to €3.5 Mn in 2018 and €4.8 Mn in 2017.

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 (no. 6)	2011	from 03/11/2015 to 03/10/2018	141.54	753,950	15,059	182,626	586,383	-
2011 plan (no. 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	488,975	27,160
	2013	from 03/05/2017 to 03/04/2020	173.16	617,066	-	151,211	355,337	110,518
	2014	from 03/04/2018 to 03/03/2021	186.10	606,087	-	193,606	23,466	389,015
2015 plan (no. 8)	2015	from 03/04/2019 to 03/03/2022	256.81	615,860	-	175,963	-	439,897
	2015	from 09/05/2019 to 09/04/2022	238.33	7,225	-	7,225	-	-
	2016	from 03/09/2020 to 03/08/2023	227.24	611,608	-	119,216	1,913	490,479
2017 plan (no. 9)	2017	from 03/08/2021 to 03/07/2024	218.47	611,611	-	69,492	-	542,119
	2018	from 03/06/2022 to 03/05/2025	190.09	630,135	-	18,685	-	611,450
TOTAL				**5,151,744**	**15,059**	**1,074,091**	**1,482,074**	**2,610,638**

(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:

	2018		2017	
	Number	Weighted average price (€)	Number	Weighted average price (€)
Outstanding at the beginning of the period	2,130,859	218.42	2,214,845	208.44
Allocated over the period	630,135	190.09	611,611	218.47
Cancelled over the period	(105,146)	221.51	(261,606)	185.69
Exercised over the period	(45,210)	161.79	(433,991)	166.24
Average share price on date of exercise	-	190.07	-	220.88
Outstanding at the end of the period	2,610,638	212.44	2,130,859	218.42
Of which exercisable at the end of the period[1]	-	-	19,930	141.54

(1) The right to exercise is subject to meeting the following performance condition: the overall market performance of URW must be higher in percentage terms than the performance of the EPRA reference index over the reference period.

- ***Performance Share Plan***

The shares allocated in March 2018 and in March 2017 are subject to external and internal performance conditions as at December 11, 2017.

The TSR performance condition was shown as met for the 2012-2017 Performance Share Plans as at December 11, 2017, prior to the impact of the WFD Transaction announcement. The Supervisory Board has decided the TSR performance condition was met for all 2012 to 2016 Performance Share Plans. As far as the 2017 and 2018 plans are concerned, the performance condition is considered as met for the year 2017 and partially met for the year 2018.

Consequently, these Performance Share Plans were remeasured and an expense of €7.6 Mn has been recorded in the income statement in 2018.

The awards allocated in May 2018 were valued, using a Monte-Carlo model, at €152.68 for the French tax resident beneficiaries and €155.98 for other beneficiaries. This valuation is based on a share price at the date of allocation of €191.50, a vesting period of three years for French tax resident and four years for others, and a dividend representing 5.0% of the share value.

The awards allocated in March 2018 were valued, using a Monte-Carlo model, as follows:

	External performance condition (TSR)	Internal performance condition (REPS)
French tax resident beneficiaries	€68.47	€149.54
Others beneficiaries	€69.99	€152.68

This valuation is based on a share price at the date of allocation of €187.45, a vesting period of three years for French tax resident and four years for other beneficiaries, a market volatility of 14.7%, a volatility of European composite index of 11.2% with a correlation European composite index/UR of 83.5%, a dividend representing 5.0% of the share value and risk-free interest rates of -0.18%.

Performance Shares are accounted for in accordance with IFRS 2. The expense recorded on the income statement in relation to Performance Shares came to €5.2 Mn in 2018 and €3.5 Mn in 2017.

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	9,579	26,937	-
2015	37,554	10,413	18,699	8,442
2016	36,745	7,060	-	29,685
2017	39,770	4,522	-	35,248
March 2018	82,539	2,444	-	80,095
May 2018	38,130	122	-	38,008
TOTAL	**352,285**	**52,251**	**108,556**	**191,478**

(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 Senior Management Team and the Supervisory Board

- ***Remuneration of the Senior Management Team:***

(K€) Paid in:	2018	2017
Fixed Income	5,226	3,530
Short-term incentive	4,030	3,472
Other benefits(1)	1,470	1,139
Total	**10,726**	**8,142**

(1) Mainly Supplementary Contribution Scheme and company car.

In 2018, the total amount relates to the total remuneration of the Senior Management Team which comprises the members of the Management Board.

In 2018, members of the Senior Management Team were allocated a total of 151,000 stock options, all subject to performance condition, and 43,010 Performance Shares.

Regarding the 2018 results, the Senior Management Team members will receive in 2019 a total variable remuneration of €6,380 K, after the approval of the Annual General Meeting.

- ***Remuneration of the Supervisory Board***

The remuneration of the Supervisory Board amounts to €1,070,750 for the 2018 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, 2018, net financial debt stood at €23,228 Mn[(1)], excluding partners' current accounts and after taking cash surpluses into account (€370.0 Mn).

As at December 31, 2018, the total Portfolio valuation amounts to €62,693 Mn, including transfer taxes.

As at December 31, 2018, the calculated ratio amounted to 37.0%, compared to 33% as at December 31, 2017.

11.2 Number of shares

● *Accounting principles*

The Earnings Per Share indicator is calculated by dividing net result (Holders of the stapled shares) by the weighted average number of ordinary shares in circulation over the period.

To calculate diluted Earnings Per Share, the average number of shares in circulation is adjusted to take into account the conversion of all potentially dilutive ordinary shares, in particular stock options and Performance Shares during the vesting period, as well as the bonds redeemable for shares *(ORA)* and the net share settled bonds convertible into new and/or existing shares *(ORNANE)*.

The dilutive impact is determined using the treasury stock method, which assumes that proceeds from the exercise of options are used to repurchase Company shares at their market value. The market value corresponds to the average monthly share price weighted by trading volumes. The theoretical number of shares that may be purchased at the market value is deducted from the total number of shares resulting from the exercise of rights. This number is then added to the average number of shares in circulation and hence constitutes the denominator.

The ORNANE being accounted as a debt at fair value, the impact of the variation of their fair value and the related financial expenses are restated from the net result when taking into account the dilutive impact.

CHANGE IN SHARE CAPITAL

	Total number of shares
As at 01/01/2017	**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**
Capital increase following the acquisition of WFD	38,319,974
Exercise of stock options	45,210
Capital increase reserved for employees under Company Savings Plan	40,388
Shares granted	26,240
Bonds redeemable for shares	113
As at 12/31/2018	**138,288,601**

(1) After impact of derivatives instruments on debt raised in foreign currencies.

AVERAGE NUMBER OF SHARES DILUTED AND UNDILUTED

	2018	2017
Average number of shares (undiluted)	122,405,156	99,744,934
Dilutive impact		
Potential shares *via* stock options[1]	-	6,714
Attributed Performance Shares (unvested)[1]	149,298	26,129
Potential shares *via* ORNANE	3,469,345	3,369,693
Potential shares *via* ORA	7,628	7,662
AVERAGE NUMBER OF SHARES (DILUTED)	**126,031,428**	**103,155,132**

(1) 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 May 17, 2018, a dividend of €1,079.2 Mn (€10.80 per share) was paid in cash to the shareholders, of which €539.5 Mn as an interim dividend on March 29, 2018 and the remaining balance of €539.7 Mn on May 30, 2018.

In accordance with the combined Ordinary and Extraordinary General Meeting held on April 25, 2017, a dividend of €1,018.3 Mn (€10.20 per share) was paid in cash to the shareholders, of which €508.5 Mn as an interim dividend on March 29, 2017 and the remaining balance of €509.8 Mn on July 6, 2017.

On April 21, 2016, URW'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.

The amounts are disclosed under IFRS.

12.1 Commitments given

(€Mn)	Description	Maturities	12/31/2018	12/31/2017
1) Commitments related to the scope of the consolidated Group			**86.2**	**98.7**
Commitments for acquisitions	• Purchase undertakings and earn-out	2019 to 2020	31.1	34.1
Commitments given as part of specific transactions	• Warranties and bank letters of credit given in the course of the ordinary business	2019+	55.1	64.6
2) Commitments related to Group financing			**1,820.4**	**937.2**
Financial guarantees given	• Mortgages and first lien lenders[(1)]	2019 to 2027	1,419.5	937.2
	• Guarantees relating to entities under the equity method	2020 to 2022	400.9	-
3) Commitments related to Group operational activities			**2,828.0**	**1,957.9**
Commitments related to development activities	• Properties under construction: residual commitments for works contracts and forward purchase agreements	2019+	1,177.1	891.7
	• Residual commitments for other works contracts	2019+	17.1	26.2
	• Commitments subject to conditions precedent	2019 to 2027	252.5	328.3
Commitments related to operating contracts	• Commitments for construction works[(2)]	2019 to 2064	373.6	459.4
	• Rental of premises and equipment[(3)]	2019 to 2026	745.6	47.3
	• Other	2019+	262.1	205.1
TOTAL COMMITMENTS GIVEN			**4,734.5**	**2,993.8**

(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 €1,419.5 Mn as at December 31, 2018 (€970.8 Mn as at 12/31/2017).

(2) Under the 50-year lease contract to operate Porte de Versailles (Paris), an amount of €497.0 Mn for renovation works and €227.2 Mn for the maintenance works (i.e. €724.2 Mn, of which €359 Mn have already been invested) have to be spent, representing an initial commitment of €362.1 Mn in Group share.

(3) Relates mainly to future payables under lease agreements of WFD-UR NV. These amounts are not discounted.

5.

— Commitments relating to Group financing

The €2,000 Mn hybrid securities issued on April 16, 2018 are deeply subordinated perpetual instruments with a coupon deferral option. The coupon is to be paid when a mandatory payment event occurs, such as the approval of a dividend payment, though the Group can suspend payments while making the minimum required REIT distributions.

WFD America Limited Partnership, Urban Shopping Centers and WFD Growth have guaranteed loans entered into by joint-ventures for a portion of the principal amount of the loans greater than their stake in the joint-ventures.

— Other unquantifiable commitments given related to the scope of the consolidated Group

- For a number of recent acquisitions of properties in France, Unibail-Rodamco SE has committed to the French tax authorities to retain these interests for at least five years, in accordance with the SIIC tax regime.
- For a number of disposals, the Group granted usual representations and warranties to the purchasers.
- The agreements in connection with joint investments with partners may include usual clauses like (i) a lock-up period during which the shareholders have to retain their interest in shared subsidiaries or (ii) arrangements pursuant to which the parties can organise the exit of the shareholders (for example: right of first offer, tag-along right in case the partner sells its shares to a third party).

— Other commitments given related to Group operational activities

- The Group's 50% subsidiary SCI Propexpo has committed that the Espace Champerret venue in Paris, France, will continue to be used as an exhibition hall until 2066.
- In a number of countries in which the Group operates, specific tax regimes for real estate companies exist. For many companies of the Group, eligible for such regimes, the Group has opted to use such regimes. Although the details of those regimes are not exactly the same for all countries, one of the standard elements is a requirement to distribute all/nearly all of the recurring income, a large part of the capital gains and all dividends received from other companies that have opted for the application of such specific regime.
- 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 the ultimate shareholder shall not bear more than its share in each joint venture.

12.2 Commitments received

(€Mn)	Description	Maturities	12/31/2018	12/31/2017
1) Commitments related to the scope of the consolidated Group			**36.8**	**35.7**
Commitments for acquisitions	• Sales undertakings	2019 to 2020	1.1	-
Commitments received as part of specific transactions	• Representations and warranties	2019	35.7	35.7
2) Commitments related to Group financing			**8,409.4**	**6,203.4**
Financial guarantees received	• Undrawn credit lines(1)	2019 to 2023	8,409.4	6,203.4
3) Commitments related to Group operational activities			**678.9**	**624.7**
Other contractual commitments received related to operations	• Bank guarantees on works and others	2019+	12.1	12.4
	• Other	2019 to 2024	229.0	122.9
Assets received as security, mortgage or pledge, as well as guarantees received	• Guarantees received relating to Hoguet regulation (France)	2020	124.5	150.4
	• Guarantees received from tenants	2019+	260.9	286.8
	• Guarantees received from contractors on works	2019 to 2023	52.4	52.1
TOTAL COMMITMENTS RECEIVED			**9,125.1**	**6,863.8**

(1) These agreements contain financial covenants based on the Group's financial statements. Certain credit lines are also subject to an early prepayment clause (in full or in part) in the event of a change in ownership or a series of disposals reducing portfolio assets below a given threshold. Based on current forecasts, excluding exceptional circumstances, these covenant limits are not expected to be breached during the current year. A total amount of €420 Mn is secured by mortgages as at December 31, 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, 2018, no provision was recorded in the consolidated accounts.

NOTE 13 • SUBSEQUENT EVENTS

None.

NOTE 14 ● LIST OF THE MAIN CONSOLIDATED COMPANIES

List of the main consolidated companies	Country	Method[(1)]	% interest 12/31/2018	% control 12/31/2018	% interest 12/31/2017
Unibail-Rodamco SE	France	FC	100.00	100.00	100.00
WCL Finance Pty Limited	Australia	FC	100.00	100.00	-
WCL Management Pty Limited	Australia	FC	100.00	100.00	-
Westfield America Trust	Australia	FC	100.00	100.00	-
Westfield Corporation Limited	Australia	FC	100.00	100.00	-
Westfield Investments Pty Limited	Australia	FC	100.00	100.00	-
WFD Trust	Australia	FC	100.00	100.00	-
Donauzentrum Besitz- u. Vermietungs GmbH	Austria	FC	100.00	100.00	100.00
Shopping Center Planungs- und Entwicklungsgesellschaft mbH & Co. Werbeberatung KG	Austria	FC	100.00	100.00	100.00
Centrum Cerny Most as	Czech Republic	FC	100.00	100.00	100.00
Centrum Chodov	Czech Republic	FC	100.00	100.00	100.00
Rodareal Oy	Finland	FC	100.00	100.00	100.00
Doria	France	FC	100.00	100.00	100.00
Financière 5 Malesherbes	France	FC	100.00	100.00	100.00
Lyon Garibaldi	France	FC	100.00	100.00	100.00
Rodamco France	France	FC	100.00	100.00	100.00
SA Uni-Expos	France	FC	100.00	100.00	100.00
SA Union Internationale Immobilière	France	FC	100.00	100.00	100.00
SCI Chesnay Pierre 2	France	FC	50.00	50.00	50.00
SCI du Forum des Halles de Paris	France	FC	65.00	65.00	65.00
SCI Propexpo	France	FC	50.00	50.00	50.00
SCI SCC de La Défense	France	FC	53.30	53.30	53.30
SNC CC Francilia	France	FC	100.00	100.00	100.00
SNC Viparis – Porte de Versailles	France	FC	50.00	100.00	50.00
Uni-commerces	France	FC	100.00	100.00	100.00
CentrO	Germany	EM-JV	45.41	45.41	45.41
Unibail-Rodamco Germany GmbH	Germany	FC	51.00	51.00	51.00
SARL Red Grafton 1	Luxembourg	FC	65.00	65.00	65.00
Crystal Warsaw Sp zoo	Poland	FC	100.00	100.00	100.00
GSSM Warsaw Sp zoo	Poland	FC	100.00	100.00	100.00
Zlote Tarasy partnership	Poland	EM-A	100.00	-	100.00
Aupark as	Slovakia	FC	100.00	100.00	100.00
Unibail-Rodamco Retail Spain	Spain	FC	100.00	100.00	100.00
Unibail-Rodamco Steam SLU	Spain	FC	51.11	100.00	51.11
Rodamco AB	Sweden	FC	100.00	100.00	100.00
Rodamco Centerpool AB	Sweden	FC	100.00	100.00	100.00
Rodamco Handel AB	Sweden	FC	100.00	100.00	100.00
Rodamco Northern Europe AB	Sweden	FC	100.00	100.00	100.00
Rodamco Sverige AB	Sweden	FC	100.00	100.00	100.00
Rodamco Täby Centrum KB	Sweden	FC	100.00	100.00	100.00
Rodamco Austria BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Central Europe BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Czech BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Deutschland BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Europe Properties BV	The Netherlands	FC	100.00	100.00	100.00
Rodamco Retail Deutschland BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco Nederland Winkels BV	The Netherlands	FC	100.00	100.00	100.00
Unibail-Rodamco TH BV	The Netherlands	FC	100.00	100.00	-
WFD Unibail-Rodamco NV	The Netherlands	FC	100.00	100.00	-
Stratford City Shopping Centre no. 1 Limited	United Kingdom	EM-JV	50.00	50.00	-
Westfield Europe Limited	United Kingdom	FC	100.00	100.00	-
Westfield UK & Europe Finance PLC	United Kingdom	FC	100.00	100.00	-
White City Acquisitions Limited	United Kingdom	FC	51.00	100.00	-
New WTC Retail Member LLC	United States	FC	100.00	100.00	-
WEA Finance, LLC	United States	FC	100.00	100.00	-

5.

List of the main consolidated companies	Country	Method[1]	% interest 12/31/2018	% control 12/31/2018	% interest 12/31/2017
Westfield America, Inc.	United States	FC	100.00	100.00	-
Westfield America, LP	United States	FC	100.00	100.00	-
Westfield DDC, LLC	United States	FC	100.00	100.00	-
Westfield Head, LP	United States	FC	100.00	100.00	-
Westfield, LLC	United States	FC	100.00	100.00	-

(1) FC: full consolidation method, EM-JV: joint ventures under the equity method, EM-A: associates under the equity method.

NOTE 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 Jégourel 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 2018 AND 2017 FISCAL YEARS:

	EY Audit		Deloitte & Associés	
Statutory Auditorsfees 12/31/2018 *(€Mn)*	2018	2017	2018	2017
Audit and limited review of the consolidated and non-consolidated financial statements *(Parent company + controlled companies[1])*	1.3	0.7	1.3	1.1
Non-audit services[2] *(Parent company + controlled companies[1])*	1.0	0.2	0.7	0.1
TOTAL	**2.3**	**0.9**	**2.0**	**1.2**

(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 (i) the non-audit services rendered in connection with fees related to the acquisition of WFD (end-of-work letter, report on pro forma information, report of EPS forecast), (ii) comfort letters issued in connection with bond issuances of the Group, (iii) statements on turnover and (iv) other services such as reports on interim dividends.

5.3 STATUTORY FINANCIAL STATEMENTS AS AT DECEMBER 31, 2018

5.3.1 INCOME STATEMENT AS AT DECEMBER 31, 2018

(€ thousands)	Notes	2018	2017
Revenue		**164,797**	**52,684**
Reversals of depreciation, amortisation, impairment and expense transfers		22,179	22,297
Other income		6,750	1,412
Total operating income	***21***	**193,726**	**76,393**
Other purchases and external charges		127,151	83,493
Taxes and related		5,199	5,356
Wages and salaries		(2,834)	11,929
Payroll taxes		478	5,673
Depreciation and amortisation of non-current assets - operating items		51,045	64,907
Impairment of non-current assets - operating items		0	98
Impairment of current assets - operating items		328	315
Provisions - operating items		5,977	411
Other operating expenses		3,297	2,096
Total operating expenses	***22***	**190,641**	**174,278**
1 - OPERATING RESULT		**3,085**	**(97,885)**
Investment income		2,224,320	1,025,026
Income from other marketable securities and receivable on non-current assets		292,616	273,075
Other interest income		192,105	126,724
Reversals of impairment and expense transfers		15,028	51,231
Exchange gains		27,877	27,925
Net income from sales of marketable securities		0	0
Total financial income	***23***	**2,751,946**	**1,503,981**
Depreciation, amortisation and impairment - financial items		1,235,126	46,309
Interest expenses		511,668	458,730
Exchange losses		9,174	37,390
Net expenses on sales of marketable securities		390	232
Total financial expenses	***24***	**1,756,358**	**542,661**
2 - FINANCIAL RESULT		**995,588**	**961,320**
3 - RECURRING RESULT BEFORE TAX		**998,673**	**863,435**
Non-recurring income on management transactions		49	440
Non-recurring income on capital transactions		855,867	478,741
Reversals of impairment and expense transfers		0	20
Total non-recurring income		**855,916**	**479,201**
Non-recurring expenses on management transactions		78	641
Non-recurring expenses on capital transactions		389,080	180,754
Depreciation, amortisation and provisions - non-recurring items		7,936	0
Total non-recurring expenses		**397,094**	**181,395**
4 - NON-RECURRING RESULT	***25***	**458,822**	**297,806**
Employee profit-sharing		2	4
Income tax	*26*	0	(30,593)
Total income		**3,801,588**	**2,059,575**
Total expenses		**2,344,095**	**867,745**
5 - NET RESULT		**1,457,493**	**1,191,830**
Average number of shares (undiluted)		122,405,156	99,744,934
Result for the period per share *(€)*		**11.91**	**11.95**
Average number of shares (diluted)		126,031,428	103,155,132
Diluted result for the period per share *(€)*		**11.56**	**11.55**

5.3.2 BALANCE SHEET AS AT DECEMBER 31, 2018

ASSETS

(€ thousands)	Notes	12/31/2018	Depr., amort., impair.	12/31/2018 Net	12/31/2017
Intangible assets	*3*	**285**	**285**	**0**	**0**
Tangible assets	*3*	**1,556,933**	**336,822**	**1,220,111**	**629,391**
Land		454,319	0	454,319	192,895
Buildings		930,947	335,986	594,961	356,048
General installations		593	583	10	26
Other tangible assets		327	253	74	82
Non-current assets under construction		168,197	0	168,197	77,459
Advances and downpayments		2,550	0	2,550	2,881
Financial assets		**31,034,049**	**1,169,367**	**29,864,682**	**18,470,854**
Investments in subsidiaries	*4*	18,862,356	1,169,367	17,692,989	10,402,707
Other long-term investments	*5*	32,838	0	32,838	32,838
Loans	*5*	12,138,849	0	12,138,849	8,035,303
Other financial assets	*5*	6	0	6	6
Total non-current assets		32,591,267	1,506,474	31,084,793	19,100,245
Advances and downpayments		**1,575**	**0**	**1,575**	**1,424**
Receivables	*6*	**5,746,165**	**423**	**5,745,742**	**5,589,867**
Trade receivables from activity		17,404	273	17,131	13,160
Other receivables		5,728,761	150	5,728,611	5,576,707
Cash and cash equivalents	*7*	**190,341**	**0**	**190,341**	**431,383**
Marketable securities		3	0	3	290,153
Cash		190,338	0	190,338	141,230
Prepaid expenses	*8*	**89**	**0**	**89**	**103**
Total current assets		5,938,170	423	5,937,747	6,022,777
Deferred charges	*9*	113,409	0	113,409	91,572
Unrealised foreign exchange losses	*10*	156,131	0	156,131	77,733
TOTAL ASSETS		38,798,977	1,506,897	37,292,080	25,292,327

LIABILITIES AND EQUITY

(€ thousands)	Notes	12/31/2018	12/31/2017
Shareholders' equity	*12*	**16,722,236**	**9,106,658**
Share capital		691,443	499,283
Additional paid-in capital		13,471,022	6,470,720
Legal reserve		49,928	49,697
Other reserves		27,314	27,314
Retained earnings		1,018,900	867,814
Result for the period		1,457,493	1,191,830
Untaxed provisions		6,136	0
Other equity	*13*	**2,001,132**	**1,150**
Bonds redeemable for shares		1,132	1,150
Hybrid securities		2,000,000	0
Provisions for contingencies and expenses	*14*	**167,991**	**75,783**
Borrowings and financial liabilities		**18,384,814**	**16,086,932**
Convertible bonds	*15*	1,000,000	1,000,276
Other bonds	*15*	13,775,841	10,855,110
Bank borrowings and debt	*15*	103,682	104,213
Other borrowings and financial liabilities	*15*	3,167,533	3,710,707
Advances and downpayments received		1,325	6,089
Amounts due to suppliers	*16*	39,912	66,837
Tax and social security liabilities	*16*	12,706	18,115
Amounts due on investments	*16*	24,854	22,427
Other liabilities	*16*	232,629	282,121
Deferred income	*17*	26,332	21,037
Unrealised foreign exchange gains	*18*	**15,907**	**21,804**
TOTAL LIABILITIES AND EQUITY		37,292,080	25,292,327

5.3.3 BREAKDOWN OF BALANCE SHEET AND INCOME STATEMENT BY ENTITY

INCOME STATEMENT

(€ thousands)	France	Dutch permanent establishment	Total
Revenue	**119,991**	**44,806**	**164,797**
Other income and expense transfers	24,209	4,720	28,929
Total operating income	144,200	49,526	193,726
Total operating expenses	150,601	40,040	190,641
1 - OPERATING RESULT	**(6,401)**	**9,486**	**3,085**
Total financial income	1,451,938	1,300,008	2,751,946
Total financial expenses	1,021,375	734,983	1,756,358
2 - FINANCIAL RESULT	**430,563**	**565,025**	**995,588**
3 - RECURRING RESULT BEFORE TAX	**424,162**	**574,511**	**998,673**
Total non-recurring income	855,916	0	855,916
Total non-recurring expenses	396,982	112	397,094
4 -NON-RECURRING RESULT	**458,934**	**(112)**	**458,822**
Employee profit-sharing	2	0	2
Income tax	0	0	0
Total income	2,452,054	1,349,534	3,801,588
Total expenses	1,568,960	775,135	2,344,095
5 - NET RESULT	**883,094**	**574,399**	**1,457,493**

ASSETS

(€ thousands)	France	Dutch permanent establishment	Total
Intangible assets			
Tangible assets	513,204	706,907	1,220,111
Financial assets	19,810,902	10,053,780	29,864,682
Total non-current assets	20,324,106	10,760,687	31,084,793
Advances and downpayments	1,575	0	1,575
Receivables	4,432,812	1,312,930	5,745,742
Cash and cash equivalents	188,894	1,447	190,341
Prepaid expenses	89	0	89
Total current assets	4,623,370	1,314,377	5,937,747
Deferred charges	113,404	5	113,409
Unrealised foreign exchange losses	156,131	0	156,131
TOTAL ASSETS	**25,217,011**	**12,075,069**	**37,292,080**

LIABILITIES AND EQUITY

(€ thousands)	France	Dutch permanent establishment	Total
Shareholders' equity	16,147,837	574,399	16,722,236
Other equity	2,000,000	1,132	2,001,132
Provisions	167,321	670	167,991
Borrowings and financial liabilities	17,609,614	775,200	18,384,814
Unrealised foreign exchange gains	15,907	0	15,907
TOTAL LIABILITIES AND EQUITY	**35,940,679**	**1,351,401**	**37,292,080**

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:

- consistent accounting method;
- accrual basis accounting principle;
- rules for preparing statutory financial statements, based on a going concern assumption.

1.2 Change in accounting policy and 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.

Following the application of By-law no. 2018-01 of April 20, 2018, modifying ANC regulation 2014-03, the Company proceeded to a change of accounting method concerning transfer duties, commissions and fees related to acquisitions of tangible, intangible and financial assets.

Since January 1, 2018, the Company has applied the new reference method which consists in capitalizing the cost of transfer taxes, fees or commissions and legal expenses related to the acquisition cost of tangible, intangible and financial assets. Considering that the estimate of the opening impact cannot be made objectively, the change in method is applied prospectively.

Consequently, €36.9 Mn of acquisition costs have been capitalized in 2018 which concern the acquisitions of Unibail-Rodamco TH BV, Westfield Corporation Limited and WFD Unibail-Rodamco NV. As the acquisition of the Westfield Corporation Group commenced in 2017, the 2017 costs, initially recognized as an operating expense, have been capitalized in 2018 for an amount of €38.8 Mn which has been credited from retained earnings in net equity as it is considered that the acquisition was deemed probable at the time of incurring these costs.

1.2.1 Intangible assets

- ***Gross value***

Intangible items are measured at acquisition or production cost. They are mainly composed by business goodwill.

- ***Impairment***

When the net book value is lower than the expected future cash flows of the asset, the difference is booked as an impairment.

1.2.2 Tangible assets

- ***Gross value***

Since January 1, 2005, tangible assets are recognised at acquisition or construction cost (purchase price plus ancillary expenses) divided into four components. For assets acquired or constructed between 1997 and 2004, cost also includes financial expenses arising during the construction period.

- ***Depreciation of buildings and fixtures***

Depreciation is calculated on a straight-line basis over the estimated useful life:

- ***Offices***
- 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, technical 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. Such assets are measured at the end of each reporting period.

Regarding the shares of the subsidiaries holding the Westfield Group's assets (Westfield Corporation Limited, Unibail-Rodamco TH BV and WFD Unibail-Rodamco NV), the valuation is based on the discounted cash flows of the cash-generating units in the United Kingdom and the United States of America.

1.2.4 Acquisition fees and transfer taxes

Since January 1, 2018, the Company has decided to capitalize the cost of transfer taxes, fees or commissions and legal expenses related to the acquisition cost of tangible, intangible and financial assets. For the tangible and intangible assets, these acquisition costs are considered as part of the different components of the related asset and amortised over the remaining estimated useful life.

1.2.5 Trade receivables from activity

Uncollected receivables are recognised in “Doubtful receivables” whenever there is a risk of non-collection.

Depreciation is calculated on a case-by-case basis, taking into account the age of the receivable, the type of collection procedure adopted and the progress of said procedure, as well as any guarantee received.

- ***Discounted rent periods and step rents***

When a lease includes rent adjustment clauses such as discounted rent periods and step rents, the overall impact of these adjustments granted over the firm term of the lease is recognised over the lease term. This is calculated as from the date the asset is made available if this predates the effective date of the lease. The impact is recognised in a receivable sub-account.

1.2.6 Bond issuance costs

Bond and EMTN issuance costs along with bond premiums are recognised on an actuarial basis over the term of the debt.

1.2.7 Provisions

In accordance with CRC 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 possible 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 due 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 booked as a financial instrument asset and recognized 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, the balancing cash are booked in the clearing accounts on financial instruments required by the French accounting rules, the set up balancing cash are considered as a financial instrument asset. The unrealised and realised results related to these hedging instruments are recognised in the income statement over the residual life of the hedged item on a symmetrical basis with 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
- 70% 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

Since January 2, 2010, the Dutch permanent establishment of Unibail-Rodamco SE has been the head of a Dutch fiscal unity. As at December 2018, further to an agreement with the Dutch tax authorities, Unibail-Rodamco SE no longer takes the view to be eligible for the FBI regime. Significant Dutch tax loss carry forwards allow to offset income generated by the fiscal unity; calculation of deferred taxes for the main part of the Dutch real estate portfolio has been made in accordance with the applicable local tax rate and taking into account the tax loss carry forwards to the extent it is reasonably expected that they can be used. Deferred taxes are accounted for at the level of the (indirect) subsidiaries of Unibail-Rodamco SE.

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, 2018, the Company has no treasury shares.

NOTE 2 ● HIGHLIGHTS AND COMPARABILITY OF THE LAST TWO REPORTING PERIODS

The comparison between the 2017 and 2018 reporting periods is affected by the events and transactions summarized below.

2.1 Significant events of the year

Property business

- On January 2, 2018 the Dutch permanent establishment of Unibail-Rodamco SE acquired the property complex Stadshart Amstelveen from a Group company for a total amount of €543.2 Mn. This acquisition was financed by an intercompany loan.
- During 2018, works on "Boccador" project proceeded and led to a partial disposal of the asset Galerie Gaité for a gross value of €9.3 Mn. A second partial disposal should occurred in 2019. The finding of tenants for shopping and office spaces is ongoing. The hotel and the childcare centre are already leased.

Holding company business

- On June 7, 2018, Unibail-Rodamco SE completed the acquisition of the Westfield Group for a total consideration of €13,342 Mn comprising 38,319,974 newly issued shares both in Unibail-Rodamco SE for a total value of €8,197 Mn (par value and premium included), and WFD Unibail-Rodmaco NV for €390.3 Mn and a total cash payment of €4,755 Mn. The transaction was implemented through the acquisition of the three former Westfield holding entities based in Australia: namely, Westfield Corporation Limited (“WCL”), WFD Trust (“WFDT”) and Westfield America Trust (WAT).

The breakdown of the equity and cash compensation is the following:

- the shares in WCL were acquired in exchange for 13,297,545 new shares issued by Unibail-Rodamco SE with a total par value of €66.5 Mn and related premium of €2,778 Mn,
- the units in WFDT were acquired in exchange for a cash payment of €741.9 Mn and 25,022,429 new shares issued by Unibail-Rodamco SE with a total par value of €125.1 Mn and related premium of €5,227.5 Mn;
- the units in WAT were acquired in exchange for a cash payment of €4,012.9 Mn and 38,319,974 class A shares in WFD Unibail-Rodamco NV created by Unibail-Rodamco SE for the acquisition of WAT.

- On June 7, 2018, Unibail-Rodamco SE also distributed 99,962,993 class A shares in WFD Unibail-Rodamco NV to its historical shareholders for stapling with its own shares by crediting related premiums of €1,018.2 Mn. This distribution was made under the provisions of Article 115, 2 *bis* of the French Tax Code.

  Unibail-Rodamco SE holds 100% of the class B shares issued by WFD Unibail-Rodamco NV and representing an equity interest of 40.27%; the balance being held by the owners of the stapled shares.

- On November 8, 2018, Unibail-Rodamco sold the shares of its subsidiary Capital 8 which owned an office building located in the business district of Paris, to Invesco Real Estate for a net amount of €463.6 Mn.

Financial resources

To finance the acquisition of the Westfield Corporation Group, Unibail-Rodamco SE carried out the following transactions:

- the issue of €2,000 Mn of hybrid securities in April 2018, in two tranches;
- the issue of four public EMTN bonds in May 2018, for a total amount of €3,000 Mn with a weighted average maturity and cost of ten years and 1.3% respectively.

Additional funds were raised under the EMTN programme for a total amount of €640 Mn.

As at December 31, 2018, the total amount of undrawn credit lines came to €5,978 Mn.

To limit the impact of interest rate fluctuations and to optimise the overall cost of financing in the medium-term, Unibail-Rodamco SE restructured its portfolio of derivatives in H2-2018.

The restructuring mainly consisted in:

- the cancellation of €6.2 Bn of swaps beginning in January 2019 with a one, two, three and four-year maturity with a balancing payment in cash for a total amount of €110.5 Mn. This amount is classified in assets under the item “Difference of assessment of derivatives” included in the line “Other receivables”;
- the purchase of caps with the payment of a total premium of €25.3 Mn. The total amount of the premium paid is classified in assets under “Cash instruments” included in the line “Cash”;
- exchanging the cancellation of €1.15 Bn of swaps for the year 2019 against an extension of their maturity up to January 2027 and the sale of swaptions from 2027 to 2029.

2.2 Significant events of 2017

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 Group.

Financial resources

In 2017, Unibail-Rodamco SE extended its maturity profile and secured 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 33 bps, including the first ever “green” credit facility signed in Europe;
- three public EMTN bonds were issued in February, May and June 2017 for a total amount of €1,600 Mn from 11-year to 20-year maturities;
- 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.

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.

NOTE 3 ● INTANGIBLE AND TANGIBLE ASSETS

CHANGES IN THE GROSS VALUE OF INTANGIBLE AND TANGIBLE ASSETS IN 2018

(€ thousands)	Gross value Opening balance	Acquisitions Additions	Interaccount transfers	Decreases resulting from contributions or sales to third parties or retirements	Gross value Closing balance
Intangible assets	**285**				**285**
Tangible assets					
Land	192,895	261,424			454,319
Buildings	650,930	281,783	7,807	(9,573)	930,947
General installations	593				593
Other tangible assets	327				327
Non-current assets under construction	77,459	101,989	(5,338)	(5,913)	168,197
Advances and downpayments	2,881	2,138	(2,469)		2,550
Total tangible assets	**925,085**	**647,334**		**(15,486)**	**1,556,933**
TOTAL	**925,370**	**647,334**		**(15,486)**	**1,557,218**

The main movements in tangible assets during the year relate to:

- the acquisition of the property complex Stadshart Amstelveen by the Dutch permanent establishment from a Group company for a total amount of €543.2 Mn;
- the restructuring works of Gaité and the Pullman hotel ("Boccador" project) recognised in non-current assets under construction in 2018 for €82.2 Mn;
- the partial disposal of Gaité for €9.3 Mn;
- delivery in December of works in the Zoetermeer complex owned by the Dutch permanent establishment, for €4.7 Mn that was shown in non-current assets under construction as at December 31, 2017;
- delivery of works at the CNIT complex in March, June, and September for €3.1 Mn, part of which was shown in non-current assets under construction as at December 31, 2017.

Changes in depreciation, amortisation and impairment in 2018

TANGIBLE ASSETS

(€ thousands)	Depreciation and amortisation Opening balance	Expense in the period	Decreases due to contributions, sales or reversals	Interaccount transfers	Depreciation and amortisation Closing balance
Buildings	287,964	51,022	(9,575)		329,411
General installations	567	16			583
Other tangible assets	245	8			253
Total depreciation and amortisation	**288,776**	**51,046**	**(9,575)**		**330,247**

IMPAIRMENT OF TANGIBLES AND INTANGIBLE ASSETS

			Reversals in the period			
(€ thousands)	Opening balance	Expense in the period	Surplus	Utilized	Interaccount transfers	Closing balance
Impairment of other intangible assets	285					285
Impairment of properties	6,918		(343)			6,575
Total impairment	**7,203**		**(343)**			**6,860**
TOTAL DEPRECIATION, AMORTISATION AND IMPAIRMENT	**295,979**	**51,045**	**(9,918)**			**337,106**

Impairment charged against properties relates to certain Dutch assets. Impairment was adjusted in 2018 in light of the independent asset appraisal. Changes in impairment are booked in operating result.

NOTE 4 • FINANCIAL INVESTMENTS

EQUITY INVESTMENTS

(€ thousands)	Gross value Opening balance	Increases due to acquisitions or capital increases	Decreases due to capital redemption	Decreases due to merger transactions via dissolution without liquidation	Gross value Closing balance
Group subsidiary investments	9,835,463	10,413,519	(2,006,119)		18,242,863
Technical loss on Group subsidiary investments	607,944				607,944
Long-term investments	11,430				11,430
Other investments	119				119
TOTAL	**10,454,956**	**10,413,519**	**(2,006,119)**		**18,862,356**

Changes in Group subsidiary investments result mainly from:

- the various contributions in kind of shares and acquisition costs in Unibail-Rodamco TH BV for €6,133 Mn and shares in Westfield Corporation Limited for €2,866 Mn as part of the acquisition of Westfield Corporation Group;
- a decrease due to the capital redemption of Unibail-Rodamco TH BV for €2,006 Mn with a final gross value of €4,127 Mn;
- the subscription to 93,248,315 Class B shares of WFD Unibail-Rodamco NV for €957 Mn, also as part of the acquisition of Westfield Corporation Group;
- the subscription to the capital increase of Rodamco Europe Properties for €370 Mn;
- the subscription to the capital increase of Proyectos Inmobiliarios Kansar III SL for €37 Mn;
- the subscription to the capital increase of Unibail-Rodamco Real Estate for €22 Mn;
- the subscription to the capital increase of Global Etsy Investments SL for €23 Mn;
- the subscription to the capital increase of Sistemas Edgerton II SL for €4 Mn;
- the subscription to the capital increase of Foncière Immobilière for €1 Mn.

IMPAIRMENT

(€ thousands)	Gross value Opening balance	Expense in the period	Reversals in the period: Surplus	Reversals in the period: Utilized	Gross value Closing balance
Impairment of Group subsidiary investments	38,781	1,091,783	(14,823)		1,115,741
Impairment of merger losses	13,462	40,158			53,620
Impairment of long-term investments	0				0
Impairment of other equity investments	6				6
TOTAL	**52,249**	**1,131,941**	**(14,823)**		**1,169,367**

As at December 31, 2018, the Company booked provisions related to the following shares:

- Unibail-Rodamco TH BV: €483.1 Mn;
- Westfield Corporation Limited: €335.5 Mn;
- Rodamco Europe Properties BV: €241.5 Mn;
- Gaité Bureaux: €13.1 Mn;
- Gaité Parkings: €7.8 Mn;
- Société de Lancement de Magasins d'Usines à l'Usine: €3.6 Mn;
- Unibail-Rodamco Real estate SL: €2.8 Mn;
- Sistemas Edgerton II SL: €2.2 Mn;
- Global Etsy Investments SL: €1.6 Mn.

The Company also booked a reversal of provision on its shares in Unibail-Rodamco Spain SL for €14.8 Mn.

As at December 31, 2018, an impairment of €22.6 Mn was booked concerning the merger loss related to the shares in Société de Lancement de Magasins d'Usines à l'Usine as well as an impairment of €17.6 Mn for the merger loss related to the shares in Unibail-Rodamco SIF France.

Details of equity investments are presented below in the table of subsidiaries and investments.

SUBSIDIARIES AND INVESTMENTS

Company *(€Mn)*	Share Capital	Shareholders' equity other than share capital before income allocation	Capital held (%)	Gross carrying amount of shares	Merger loss	Net carrying amount of shares	Loans and advances not yet repaid	Deposits and guarantees given	Revenue excl. VAT	2018 statutory result	Dividends received in 2018 and included in income
1. Subsidiaries (more than 50% owned)											
3BORDERS			99.90%				5				
ACARMINA			99.90%								
AÉROVILLE			99.90%				300		28	(3)	
AMSOMBRA			100.00%								
AQUABON	1	1	100.00%	1		1			1	1	1
BEG INVESTISSEMENTS			99.80%	4	21	25	15		3	2	2
BELWARDE1			100.00%								
CNIT DEVELOPPEMENT			99.90%				78	2			
COBRAQ			100.00%								
DORIA	6	(23)	90.34%	246		246	49	400		40	115
EDIFICACIONES DENHAN IV SL			100.00%								
ESPACE EXPANSION IMMOBILIERE			99.93%								
FETUNO			100.00%								
FINANCIERE 5 MALESHERBES			99.98%	118		118	66				20
FLOCOGNE			100.00%								
GAITÉ BUREAUX			99.99%	20			21			(2)	
GAITÉ PARKINGS		8	99.99%	16		8	3		1	(1)	
GLOBAL ETSY INVESTMENTS SL	14	9	100.00%	23		21		23	1	(2)	
G.P.I		2	100.00%	11		9					
HIPOKAMP			99.90%								
IMMOBILIERE LIDICE			100.00%								
ISEULT	1	36	100.00%	21		21	122			(28)	
LEFOULLON			99.90%				42	340		9	9
MADISON PROPERTIES GROUP SL			100.00%								
MALTESE			99.98%				46		6	2	2
MARCEAU BUSSY-SUD			99.99%				6			1	1
MAVILLEROY			100.00%								
MIBROKY			100.00%								
NOTILIUS			99.90%								
PROYECTOS INMOBILIARIOS KANSAR III SL	22	15	100.00%	37		37			2	6	
PROYECTOS INMOBILIARIOS TIME BLUE SL			51.11%								
R.E. FRANCE FINANCING		10	100.00%	7		7	911				
RODAMCO EUROPE PROPERTIES BV	670	(2,108)	100.00%	6,648		6,407				1,939	1,300
RODAMCO FRANCE	146	377	100.00%	655	522	1,177	152		6	96	62
RODAMCO PROJECT IBV			100.00%	3		3					
SA CROSSROADS PROPERTY INVESTORS			100.00%				1				
SCI ARIANE-DEFÉNSE	15		100.00%	15		15				276	276
SCI BUREAUX DE LA TOUR CREDIT LYONNAIS			99.99%	17		17	16		2	(2)	
SCI EIFFEL LEVALLOIS COMMERCES		(11)	99.90%				300		17	1	
SCI GALILÉE-DÉFENSE	11		99.99%	11		11	60		14	11	11
SCI LE SEXTANT			100.00%	30		30	14		3	4	4
SCI MONTHERON			99.90%				1				
SCI SEPT ADENAUER			99.97%	1		1	33		10	8	8
SCI TRINITY DÉFENSE			99.90%				167				
SISTEMAS EDGERTON II SL	3	2	100.00%	4		2	4			(2)	
SISTEMAS INMOBILIARIOS EL ACEITUNAL SL			100.00%								
SNC RANDOLI			99.90%				221	21		1	1

Company *(€Mn)*	Share Capital	Shareholders' equity other than share capital before income allocation	Capital held (%)	Gross carrying amount of shares	Merger loss	Net carrying amount of shares	Loans and advances not yet repaid	Deposits and guarantees given	Revenue excl. VAT	**2018 statutory result**	**Dividends received in 2018 and included in income**
SOCIÉTÉ DE LANCEMENT DE MAGASINS D'USINES A L'USINE		1	100.00%	5	23	2					51
SOCIÉTÉ DE TAYNINH	15	2	97.68%	21		17					
SOCIÉTÉ FONCIÈRE IMMOBILIÈRE			100.00%	4		1					
SOUTH PACIFIC REAL ESTATE SL			100.00%								
U&R MANAGEMENT BV			100.00%								
UNIBAIL-RODAMCO PARTICIPATIONS		(2)	100.00%				12			(2)	
UNIBAIL-RODAMCO REAL ESTATE SL	14	8	100.00%	23		20	62		2	5	
UNIBAIL-RODAMCO RETAIL SPAIN SLU	50	1,228	100.00%	773		773	777	1	150	200	242
UNIBAIL-RODAMCO SIF France	22	14	100.00%	22	42	33	3				
UNIBAIL-RODAMCO SPAIN SL	48	94	100.00%	150		141	290		31		
UNIBAIL-RODAMCO STEAM SL	4	443	51.11%	210		210	201		45	49	
UNIBAIL-RODAMCO TH BV	2,972	1,108	100.00%	4,127		3,644					
UNI-COMMERCES	856	56	100.00%	1,155		1,155	1,036	7	18	42	97
UNIWATER		14	100.00%	22		22	45			1	1
UR VERSAILLES CHANTIERS			99.90%				24				
UR-PHOBOS			100.00%								
VALOREXPO			100.00%								
VILLAGE 3 DÉFENSE	2	7	100.00%	2		2	27		2	1	
VILLAGE 4 DÉFENSE	3	5	100.00%	3		3	29		2	1	
VILLAGE 5 DÉFENSE	5	13	100.00%	5		5	33		5	3	4
VILLAGE 6 DÉFENSE	2	16	100.00%	2		2	17		2	1	2
VILLAGE 7 DÉFENSE	2	8	100.00%	3		3	13		2	2	
VILLAGE 8 DÉFENSE			99.90%				3				
WESTFIELD CORPORATION LIMITED	46	(99)	100.00%	2,866		2,531	974			82	
Total I	**4,930**	**1,234**		**17,281**	**608**	**16,720**	**6,179**	**794**	**353**	**2,742**	**2,209**
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%								
WFD UNIBAIL-RODAMCO NV	116		40.27%	957		957	2,046				
Total II	**8**	**4**		**961**	**0**	**961**	**2,046**	**0**	**0**	**0**	**0**
Other Investments				**12**		**12**					
TOTAL	**4,938**	**1,238**		**18,254**	**608**	**17,693**	**8,225**	**794**	**353**	**2,742**	**2,209**

NOTE 5 ● LOANS AND OTHER FINANCIAL ASSETS

LOANS, OTHER FINANCIAL ASSETS AND OTHER LONG-TERM INVESTMENTS

(thousands of currency units)	Currency	12/31/2017	Increases	Decreases	Impact of exchange rate fluctuations	12/31/2018
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	6,521,272	3,738,746	(1,741,738)		8,518,280
Loans to subsidiaries in AUD[(1)]	AUD	0	3,203,807			3,203,807
Loans to subsidiaries in CZK	CZK	9,255,400				9,255,400
Loans to subsidiaries in DKK	DKK	300,000				300,000
Loans to subsidiaries in PLN	PLN	1,154,904	134,079			1,288,983
Loans to subsidiaries in SEK	SEK	7,687,500	800,000			8,487,500
Loans to subsidiaries in USD	USD	0	52,379			52,379
Total euro equivalent value of loans to subsidiaries	**EUR**	**7,981,466**	**5,868,896**	**(1,741,738)**	**(42,080)**	**12,066,544**
Amounts receivable on loans	**EUR**	**53,836**	**72,304**	**(53,836)**		**72,304**
Other loans	**EUR**	**7**				**7**
TOTAL		**8,068,147**	**5,941,200**	**(1,795,574)**	**(42,080)**	**12,171,693**

(1) In payment of the capital redemption of Unibail-Rodamco TH BV for €2,006 Mn.

The maturity of loans to subsidiaries as at December 31, 2018 is as follows:

1 year or less:	€957 Mn
between 1 and 5 years:	€4,108 Mn
more than 5 years:	€7,001 Mn
TOTAL	**€12,066 MN**

5.

NOTE 6 ● RECEIVABLES

(€ thousands)	12/31/2018	12/31/2017
Doubtful or disputed receivables	491	968
Other trade receivables from activity	16,913	12,814
Employee receivables	333	244
Social security and similar receivables	7	0
Income tax receivables	0	30,893
VAT receivables	48,659	18,446
Other tax receivables	1,410	1,714
Miscellaneous tax receivables	0	0
Receivables from Group and associated companies	5,093,367	4,974,003
Accrued income on derivatives	103,502	50,504
Difference of assesment of derivatives	428,082	469,710
Sundry debtors	53,401	31,343
TOTAL	**5,746,165**	**5,590,639**

“Other trade receivables from activity” mainly relate to accrued receivables and the outstanding balance of rent-free periods and step rents.

“Income tax receivables” as at December 31, 2017 primarily corresponded to the amount of taxes on dividends paid in the period from 2013 to 2016, reclaimed from the French Tax Administration and repaid in 2018.

“Receivables from Group and associated companies” mainly relate 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 relating to the cancellation of swaps or swaptions. This line includes the amount of balancing cash adjustment not yet amortised relating to the derivatives restructured in 2015 and 2016 for €293 Mn. An additional amount related to 2018 transactions is included in this line for €135 Mn.

“Sundry debtors” primarily corresponds to funds received from tenants in relation to service charges.

DEPRECIATION OF RECEIVABLES

(€ thousands)	Opening balance	Expense in the period	Reversals in the period: Surplus	Reversals in the period: Utilized	Other movements	Closing balance
Depreciation of doubtful receivables	622	328	(128)	(359)	(190)	273
Depreciation of subsidiary current accounts	150					150
TOTAL	**772**	**328**	**(128)**	**(359)**	**(190)**	**423**

NOTE 7 • CASH AND CASH EQUIVALENTS

(€ thousands)	12/31/2018	12/31/2017
Marketable securities	3	290,153
Bank accounts with a credit balance	76,161	141,230
Cash instruments	114,177	0
TOTAL	**190,341**	**431,383**

There is no difference between the carrying amount of marketable securities on the balance sheet and their market value.

"Cash instruments" mainly relate to premiums on Caps not yet amortised.

NOTE 8 • PREPAID EXPENSES

(€ thousands)	12/31/2018	12/31/2017
Rentals	0	40
Interest on discounted commercial papers	0	0
General expenses	89	63
TOTAL	**89**	**103**

NOTE 9 • DEFERRED CHARGES

(€ thousands)	12/31/2018	12/31/2017
Charges on bank loans and borrowings	7,919	9,623
Charges on bonds	31,610	23,523
Charges on convertible bonds	3,930	5,342
Charges on hybrid securities	9,710	0
Charges on bonds redeemable in shares	5	5
Bond issue premium	60,235	53,079
TOTAL	**113,409**	**91,572**

NOTE 10 • UNREALISED FOREIGN EXCHANGE LOSSES

(€ thousands)	12/31/2018	12/31/2017
Unrealised foreign exchange losses on subsidiary loans in AUD	42,417	0
Unrealised foreign exchange losses on subsidiary loans in DKK	23	0
Unrealised foreign exchange losses on subsidiary loans in PLN	1,034	0
Unrealised foreign exchange losses on subsidiary loans in SEK	112,657	77,733
TOTAL	**156,131**	**77,733**

NOTE 11 ● ACCRUED INCOME

(€ thousands)	12/31/2018	12/31/2017
Financial assets	72,511	54,042
Trade receivables from activity	12,994	7,681
Amounts due to suppliers	1,536	1,368
Taxes	7,536	5,951
Subsidiary current accounts	6,820	6,366
Other receivables	103,237	50,237
TOTAL	**204,634**	**125,645**

Changes in "Other receivables" primarily correspond to the accrued income for €37.6 Mn on the swaps put in place in 2018 and €15 Mn in up-front fees relating to WFD Unibail-Rodamco NV.

NOTE 12 ● CHANGES IN SHAREHOLDERS' EQUITY AS AT DECEMBER 31, 2018

Number of shares: 138,288,601

Par value: €5

(€ thousands)	Before allocation of net result 12/31/2017	Change in accounting policy[1]	Allocation of 2017 net result	2018 changes[2]	Before allocation of net result 12/31/2018	Proposed allocation of 2018 net result[3]	After allocation of 2018 net result
Share capital	**499,283**			**192,160**	**691,443**		**691,443**
Reserves	**6,547,731**		**232**	**7,000,301**	**13,548,264**	**19,216**	**13,567,480**
Additional paid-in capital: issue premium	2,622,232			12,967	2,635,199		2,635,199
Additional paid-in capital: contribution premium	3,848,488			6,987,334	10,835,822		10,835,822
Legal reserve	49,697		232		49,929	19,216	69,145
Other reserves	23,509				23,509		23,509
Reserve for euro translation	3,805				3,805		3,805
Retained earnings[1]	**867,814**	**38,783**	**112,434**	**(131)**	**1,018,900**	**(55,240)**	**963,660**
Net result	**1,191,830**		**(1,191,830)**	**1,457,493**	**1,457,493**	**(1,457,493)**	**0**
Regulated provisions	**0**			**6,136**	**6,136**		**6,136**
TOTAL SHAREHOLDERS' EQUITY	**9,106,658**	**38,783**	**(1,079,164)**	**8,655,959**	**16,722,236**	**(1,493,517)**	**15,228,719**
DIVIDEND			**1,079,164**			**1,493,517**	

(1) 2017 acquisition costs of Westfield Corporation have been credited to retained earnings in the opening balance and capitalized in 2018 (see note 1.2).
(2) Changes relate mainly to the capital operations carried out under the acquisition of the Westfield Corporation Group (see note 2.1), to options exercised, to the capital increase reserved for employees carried out under the Company Savings Plan and to the issue of Performance Shares.
(3) Proposal of the allocation and distribution of the result to be submitted to the next Annual General Meeting (AGM) in 2019 based on 138,288,601 shares as at 12/31/2018 (€ thousands):
- net result for the period 1,457,493;
- previous retained earnings balance 1,018,900;
- allocation to the legal reserve (19,216);
- net result available for distribution 2,457,177;
- dividend of €10.80 per share i.e. 1,493,517;
- new retained earnings balance 963,660.
The split between the dividend and retained earnings will be adjusted based on the number of shares outstanding as at the date of distribution.
This will satisfy Unibail-Rodamco SE's 2018 obligation as a SIIC to pay a minimum dividend of €1,009 Mn.

CHANGES IN THE NUMBER OF SHARES COMPRISING THE SHARE CAPITAL

	Number of shares
As at 01/01/2017	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
Capital increase reserved for employees under the Company Savings Plan	40,388
Exercise of stock options	45,210
Bonds redeemable in shares	113
Performance Shares grants	26,240
Capital increase under the Westfield Corporation acquisition	38,319,974
AS AT 12/31/2018	**138,288,601**

NOTE 13 • OTHER EQUITY

(€ thousands)	12/31/2018	12/31/2017
Bonds redeemable in shares	1,132	1,150
Hybrid securities	2,000,000	0
TOTAL	**2,001,132**	**1,150**

To finance the cash component of the acquisition of Westfield Corporation Group on June 7, 2018, Unibail-Rodamco SE issued €2,000 Mn of hybrid securities considered as "other equity" in accordance with OEC 28 (July 1994) rule. These hybrid securities were described in the prospectus approved by the French financial markets authority (*Autorité des marchés financiers* – AMF) under no. 18-146. This issuance was made in April 2018 in two tranches:

- €1,250 Mn with a 2.125% coupon and callable after 5.5 years;
- €750 Mn with a 2.875% coupon and callable after 8 years.

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 2018, 90 ORA bonds were redeemed, representing a total of 9,357,951 bonds redeemed since issuance. As at December 31, 2018, a total of 5,757 ORA bonds were outstanding, redeemable in 7,196 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	2,643	1,836	(446)		4,033
Provisions for foreign exchange losses	71,049	85,082			156,131
Other operating provisions	2,091	5,941	(205)		7,827
TOTAL	**75,783**	**92,859**	**(651)**		**167,991**

Changes in "Provisions for operating contingencies" result primarily from a risk provision for €1.8 Mn related to a prior disposal.

Changes in "Provisions for foreign exchange losses" reflect provisions for unrealised foreign exchange losses following the decrease in value of the Australian dollar and Swedish krona.

Changes in "Other operating provisions" mainly relate to the risk provision on the subsidiaries Unibail-Rodamco Participations and U-R Phobos for €4.5 Mn and €1.4 Mn, respectively, due to the decrease in the fair value of their assets.

NOTE 15 ● BORROWINGS AND FINANCIAL LIABILITIES

(€ thousands)	12/31/2017	Increases	Decreases	12/31/2018
Convertible bonds (ORNANE)	**1,000,276**	**0**	**(276)**	**1,000,000**
Principal outstanding	1,000,274	0	(274)	1,000,000
Accrued interest	2	0	(2)	0
Other bonds	**10,855,110**	**3,786,909**	**(866,178)**	**13,775,841**
Principal outstanding	10,724,705	3,640,000	(735,773)	13,628,932
Accrued interest	130,405	146,909	(130,405)	146,909
Bank loans and borrowings	**104,213**	**1,638**	**(2,169)**	**103,682**
Principal outstanding	100,000	0	0	100,000
Accrued interest	1,745	1,638	(1,745)	1,638
Bank accounts with a credit balance	2,468	0	(424)	2,044
Accrued interest	0	0	0	0
Miscellaneous borrowings and financial liabilities	**3,710,707**	**8,972,384**	**(9,515,558)**	**3,167,533**
Deposits and guarantees	4,448	1,163	(394)	5,217
Other borrowings	1,118,535	543,207	(923,476)	738,266
Payable on other borrowings	856	1,502	(856)	1,502
Medium-term notes	102,300	222,000	(102,300)	222,000
Payable on medium-term notes	(73)	(300)	73	(300)
Commercial paper	1,070,000	7,120,600	(7,597,600)	593,000
Payable on commercial paper	0	0	0	0
Payables on hybrid securities	0	19,776	0	19,776
Subsidiary current accounts	1,406,273	1,062,248	(888,580)	1,579,941
Transfer of subsidiaries' earnings	8,368	2,188	(2,425)	8,131
TOTAL	**15,670,306**	**12,760,931**	**(10,384,181)**	**18,047,056**

Changes in the "Other bonds" line result from the final maturity of four bond tranches for a total amount of €735 Mn and bond issues under the Euro Medium-Term Notes (EMTN) programme for an overall amount of €3,640 Mn in 2018.

Changes in the "Other borrowings" line mainly relate to the repayment of a borrowing put in place in 2013 with the Group company Rodamco Espana BV for €923 Mn and the set up of a borrowing with the Groupe company Unibail-Rodamco Nederland Winkels BV for €543 Mn.

As at December 31, 2018, the "Subsidiary current accounts" line comprises financing granted mainly by the following subsidiaries:

- Rodamco Europe Properties BV: €526 Mn;
- SCI Ariane-Défense: €294 Mn;
- SCS Liegenschaftverwertung: €98 Mn;
- Sci Propexpo: €90 Mn;
- Rodamco Sverige AB: €81 Mn;
- Unibail-Rodamco Polska Sp zoo: €71 Mn.

It also includes €7 Mn in VAT credits relating to companies within the VAT consolidation scope. This amount was repaid in January 2019.

CHARACTERISTICS OF BONDS AND EMTNS

Issue date *(based on value date)*	Interest rate	Amount outstanding as at 12/31/2018 *(€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
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
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 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
May 2018	Fixed rate 0.125%	800	May 2021
May 2018	Fixed rate 2.25%	500	May 2038
May 2018	Fixed rate 1.875%	900	January 2031
May 2018	Structured coupons linked to CMS 10 years	40	June 2033
May 2018	Floating rate (Euribor 3M + 0.10% floored at 0.00%)	500	May 2020
May 2018	Fixed rate 1.125%	800	September 2025
November 2018	Fixed rate 2.00%	100	December 2033
TOTAL		**13,630**	

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 1,455,877 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 2014 issue was taken into account when calculating diluted earnings per share, based on 2,013,469 shares.

MATURITY OF BORROWINGS AND FINANCIAL LIABILITIES

(€ thousands)	1 year or less	Between 1 and 5 years	More than 5 years	Total
Other bonds	**920,717**	**4,786,687**	**9,068,437**	**14,775,841**
Convertible bonds (ORNANE)	500,000	500,000	0	1,000,000
Accrued interest	0	0	0	0
Bonds	773,808	3,786,687	9,068,437	13,628,932
Accrued interest	146,909	0	0	146,909
Bank loans and borrowings	**53,682**	**50,000**	**0**	**103,682**
Bank loans	50,000	50,000	0	100,000
Accrued interest on bank loans	1,638	0	0	1,638
Bank accounts with a credit balance	2,044	0	0	2,044
Miscellaneous borrowings and financial liabilities	**2,745,257**	**422,276**	**0**	**3,167,533**
Deposits and guarantees	0	5,217	0	5,217
Other borrowings	543,207	195,059	0	738,266
Payable on other borrowings	1,502	0	0	1,502
Medium-term notes	0	222,000	0	222,000
Payable on medium-term notes	(300)	0	0	(300)
Commercial paper	593,000	0	0	593,000
Payable on commercial paper	0	0	0	0
Payable on hybrid securities	19,776	0	0	19,776
Subsidiary current accounts	1,579,941	0	0	1,579,941
Transfer of subsidiaries' earnings	8,131	0	0	8,131
TOTAL	**4,219,656**	**4,758,963**	**9,068,437**	**18,047,056**

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, 2018, the LTV ratio for the Unibail-Rodamco-Westfield Group amounted to 37.0%, (39.8% on a *pro forma* basis and 33.2% for Unibail-Rodamco on a stand-alone basis, both as at December 31, 2017).

The ICR ratio[1] for the Unibail-Rodamco-Westfield Group stood at 6.1x for 2018 (>5x in 2017 on a *pro forma* basis and 6.7x for Unibail-Rodamco on a stand-alone basis) as a result of strong rental growth, a controlled cost of debt and the Westfield Corporation Groupe acquisition.

These ratios show significant headroom with regard to bank covenants for Unibail-Rodamco-Westfield Group in Europe, usually set at a maximum LTV of 60% and a minimum ICR of 2x and reported twice a year to the banks.

As at December 31, 2018, 94% of the Group's credit facilities and bank loans allowed loan-to-value of up to 60% for the Group or the borrowing entity, as the case may be.

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, 2018, net financial liabilities amounted to €16,359 Mn (excluding current accounts, hybride securities and ORA instruments). The face value of net financial liabilities (excluding current accounts) was €16,208 Mn. In all, 62% 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.

NOTE 16 ● OTHER LIABILITIES

(€ thousands)	**12/31/2018**	12/31/2017
Amounts due to suppliers	39,912	66,837
Employee payables	2,069	9,941
Social security and similar payables	1,533	4,601
Income tax payables	0	0
VAT payables	8,974	3,318
Other tax payables	130	255
Amounts due on investments	24,854	22,427
Other liabilities	232,629	282,121
TOTAL	**310,101**	**389,500**

The "Amounts due on investments" line mainly consists of accrued payables relating to works on the "Boccador" project for €15.1 Mn and the Pullman hotel for €5.8 Mn.

(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.

A breakdown of "other liabilities" is provided below:

(€ thousands)	12/31/2018	12/31/2017
On property activities	52,616	47,740
On caps and swaps	179,576	119,273
Other sundry liabilities	437	115,108
TOTAL	**232,629**	**282,121**

Changes in "Others sundry liabilities" line result mainly from the repayment for €108.5 Mn of the residual debt loaned in 2016 from a Group subsidiary following the acquisition of shares in Unibail-Rodamco Steam SL and Proyectos Inmobiliarios Time Blue SL.

NOTE 17 ● DEFERRED INCOME

(€ thousands)	12/31/2018	12/31/2017
Property business	1,626	1,932
Interest on discounted commercial papers	216	1,202
Deferred recognition of issue premium on EMTN	5,444	4,894
Deferred recognition of issue premium on ORNANE bonds	1,114	1,485
Arrangement fee on subsidiary loans	17,932	11,524
TOTAL	**26,332**	**21,037**

NOTE 18 ● UNREALISED FOREIGN EXCHANGE GAINS

(€ thousands)	12/31/2018	12/31/2017
Unrealised foreign exchange gains on subsidiary loans in CZK	13,706	16,406
Unrealised foreign exchange gains on subsidiary loans in DKK	0	98
Unrealised foreign exchange gains on subsidiary loans in PLN	0	1,844
Unrealised foreign exchange gains on subsidiary loans or Group debt in SEK	591	3,456
Unrealised foreign exchange gains on subsidiary loans or Group debt in USD	1,610	0
TOTAL	**15,907**	**21,804**

NOTE 19 ● ACCRUED CHARGES

ACCRUED CHARGES INCLUDED IN THE BALANCE SHEET

(€ thousands)	12/31/2018	12/31/2017
Miscellaneous borrowings and financial liabilities	169,825	133,007
Trade receivables from activity	90	98
Amounts due to suppliers	48,154	84,881
Employee payables	1,771	9,512
Social security and similar payables	1,313	3,850
Tax payables	1,348	555
Subsidiary current accounts	26	293
Other liabilities	9,658	10,066
TOTAL	**232,185**	**242,262**

The increase in the "Miscellaneous borrowings and financial liabilities" line mainly results from the accrued interest on the hybrid securities issued in 2018 (€19.8 Mn) and the increase in the accrued interest on bonds (plus €16.5 Mn).

As at December 31, 2017 the items "Amounts due to suppliers", "Employee payables" and "Social security and similar payables" included provisions booked at the end of 2017 and related to the proposed business combination between Unibail-Rodamco and Westfield Corporation.

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[(1)]	12,138,849	1,032,506	11,106,343
Other	8	8	0
Current asset receivables			
Trade receivables from activity			
Doubtful or disputed receivables	491	491	0
Other trade receivables from activity	16,913	8,363	8,550
Other receivables			
Employee receivables	333	333	0
Social security and similar receivables	7	7	0
Income tax receivables	0	0	0
VAT receivables	48,659	48,659	0
Other tax receivables	1,410	1,410	0
Miscellaneous tax receivables	0	0	0
Receivables from Group and associated companies	5,093,367	5,093,367	0
Accrued income on derivatives	103,502	103,502	0
Difference of assesment of derivatives	428,082	154,707	273,375
Sundry debtors	53,401	53,401	0
Subscribed called unpaid capital	0	0	0
Prepaid expenses			
Rentals	0	0	0
Interest on discounted commercial papers	0	0	0
Overheads	89	89	0
TOTAL	**17,917,949**	**6,497,049**	**11,420,900**

(1) Loans granted during the financial year	*5,868,896*
Loans repaid during the financial year	*1,783,818*

MATURITY OF LIABILITIES

		Maturity		
(€ thousands)	Gross	1 year or less	Between 1 and 5 years	More than 5 years
Convertible bonds[2]	1,000,000	500,000	500,000	0
Other bonds[2]	13,775,841	920,717	3,786,687	9,068,437
Bank loans and borrowings, o/w[2]				
• Initial maturity of no more than 2 years	101,638	51,638	50,000	0
• Initial maturity of more than 2 years	2,044	2,044	0	0
Miscellaneous borrowings and financial liabilities[2]	3,167,533	2,745,257	422,276	0
Advances and downpayments received	1,325	1,325	0	0
Amounts due to suppliers	39,912	39,912	0	0
Tax and social security liabilities				
Employee payables	2,069	2,069	0	0
Social security and similar payables	1,533	1,533	0	0
Income tax payables	0	0	0	0
VAT payables	8,974	8,974	0	0
Other tax payables	130	130	0	0
Amounts due on investments	24,854	24,854	0	0
Other liabilities	232,629	66,894	93,651	72,084
Deferred income				
Property business	1,626	1,626	0	0
Interest on discounted commercial papers	216	216	0	0
Deferred recognition of issue premium on EMTN	5,444	2,226	3,218	0
Deferred recognition of issue premium on ORNANEs	1,114	371	743	0
Arrangement fee on subsidiary loans	17,932	4,083	11,867	1,982
TOTAL	**18,384,814**	**4,373,869**	**4,868,442**	**9,142,503**

(2) Liabilities contracted during the financial year *11,525,807*

Liabilities repaid during the financial year *9,359,423*

5.

NOTE 21 • OPERATING INCOME

21.1 Revenue

(€ thousands)	2018	2017
Property business	**83,034**	**42,381**
Offices segment	16,241	(11,190)
Shopping Centres segment	57,662	32,395
Convention & Exhibition segment	9,131	21,176
Other rebilled items	**81,763**	**10,303**
TOTAL	**164,797**	**52,684**

As at December 31, 2017, the negative amount in the “Property business – Offices segment” line resulted essentially from the disposal of So Ouest Plaza. The remaining balance of the rent free period related to this asset had been reversed with a negative impact of €37.6 Mn.

The increase in the “Property business – Shopping Centres segment” line is due to the revenue for €26 Mn related to the assets of the Stadshart Amstelveen property complex acquired on January 2, 2018 by the Dutch permanent establishment.

“Other rebilled items” consist of rebilled items relating to the Group Service Charges agreement. Changes in this item reflect the new policy of Group Service Charges which are gathered into Unibail-Rodamco SE and reinvoiced to subsidiaries of the new Group Unibail-Rodamco-Westfield.

21.2 Reversals of depreciation, amortisation, impairment, provisions, and expense transfers

(€ thousands)	2018	2017
Reversals of impairment	**1,277**	**1,766**
Reversals of provisions for disputes	446	4
Reversals of impairment of doubtful receivables	487	1,341
Reversals of impairment of buildings	344	421
Rebilled expenses and expense transfers	**20,902**	**20,531**
TOTAL	**22,179**	**22,297**

Rebilled expenses and expense transfers in 2018 relate to:

- rebilled rental expenses for €14.8 Mn;
- rebilled construction work for €2.2 Mn;
- rebilled taxes for €2.3 Mn;
- rebilled marketing expenses for €1.4 Mn;
- rebilled management fees for €0.2 Mn.

21.3 Other income

(€ thousands)	2018	2017
Key money	345	793
Termination indemnities	0	0
Specialty leasing fee	970	599
Other	5,435	20
TOTAL	**6,750**	**1,412**

NOTE 22 • OPERATING EXPENSES

22.1 Other purchases and external charges

(€ thousands)	2018	2017
1- PURCHASES OF CONSUMABLES	**491**	**330**
2- EXTERNAL SERVICES	**19,009**	**14,274**
Property business	**14,677**	**13,193**
Leases and rental expenses	12,168	11,833
Maintenance and repair	2,327	1,312
Insurance	182	48
General expenses	**4,332**	**1,081**
Leases and rental expenses	414	78
Maintenance and repair	638	48
Insurance	1,458	508
Miscellaneous	1,822	447
3- OTHER EXTERNAL SERVICES	**107,651**	**68,889**
Property business	2,905	2,364
General expenses	104,746	66,525
TOTAL	**127,151**	**83,493**

"Other external services – general expenses" mainly consists of rebilled items relating to the Group Service Charges agreement. Changes in this item reflect the new policy of reinvoicing Group Services Charges (see note 21.1).

22.2 Taxes other than on income

(€ thousands)	2018	2017
Taxes on remuneration	396	572
Property taxes	4,019	4,016
Other	784	768
TOTAL	**5,199**	**5,356**

22.3 Personnel expenses

(€ thousands)	2018	2017
Remuneration	(2,834)	11,929
Related payroll taxes	478	5,673
TOTAL	**(2,356)**	**17,602**

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.

The negative remunerations amount in 2018 is due to a reversal of provision for bonus that was accounted for in 2017 and related to the Westfield Corporation acquisition. These bonuses were final paid *via* the attribution of Performance Shares.

22.4 Depreciation and amortisation expenses

(€ thousands)	2018	2017
Tangible assets	51,045	64,907
TOTAL	**51,045**	**64,907**

22.5 Impairment and provision expenses

(€ thousands)	2018	2017
Non-current assets	0	98
Current assets	328	315
Contingencies and expenses	5,977	411
TOTAL	**6,305**	**824**

22.6 Other operating expenses

(€ thousands)	2018	2017
Attendance fees	1,071	1,034
Net eviction and termination indemnities	150	0
Irrevocable receivables and miscellaneous operating lease expenses	2,076	1,062
TOTAL	**3,297**	**2,096**

NOTE 23 ● FINANCIAL INCOME

23.1 Investment income

(€ thousands)	2018	2017
Subsidiary income transferred	347,337	73,516
Dividends	1,874,735	948,519
Other	2,248	2,991
TOTAL	**2,224,320**	**1,025,026**

Income transfers of transparent companies relate mainly to SCI Ariane-Défense, Financière 5 Malesherbes, Capital 8, SCI Galilée-Défense, Lefoullon and SCI Sept Adenauer.

The main dividends collected in 2018 in respect of 2017 or 2018 earnings were:

- Rodamco Europe Properties BV: €1,300 Mn (against €700 Mn in 2017);
- Unibail-Rodamco Retail Spain Sl: €242 Mn (against €46 Mn in 2017);
- Doria: €115 Mn (against 0 in 2017);
- Uni-Commerces: €97 Mn;
- Rodamco France: €62 Mn;
- Société de Lancement de Magasins d'Usines à l'Usine: €51 Mn.

23.2 Income from other marketable securities and receivable on non-current assets

(€ thousands)	2018	2017
Income from loans to subsidiaries	292,616	273,075
TOTAL	**292,616**	**273,075**

In 2018, contributing subsidiaries were primarily Rodamco Europe France Financing (€37 Mn), WFD Unibail-Rodamco NV (€29 Mn), Unibail-Rodamco Retail Spain SL (€22 Mn), Wood Sp zoo (€21 Mn), Rodamco Retail Deutschland BV (€15 Mn), Unibail-Rodamco Spain SLU (€13 Mn), Unibail-Rodamco Polska Sp zoo (€12 Mn), Zlote Tarasy Sp zoo (€11 Mn), Unibail-Rodamco Steam Sl (€11 Mn) and GSSM Warsaw Sp zoo (€10 Mn).

23.3 Other interest income

	2018	2017
Bank fees	281	15
Interest on subsidiary current accounts	26,125	25,059
Income on caps, floors and swaps	150,098	98,456
Deferred recognition of fees on subsidiary loans	10,171	3,032
Deferred recognition of premium on convertible bonds	371	372
Interest on marketable securities	(127)	(210)
Other financial income	5,186	0
TOTAL	**192,105**	**126,724**

23.4 Reversals of impairment and expense transfers

(€ thousands)	2018	2017
Reversals of provisions for foreign exchange gains and losses	0	31,893
Reversal of provisions for subsidiaries	15,028	19,338
TOTAL	**15,028**	**51,231**

In 2017, reversals of the provision for unrealised foreign exchange losses were recorded following the final or anticipated maturity of loans denominated in Swedish kronor.

As at December 31, 2018, the Company booked a reversal of provision on the shares in Unibail-Rodamco Spain SL for €14.8 Mn. The Company also booked a reversal of a risk provision on the subsidiary SCI Monthéron for €0.2 Mn.

23.5 Foreign exchange gains

(€ thousands)	2018	2017
AUD foreign exchange gains	12,703	0
CZK foreign exchange gains	294	7,994
GBP foreign exchange gains	1	0
PLN foreign exchange gains	1,485	14,838
SEK foreign exchange gains	10,514	0
USD foreign exchange gains	2,880	5,093
TOTAL	**27,877**	**27,925**

NOTE 24 ● FINANCIAL EXPENSES

24.1 Financial items

	2018	2017
Depreciation and amortisation		
Bond issue premium	7,825	7,101
Provisions for contingencies		
Currency risk on loans	85,081	23,815
Impairment and provisions		
On shares (including merger losses)	1,131,941	5,690
Deferred charges		
Charges on borrowings	7,577	8,280
Charges on convertible bonds (ORNANE)	1,412	1,423
Charges on hybrid securities	1,290	0
TOTAL	**1,235,126**	**46,309**

As at December 31, 2018, provisions were booked for shares held in subsidiaries (see note 4).

24.2 Interest expenses

(€ thousands)	2018	2017
Bank fees	97	46
Fees on deposits and confirmed credit facilities	9,234	18,075
Interest on borrowings	14,831	16,114
Interest on negotiable debt securities	(4,125)	(4,081)
Interest on bonds	250,856	239,868
Interest on convertible bonds	0	2
Interest on current accounts	1,276	2,535
Interest on bonds redeemable in shares	79	75
Interest on hybrid securities	33,094	0
Charges on caps, floors and swaps with third parties	197,521	177,812
Other financial charges	610	0
Transfer of subsidiary income	8,195	8,284
TOTAL	**511,668**	**458,730**

As at December 31, 2017, "Fees on deposits and confirmed credit facilities" line included 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 Group. This credit facility was cancelled in 2018 without being used.

The "Charges on caps, floors and swaps with third parties" line includes the 2018 amortisation of the balancing cash adjustment relating to swaps restructured in previous years. This amortisation amounts to €139 Mn for 2018.

24.3 Foreign exchange losses

(€ thousands)	2018	2017
AUD foreign exchange losses	17	0
CZK foreign exchange losses	14	310
DKK foreign exchange losses	4	12
PLN foreign exchange losses	7,154	2,865
SEK foreign exchange losses	7	29,534
USD foreign exchange losses	1,977	4,669
TOTAL	**9,173**	**37,390**

NOTE 25 ● NON-RECURRING ITEMS

(€ thousands)	2018	2017
Capital gains and losses on sales of tangible assets	1,466	298,109
Capital gains and losses on sales of financial assets	463,575	(50)
Capital gains and losses on dissolution of subsidiaries without liquidation in a merger transaction ("TUP")	0	(18)
Regulated provisions	(6,136)	0
Other non-recurring income and expenses	(83)	(235)
TOTAL	**458,822**	**297,806**

As at December 31, 2018, "Capital gains and losses on sales of financial assets" includes the profit of the disposal of the shares of Capital 8 for a total amount of €463.6 Mn.

As a reminder, as at December 31, 2017 "Capital gains and losses on sales of tangible assets" included the profit from the disposal of So Ouest Plaza building located in Levallois-Perret for a total amount of €298 Mn.

NOTE 26 ● INCOME TAX

(€ thousands)	2018	2017
Income tax	0	(30,593)
TOTAL	**0**	**(30,593)**

In 2017, the negative amount of income tax corresponded 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 refunded by the French Tax Administration in 2018.

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	5,066	Non-interest-bearing current account
	BURES-PALAISEAU	Ultimate parent company	332	Non-interest-bearing current account
	CENTRE COMMERCIAL FRANCILIA	Ultimate parent company	141,317	Non-interest-bearing current account
	CNIT DEVELOPPEMENT	Ultimate parent company	78,197	Non-interest-bearing current account
	FINANCIERE 5 MALESHERBES	Ultimate parent company	66,171	Non-interest-bearing current account
	GAITÉ BUREAUX	Ultimate parent company	21,168	Non-interest-bearing current account
	GAITÉ PARKINGS	Ultimate parent company	3,066	Non-interest-bearing current account
	GALILÉE-DÉFENSE	Ultimate parent company	60,174	Non-interest-bearing current account
	LEFOULLON	Ultimate parent company	41,480	Non-interest-bearing current account
	MALTESE	Ultimate parent company	45,858	Non-interest-bearing current account
	MARCEAU BUSSY SUD	Ultimate parent company	5,711	Non-interest-bearing current account
	MONTHERON	Ultimate parent company	1,264	Non-interest-bearing current account
	NOTILIUS	Ultimate parent company	345	Non-interest-bearing current account
	SCI BUREAUX DE LA TOUR CREDIT LYONNAIS	Ultimate parent company	15,629	Non-interest-bearing current account
	SCI LE SEXTANT	Ultimate parent company	13,729	Non-interest-bearing current account
	SCI SEPT ADENAUER	Ultimate parent company	32,445	Non-interest-bearing current account
	SNC RANDOLI	Ultimate parent company	71,331	Non-interest-bearing current account
	TRINITY DÉFENSE	Ultimate parent company	167,230	Non-interest-bearing current account
	UR VERSAILLES CHANTIERS	Ultimate parent company	23,775	Non-interest-bearing current account
	VILLAGE 8 DÉFENSE	Ultimate parent company	2,873	Non-interest-bearing current account
	YETA	Ultimate parent company	11,258	Non-interest-bearing current account
Liabilities				
Miscellaneous borrowings and financial liabilities				
	ACARMINA	Ultimate parent company	0	Non-interest-bearing current account
	AÉROVILLE	Ultimate parent company	14,900	Non-interest-bearing current account
	AMSOMBRA	Ultimate parent company	20	Non-interest-bearing current account
	COBRAQ	Ultimate parent company	19	Non-interest-bearing current account
	FETUNO	Ultimate parent company	19	Non-interest-bearing current account
	FLOCOGNE	Ultimate parent company	19	Non-interest-bearing current account
	HIPOKAMP	Ultimate parent company	0	Non-interest-bearing current account
	MAVILLEROY	Ultimate parent company	19	Non-interest-bearing current account
	MIBROKY	Ultimate parent company	19	Non-interest-bearing current account
	SCI ARIANE-DÉFENSE	Ultimate parent company	294,069	Non-interest-bearing current account

NOTE 28 ● OFF-BALANCE SHEET COMMITMENTS

28.1 Financial instruments

		2018		2017	
(€ thousands)		Currency	EUR	Currency	EUR
Financial instruments					
Interest rate EUR			17,192,138		13,932,138
Interest rate USD		6,000,000	5,240,174	0	0
Currency swaps					
	CHF	135,000	109,276	135,000	109,276
	HKD	2,935,000	315,437	2,935,000	315,437
	SEK	800,000	77,482		
	USD	200,000	144,928	200,000	144,928
Caps and floors					
● purchases EUR			37,900,000		18,550,000
● sales EUR			3,000,000		6,200,000
● purchases USD		2,000,000	1,746,725	0	0
● sales USD		2,000,000	1,746,725	0	0
Swaption calls					
● sales			10,000,000		8,850,000
Currency option					
● purchases	USD	0	0	5,727,000	4,853,390

Commitments relating to forward interest rate financial instruments are presented as follows:

- commitments relating to firm transactions are shown at the face value of the contracts;
- commitments relating to conditional transactions are shown at the face value of the underlying instrument.

(€ thousands)			Currency	Notional <= 1 year EUR	Notional +1 year EUR
FIRM TRANSACTIONS					
Interest rate swaps				**627,138**	**21,805,174**
Microhedges	Fixed-rate lender/Floating-rate borrower			457,138	7,425,000
Microhedges	Fixed-rate lender/Floating-rate borrower	USD	1,000,000	0	873,362
Microhedges	Floating-rate lender/Fixed-rate borrower			0	0
Microhedges	Floating-rate lender/Floating-rate borrower			170,000	190,000
Microhedges	Floating-rate lender/Floating-rate borrower	USD	1,000,000	0	873,362
Macrohedges	Fixed-rate lender/Floating-rate borrower	USD	2,000,000	0	1,746,725
Macrohedges	Floating-rate lender/Fixed-rate borrower			0	8,950,000
Macrohedges	Floating-rate lender/Fixed-rate borrower	USD	2,000,000	0	1,746,725
Isolated positions	Fixed-rate lender/Floating-rate borrower			0	0
Currency and interest rate swaps				**144,928**	**502,195**
Microhedges	Fixed-rate lender/Floating-rate borrower	CHF	135,000	0	109,276
Microhedges	Fixed-rate lender/Floating-rate borrower	HKD	2,935,000	0	315,437
Microhedges	Floating-rate lender/Floating-rate borrower	SEK	800,000	0	77,482
Microhedges	Floating-rate lender/Fixed-rate borrower	USD	200,000	144,928	0
CONDITIONAL TRANSACTIONS					
Caps and floors	purchases			7,350,000	32,296,725
Macrohedges		EUR		7,350,000	30,550,000
		USD	2,000,000	0	1,746,725
Isolated positions				0	0
	sales			3,000,000	1,746,725
Macrohedges		EUR		3,000,000	0
		USD	2,000,000	0	1,746,725
Isolated positions				0	0
OPTIONS					
Swaption calls	sales			0	10,000,000

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 -€132 Mn.

28.2 Other commitments given and received

All material commitments are disclosed below.

(€ thousands)	2018 Currency	2018 EUR	2017 Currency	2017 EUR
Other commitments received				
EUR refinancing agreements obtained and not used		5,977,500		11,927,500
Guarantees received in EUR		22,153,829		22,012
Guarantees received in CHF	135,000	119,798		
Guarantees received in HKD	2,935,000	327,293		
Guarantees received in USD	200,000	174,672		
TOTAL		**28,753,092**		**11,949,512**
Other commitments given				
EUR refinancing agreements given and not used		833,477		300,830
Guarantees given in EUR		1,536,508		1,464,006
Guarantees given in GBP	800,000	894,324		
Guarantees given in SEK	5,750,000	560,713	7,950,000(1)	629,838
Guarantees given in USD	8,250,000	7,205,240		
TOTAL		**11,030,262**		**2,394,674**

(1) post-closing adjustment: SEK 1,750,000 K.

In 2017, the "EUR refinancing agreements obtained and not used" line included a guarantee obtained to finance the Westfield Corporation Group takeover for €6.1 Bn.

Guarantees given relate to deposits and commitments at first call, including the financing granted by banks to subsidiaries.

In 2018, further the acquisition of the Group Westfield Corporation, cross guarantees have been implemented between the companies of the Group Westfield and Unibail-Rodamco SE.

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)	2011	from 03/11/2015 to 03/10/2018	141.54	753,950	15,059	182,626	586,383	0
	2011	from 06/10/2015 to 06/09/2018	152.03	26,000	0	0	26,000	0
	2012	from 03/15/2016 to 03/14/2019	146.11	672,202	0	156,067	488,975	27,160
	2013	from 03/05/2017 to 03/04/2020	173.16	617,066	0	151,211	355,337	110,518
2011 plan (no. 7)	2014	from 03/04/2018 to 03/03/2021	186.10	606,087	0	193,606	23,466	389,015
	2015	from 03/04/2019 to 03/03/2022	256.81	615,860	0	175,963	0	439,897
	2015	from 09/05/2019 to 09/04/2022	238.33	7,225	0	7,225	0	0
2015 plan (no. 8)	2016	from 03/09/2020 to 03/08/2023	227.24	611,608	0	119,216	1,913	490,479
	2017	from 03/08/2021 to 03/07/2024	218.47	611,611	0	69,492	0	542,119
2017 plan (no. 9)	2018	from 03/06/2022 to 03/05/2025	190.09	630,135	0	18,685	0	611,450
TOTAL				**5,151,744**	**15,059**	**1,074,091**	**1,482,074**	**2,610,638**

(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

None.

30.2 Pledged shares of Unibail-Rodamco SE held by third parties

As at December 31, 2018, 523,540 administered registered shares are pledged. There are no fully registered shares.

30.3 Remuneration of Management Board members

(€ thousands)	2018	2017
Fixed Income	2,690	3,530
Short-term incentive	4,030	3,472
Other benefits(1)	1,104	1,139
TOTAL(2)	**7,824**	**8,141**

(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 2018, Management Board members were awarded a total of 151,000 stock options, all of which were subject to performance condition, along with 43,010 Performance Shares.

30.4 Remuneration of Supervisory Board members

Remuneration accruing to Supervisory Board members represented €1,070,750 for 2018.

30.5 Headcount

The average headcount during 2018 was one person. As at December 31, 2018, the Company had one employee.

5.

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 12/31/2018					
	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	40	15	13	2	102	132
Total of all invoices concerned including VAT *(€ thousands)*	4,922	287	133	5	223	647
Percentage of the total amount of purchases including VAT in the year	1.43%	0.08%	0.04%	0.00%	0.06%	0.19%
(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 12/31/2018					
	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	8	1	18	5	250	284
Total of all invoices concerned including VAT *(€ thousands)*	102	44	323	(44)	(66)	257
Percentage of the revenue including VAT of the year	0.08%	0.03%	0.24%	-0.03%	-0.05%	0.19%
(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

	2018	2017	2016	2015	2014
Capital at year-end ***(€ thousands)***					
Share capital	691,443	499,283	496,969	493,470	490,292
Number of shares outstanding	138,288,601	99,856,676	99,393,785	98,693,942	98,058,347
Number of convertible bonds outstanding	3,182,968	3,184,318	3,218,937	3,225,522	5,194,866
Results of operations ***(€ thousands)***					
Net sales	164,797	52,684	97,723	82,659	90,002
Income before tax, depreciation, amortisation and provisions	2,741,600	1,220,448	657,816	1,209,728	675,408
Corporate income tax	0	(30,593)	2,951	14,055	14,781
Net income	1,457,493	1,191,830	543,367	1,159,629	1,209,223
Dividends	10.80(1)	1,079,164	1,018,336	963,079	946,455
Per share data ***(€)***					
Income after tax, before depreciation, amortization and provisions	19.83	12.53	6.59	12.11	6.74
Earnings per share	10.54	11.94	5.47	11.75	12.33
Dividend	10.80(1)	10.80	10.20	9.70	9.60
Employee data					
Number of employees	1	1	1	1	1
Total payroll *(€ thousands)*	(2,834)	11,930	5,661	3,939	4,320
Total benefits *(€ thousands)*	478	5,676	2,884	2,450	2,714

(1) To be submitted to the next Annual General Meeting to be held in May 17, 2019 on the basis of 138,288,601 shares as at 12/31/2018.

5.

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 information concerning the Group presented in the management report. 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, 2018

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, 2018.

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, 2018 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, 2018 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 judgement, 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, either held directly or within joint ventures

Key Audit Matter	Our response
The Group directly owns, or owns via joint ventures a portfolio of property, which includes shopping centres, offices and Convention & Exhibition sites. The total value of this portfolio as at 31 December 2018 was €58,872 Mn (2017: €39,917 Mn). Of this portfolio €47,462 Mn is directly held by consolidated companies (2017: €38,524 Mn) and indirectly €11,410 Mn for the Group share by joint ventures (2017: €1,393 Mn) accounted for under the equity method. This portfolio includes Investment Properties Under Construction (IPUC) amounting to €1,656 Mn (2017: €1,354 Mn). The valuation movement of this portfolio recorded in the income statement shown in the segment reporting information amounted to €38 Mn. The valuation of investment properties that are carried at fair value is highly dependent on estimates and assumptions and requires significant judgement from the management. The valuation is carried out by independent appraisers in accordance with the requirements of IAS 40 and IFRS 13 as described in note 5.1 to the consolidated financial statements . The valuations take into account the property-specific information (including current tenancy agreements and rental income, condition and location of the property, future rental prospects). They also require judgemental assumptions such as yield and estimated rental value, which are influenced by prevailing market yields and comparable market transactions. For IPUC, other factors such as projected costs to complete for developments, ability to let, timing of completion and reliability of fair value have also been considered. Accordingly, the valuation of the investment property portfolio, including investment properties under construction, either held directly or within joint ventures is considered as a key audit matter due to significance of the balance to the financial statements as a whole, combined with the level of judgement associated with determining the fair value.	We considered management's controls over the process implemented to determine the valuation of investment properties. We assessed the competence and independence of the external appraisers. We also evaluated the suitability of their valuation scope and methodology for the financial report. The audit team, including our real estate valuation specialists, attended meetings with each of the appraisers at which the valuations and the key assumptions therein were discussed. We conducted analytical procedures by comparing assumptions such as yield and estimated rental value and the value of each property in the portfolio on a year-on-year basis, by reference to our understanding of their local market, external market data, published benchmarks and asset specific considerations to evaluate the appropriateness of the valuations adopted by the Group. We investigated further, involving our specialists, the valuations of some properties, and obtained appropriate evidence. 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. We checked with lease agreements and assets budgets the consistency of the underlying lease data and capital expenditure used by the external appraisers in their valuation of the investment properties on a sample basis. For IPUC, 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. Additionally, we considered the appropriateness of the disclosures in the consolidated financial statements in respect of investment properties.

Accounting treatment of the Westfield acquisition including purchase accounting considerations

Key Audit Matter	Our response
On June 7, 2018, Unibail-Rodamco SE completed the acquisition of Westfield Corporation comprising WCL, WFDT and WAT for a total consideration of €11.9 Bn and to create Unibail-Rodamco-Westfield ("URW" or "the Group") resulting in a preliminary goodwill of €2.3 Bn. The main accounting considerations of the acquisition of Westfield corporation are related to the business combination, identification and valuation of assets and liabilities, allocation of goodwill by geographical segments and methodology for impairment testing. With respect to the business combination, management considered all characteristics of the transaction to consolidate WCL and WFDT and applied judgement consistent with the legal set up of the transaction and governance of WFD Unibail-Rodamco N.V. to conclude that WAT be fully consolidated by Unibail-Rodamco SE. With respect to the identification and valuation of identifiable assets acquired and liabilities assumed and contingent liabilities, the company assessed at the acquisition date, with the assistance of independent external experts, the fair value of identifiable assets acquired in the acquiree as provided for in IFRS 3. The Westfield trademark for flagships (in the US and the UK) and contracts with third parties related to the Property Management business, the Development, Design & Construction business ("DDC") and the Airport activities have been valued by management with the assistance of external appraisers and recorded as intangible assets for an amount of €1.2 Bn. With respect to the goodwill allocation by geographical segments, the €2.3 Bn of goodwill resulting from the preliminary purchase price accounting has been allocated to the geographical segments benefiting from the acquisition of Westfield based on (i) the expected cost and revenue synergies, (ii) the values attributable to the incremental part of the Property Management and Development, Design and Construction businesses and Airport activities and (iii) the value of workforce acquired. With respect to methodology applied for impairment testing, the net asset value of each geographical segment was compared to its recoverable value, which is determined as the higher of the fair value less disposal costs and its value in use. Value in use is determined based on the Discounted Cash Flow derived from the 5 year Business Plan approved by the Management Board and the Supervisory Board. The main assumptions related to the value in use are: (i) the Weighted Average Cost of Capital ("WACC") per geographical segment calculated by URW, which includes a portfolio premium not included in the discount rates per investment property used by the appraisers and (ii) the Long Term Growth Rate ("LTGR") per geographical segment estimated by URW, which can be higher than the LTGR used by appraisers, due to higher level of estimated rental values, incremental value related to active asset management, new business and the impact of revenue synergies not yet reflected in the fair value of investment properties. These considerations described above, constitute a key audit matter given the impact on the consolidated financial statements and the significant management judgement involved. Please refer to notes 1.1, 1.2 and 5.4 to the consolidated financial statements.	We reviewed management documentation and agreements related to the Westfield acquisition involving our IFRS specialists supporting the accounting of the business combination. We considered the preliminary purchase accounting prepared by management with the assistance of external appraisers. With respect to Westfield's investment property portfolio, we performed procedures similar to those described in the "Valuation of the investment property portfolio, including investment properties under construction, either held directly or within joint ventures" key audit matter. With respect to identifiable intangible assets, we assessed with the assistance of our valuation specialists the appropriateness of the methods used by management to determine fair value of trademark, Property Management, DDC business, and Airport activities. We considered the methodology applied by the Group to allocate the goodwill and we assessed whether the level at which the Group has decided to monitor goodwill is compliant with applicable accounting standards. We considered management's impairment methodology and evaluated the company's controls over the process implemented to determine the value in use. We assessed management key assumptions used for cash flow projections. With the assistance of our valuation specialists, we assessed the assumptions used such as net rental income projections, WACC and LTGR, as well as the sensitivity analysis resulting from a variation of these assumptions as outlined in note 5.4 of the consolidated financial statements. We also evaluated the appropriateness of the disclosures provided by the Group in the notes to the consolidated financial statements.

Accounting for financial debt and related derivatives

Key Audit Matter	Our response
As at December 31, 2018, financial debt of Unibail-Rodamco stood at €25.4 Bn. 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 €992 Mn. In addition, financial debt held by the joint ventures amounted to €2.2 Bn. In 2018, the Group raised €7.9 Bn of new senior debt (bonds and medium/long-term bank financing). 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 €303 Mn (asset) and €451 Mn (liability). During the year, the Group incurred €332 Mn in net financial costs and a net negative fair value adjustment of €289 Mn mainly relating to the remeasurement in the comprehensive income of ORNANEs and derivatives. 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 analysed loan contracts on a sample basis to understand the terms and conditions and considered that those characteristics were correctly reflected in the consolidated financial statements in accordance with accounting policies applied by the Group. We also performed analytical procedures on the financial expenses. The amount of the principal debts was confirmed with third parties on a sample basis. The carrying value of ORNANEs was reconciled to market price. We confirmed a selection of derivatives directly with counterparties and performed procedures to ensure completeness of them. We assessed management's controls over the valuation of derivatives. For a sample of financial instruments, we analyzed the valuation of derivatives and we involved our internal specialists who performed our own valuations. Additionally, we considered the appropriateness of the IFRS 7 required disclosures in the financial statements in respect of financial debt and derivatives.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of 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.

We attest that the consolidated non-financial statement provided for by article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement which has to be subject to a report by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed as statutory auditors of Unibail-Rodamco 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, 2018, Deloitte & Associés was in its 14th consecutive year of mandate given the acquisitions or mergers with firms that have previously taken place, and ERNST & YOUNG Audit in its 44th 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 judgement throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the audit committee

We submit to the audit committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit committee includes the risks of material misstatement that, in our professional judgement, 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) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L.822-10 to L.822-14 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics *(code de déontologie)* for statutory auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 26, 2019

The Statutory Auditors French original signed by

Deloitte & Associés	ERNST & YOUNG Audit
Pascal Colin	Jean-Yves Jégourel

5.7 STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS OF THE PARENT COMPANY ONLY

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English speaking users. This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Unibail-Rodamco SE

Year ended December 31, 2018

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, 2018.

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, 2018 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, 2018 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.

EMPHASIS OF MATTER

We draw your attention to the change of accounting method decided by your company, following the application of ANC regulation n°2018-01, concerning transfer duties, commissions and fees related to acquisitions of tangible, intangible and financial assets set out in Note 1.2 "Change in accounting policy and Basis of measurement" to the financial statements.

Our opinion is not modified in respect of this matter.

JUSTIFICATION OF ASSESSMENTS - KEY AUDIT MATTERS

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, 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, 2018, Unibail-Rodamco SE held €17.7 Bn of investments in subsidiaries.

Following the Westfield acquisition, which took place in June 2018, Unibail-Rodamco SE holds 100% of UR TH BV for a gross amount of €4.1 Bn, Westfield Corporation Limited (WCL) for €2.9 Bn and 40% of WFD Unibail-Rodamco N.V. (a Dutch holding company, which consolidates the US assets) for €1.0 Bn.

Investments in subsidiaries are generally property holding companies and intermediate holding companies, which in turn mostly participate directly or indirectly in companies holding property portfolios

As described in note 1.2.3. to the financial statements, an impairment is booked when the value in use of an investment in subsidiaries is lower than its net book value.

The value in use of the investments in subsidiaries is highly dependent on the fair value of its underlying property, which is determined based on appraisals prepared by independent appraisers. It therefore requires the use of judgement and estimates from the management.The appraisals take into account property specific information as well as prevailing market yields and market transactions.

Regarding the shares of the subsidiaries holding the Westfield assets, management applied a discounted cash flow methodology to determine the value in use of such investments. This valuation requires from management estimates and assumptions. Significant estimates and assumptions relate to future cash flows, weighted average cost of capital (WACC) and long-term growth rate (LTGR).

The impairment test of the investment in subsidiaries is therefore a key audit matter as the value in use estimate prepared by management includes a variety of internal and external factors, which represent significant estimates that require the use of valuation models and a significant level of management judgment, particularly regarding revenue projections, WACC and LTGR.

Our response

We evaluated the company's controls over the process implemented to determine the value in use of investments in subsidiaries.

We verified the accuracy of the calculation of the value in use, which takes into account percentage of ownership, shareholders' net equity and unrealized capital gains on investment properties and other assets.

As to the unrealized capital gains related to investment properties, we verified 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 specialists ;
- assessing the reasonableness of data and operational assumptions ;
- benchmarking the market assumptions (yields, market rent…) with relevant market evidence.

With respect to the shares of the subsidiaries holding the Westfield assets, we assessed - with the involvement of our own valuation specialists - the value in use based on the discounted cash flow of the cash generating units in the US and the UK prepared by the management. For this purpose, we initially obtained an understanding of the forecast process through discussions with representatives of the company and then assessed the appropriateness of significant assumptions for the projected cash flows.

We considered management's key assumptions used for cash flow projections, weighted average cost of capital and long-term growth rates.

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, 2018, Unibail-Rodamco SE has borrowings and financial liabilities of €18.4 Bn described in note 15 "Borrowings and financial liabilities" to the financial statements.

Unibail-Rodamco SE 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, Unibail-Rodamco SE restructured its portfolio of derivatives as described in note 2.1. to the financial statements "Significant events of the year".

Accounting for financial debt and derivatives is 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.

Our response

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.

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 Unibail-Rodamco SE and analyzed that derivatives were appropriately classified (hedging vs trading). In particular, the audit team, including our 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.

SPECIFIC VERIFICATIONS

We also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents provided to the shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the management board and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Supervisory Board’s report on corporate governance sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations and benefits 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.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information 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, 2018, Deloitte & Associés was in its 14th consecutive year of mandate given the acquisitions or mergers with firms that have previously taken place, and ERNST & YOUNG Audit in its 44th 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, 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 judgement 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 judgement, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the audit committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 26, 2019

The Statutory Auditors French original signed by

Deloitte & Associés	ERNST & YOUNG Audit
Pascal Colin	Jean-Yves Jégourel

5.8 STATUTORY AUDITORS' SPECIAL REPORT ON REGULATED AGREEMENTS AND COMMITMENTS

This is a 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.

Unibail-Rodamco SE

Shareholders' Meeting
held to approve
the financial statements for
the year ended 31 December 2018

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, as well as the reasons justifying that such commitments and agreements are in the Company's interest, 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 and concluded during the year to be submitted to the approval of the Shareholders' Meeting pursuant to article R.225-86 of the French Commercial Code.

AGREEMENTS 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.

Paris-La Défense, on March 26, 2019

The Statutory Auditors French Original signed by

Deloitte & Associés — ERNST & YOUNG Audit

Pascal Colin — Jean-Yves Jégourel

6.

RISK FACTORS AND INTERNAL CONTROL

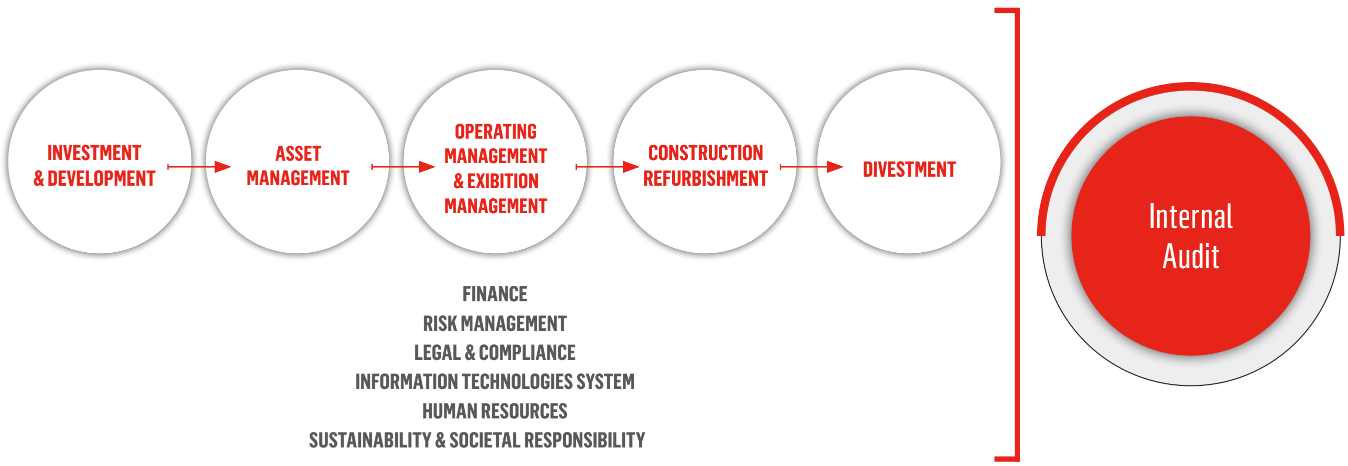
6.1 RISK MANAGEMENT FRAMEWORK

6.1.1 RISK MANAGEMENT POLICY & ORGANIZATION

The Risk Management Policy at Unibail-Rodamco-Westfield Group ("URW" or "the Group") is designed to:

- **secure decision-making and Group's processes to achieve its business objectives ;**
- **create and preserve the Group's value, assets, brand and reputation;**
- **identify and analyse the main potential threats in order to anticipate risks proactively;**
- **ensure consistency of decisions with the Group's values and strategy;**
- **bring the Group's staff together behind a shared vision of risk management.**

The organisation of URW can be defined as a matrix organisation within two continental platforms: Europe and the United States. The European Platform is composed of seven regions (Austria/Central Europe, Benelux, France, Germany, Nordic countries, Spain and the United Kingdom/Italy), and a Corporate Centre organised around five main functions i.e. Developer, Owner, Operator, Resourcer, and Financer. The decision-making process is mostly through committees and collegial decision-making. The segregation of duties within URW is based on the separation between execution and control. URW does not outsource core activities, except for some parts of its IT system.In these 2 platforms and eight regions, the Group's main activities are investment and divestment, asset management, operating management (including leasing and property management), construction, refurbishment and exhibition management, which are briefly described below. The organisational structure is also based on a set of delegations that define the roles and responsibilities of managers. Moreover, URW is complete by internal committees, where decisions are based on a risk analysis approach.



Investment & Development

Investment is one of the major processes at URW, as it is one of the first steps in the value creation process. It starts with deal sourcing (the search for market opportunities), which is based on brokers, off-market relationships, and connections with local communities. Once an investment is identified by Group or local development departments, it has to undergo a strict procedure with different steps before approval in compliance with demanding internal decision making processes and in alignment with URW'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 is applicable 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 Chief Development Officer, the Managing Director of Development 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 two Chief Operating Officers (Europe and US) local operational teams, this activity focuses on value creation in URW's asset portfolio and consists of defining the strategy for each asset (5-year plan). In line with the contract terms and conditions, the Accounting Department invoices and collects the rents and pays expenses related to the management of the building.

Operating Management

Operating Management is organized and managed at continental platform level (Europe and the US) by their respective Chief Operating Officer and mainly focuses on property leasing, implementation/monitoring of the 5-year plan and 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) in Europe and by the Facility Management Team in the US.

Construction and refurbishment

Construction and refurbishment consists of the following activities:

- control of construction costs and management of construction contracts;
- definition of the Group CSR development policy;
- selection and monitoring construction and refurbishment companies;
- supervision of construction until grand opening.

At this stage and after the Westfield transaction, two business models are operated within URW. These 2 business models are slightly different as:

- more involvement in the Design & Construction operations in the UK and in the US than in Continental Europe;
- more general contractor roles and responsibilities in the UK and in the US than in Continental Europe.

Congres & Exhibition Management (C&E)

C&E management includes activities such as letting areas in URW's exhibition site portfolio to exhibition organisers as well as mandatory services (technical installations, electricity) and ancillary services (parking facilities, wifi connection).

Investment and divestment

Under the supervision of the Group Chief Financial Officer (CFO), the Investment Department is responsible for the value creation process and is in charge of evaluating and advising periodically on the basis of the aforementioned information whether the property needs to be disposed of or not.

In case of a divestment, a highly structured process is in place to provide the most complete and accurate information (data room) to maximise the selling price and minimise the guarantees and representations.

6.1.2 GROUP ENTERPRISE RISK MANAGEMENT (ERM) FRAMEWORK

Since the completion of the Westfield transaction in June 2018, the Risk Management framework was rebuilt to take into account the specificities of the US & European platforms

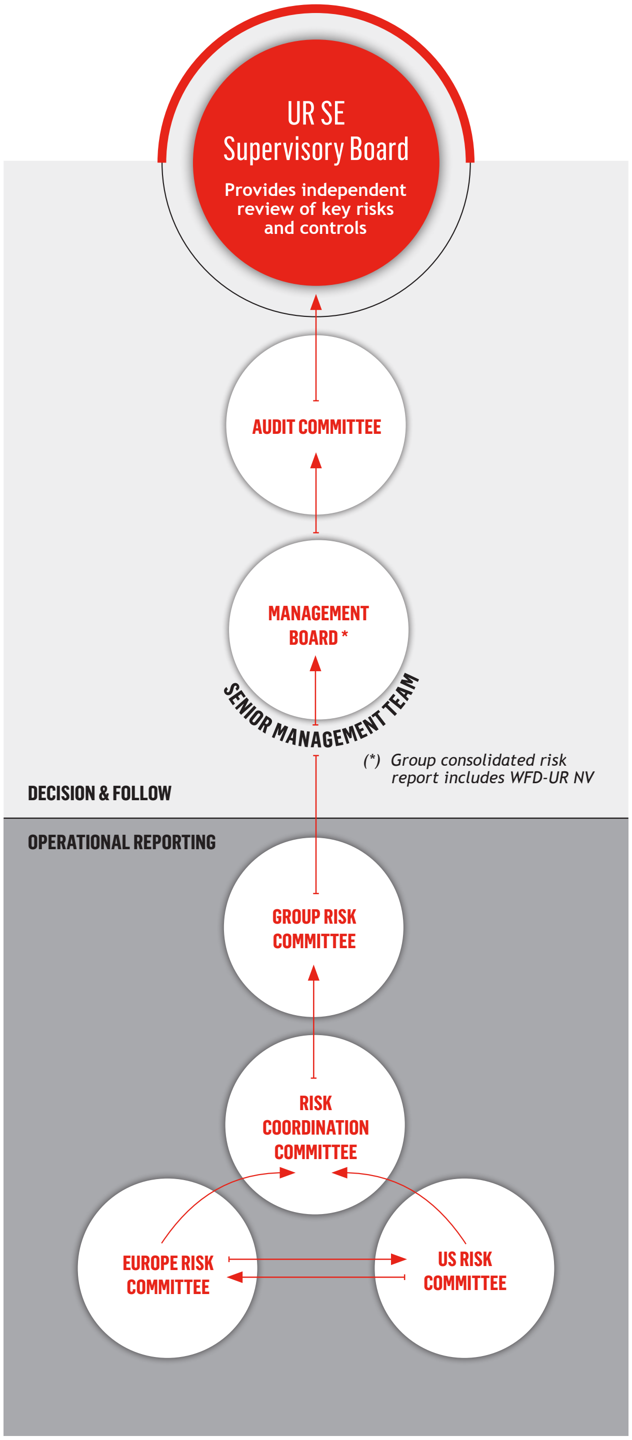
Governance enhances the importance of ERM by establishing oversight responsibilities in this regard. Through the analysis of the two structures Unibail-Rodamco and Westfield legacies, URW has worked on the alignment and coherence of the Risk Management governance bodies, taking into account market best practices. The Group organized several workshops on key topics (governance, methodology, continuance improvement and organization) composed of mixed teams from formerly Unibail-Rodamco and Westfield. The Group benefited from the assistance of PwC as external consultant to provide international, regional and sector benchmarks and recommendations in line with best practices and market investors' expectations.

On December 6, 2018 upon the recommendation of the Audit Committee (AC), the Supervisory Board (SB) approved the new Risk Management framework.

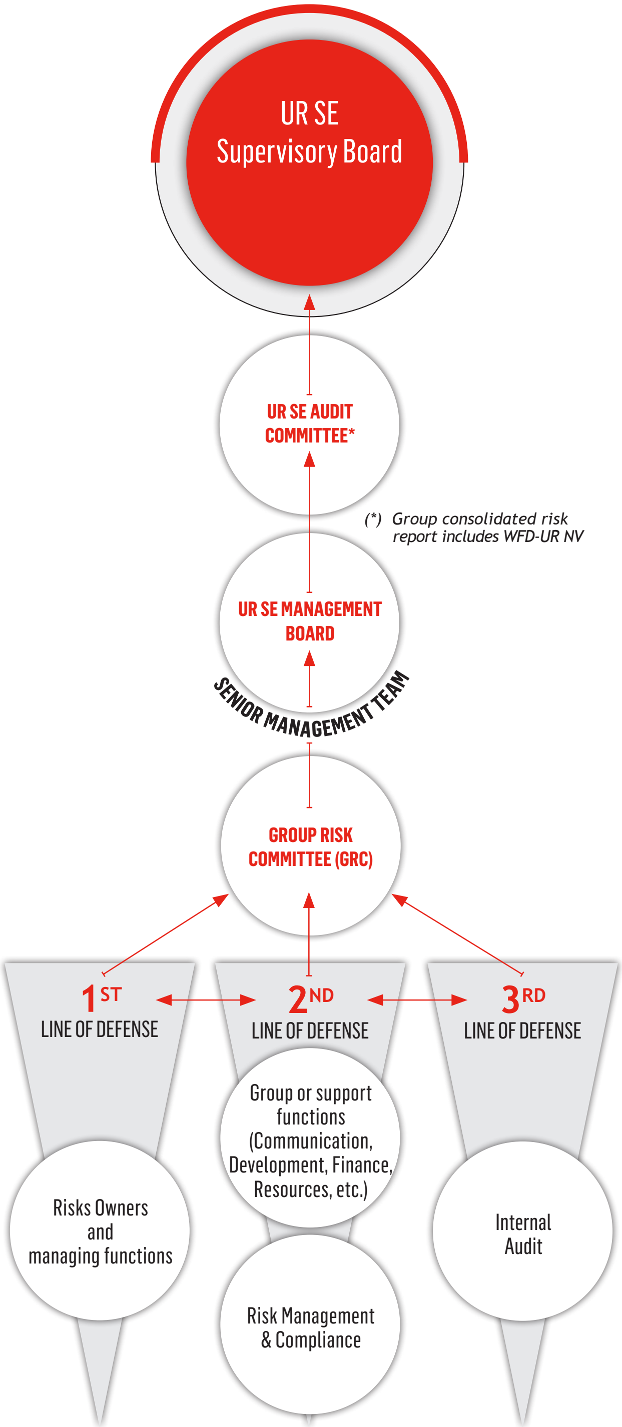
The new ERM framework is articulated around:

- ERM Governance;
- ERM Functional Organization;
- Risks Inventory;
- Risk Methodology;
- Risk Mapping.

The ERM governance is structured as follows:



The URW 3 lines of defence are organized as follows:



Overview of the 3 lines of defense in line with COSO ERM standards.

6.

To detect and design appropriate mitigating measures in relation with any local specificities at continental level, the Group's ERM scheme includes two specific local Risk committees: **the Europe Risk Management Committee and the US Risk Management Committee.**

The responsibilities of Europe and US Risk Management Committees are:

- support the development of a risk culture within the Platforms, promote open discussion regarding risk and integrate Risk Management into the organization;
- provide input to management regarding the URW Platforms' appetite and tolerance;
- embed ERM in all activities;
- discuss the identification and evaluation of risks, within their area, with local risk owners;
- design mitigation measures in collaboration with risk owners;
- monitor the action plans;
- review risk initiatives against the Compliance Book to align assessment and establish training priorities;
- watch over new/emerging risks;
- prepare report for the Risk Coordination Committee and the Group Risk Committee.

The Risk Coordination Committee helps to coordinate activities and ensure common language, framework, methodologies and tools. As a consequence of the stapled share principle (as defined in article 6 of Articles of Association of the Company) this Committee consolidates UR SE and WFD-UR NV Enterprise risk mappings to establish the Group risk mapping proposal including inventory risk and mitigating measures taking into account the materiality of each risk.

The Group Risk Committee (GRC) handles risk monitoring. The Group Risk Committee is composed of:

- the Group CRO (Chairman);
- the Group CFO;
- the President URW US;
- the COO Europe;
- the COO US;
- the Group General Counsel and Group Director of Risk Management (Moderator);
- the Group Director of Internal Audit and Group Compliance Officer;
- the Head of Risk Management Europe;
- the SVP Risk Management US;
- others Europe, US and Group Risk Owners.

This committee aims to align the way Risk Management is embedded in all operations 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 of addressing those risks;
- overseeing, in conjunction with the MB and/or other internal committees, if applicable, that such risks are under control and on line with Group Risk appetite;
- overseeing the division of risk-related responsibilities to each risk owner as clearly as possible and performing a gap analysis and regular reviews to determine that the oversight of any risks is not missed;
- alerting the MB on emerging and developing risks.

To fulfil its responsibilities and duties, the GRC:

- supports the development of a risk culture within the Group, promotes open discussion regarding key risks, integrates Risk Management into the organisation’s objectives and compensation structure, and creates a corporate culture such that people at all levels manage risks rather than ignoring them or take them without a proper risk analysis;
- provides input to management and Senior Management team regarding the Group risk appetite and tolerance;
- monitors the organisation’s risk profile (risk mapping);
- approves the Risk Management policy and plan, which include:
  - the Company’s Risk Management structure,
  - standards and methodology applied to assess risks,
  - risk mitigating measures (Risk Management guidelines),
  - training and awareness programs or information.

The GRC duties and action plan are presented at least on a yearly basis to the MB, AC and SB.The GRC meets at least every 2 months, or more frequently if needed.

The new risk inventory was determined based on the two former risk inventories of Unibail-Rodamco and Westfield legacies and by identifying, if any, the new potential risks following the Westfield transaction.

In 2019, for the first time following the Westfield transaction, the new Risk Management Organization will review the main risk sheets and associated action plans in collaboration with risk owners. Part of the risk sheets will be then discussed and challenged by the AC and SB in the presence of the risk owners. A description of the main risks monitored by this internal control system follows. At the start of 2020, all the risk sheets will have been reviewed and challenged in compliance with the Group ERM Framework.

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 URW's internal rules.

The Group's internal control system is in line with the general principles of the Internal Control System reference framework drafted in July 2010 by the AMF (French Financial Market Authority) working group and is based on:

- standardised procedures;
- accountability of managers in charge of the business, finance and control;
- a committee-based decision-making process for acquisitions, disposals and refurbishment/construction projects; and
- segregation of duties between the executive and control functions.

Note that in consequence of the Westfield transaction, the internal control system from legacy Westfield may differ from the one in place at legacy UR. Consequently, it is currently under review to assess its robustness. Due to the complexity of the deal and the diversity of the business activities, the completion of the effective roll out of the group core internal control processes is planned in 2019.

The Group's control environment was updated following the Westfield transaction and 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 as well as for WFD Unibail-Rodamco NV 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 stapled shares; and
- an Anti-corruption program.

In addition to the Compliance Book, the Group's control environment comprises:

- job descriptions and an appraisal system based on performance targets which will be aligned in 2019 for the entire Group;
- set of delegation of authority and responsibility rules and limits that span all the Group's activities and which should be Implemented in Italy, the UK and the US with appropriate local adjustments;
- 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 internal control system assessment is carried out by the Group Internal Audit Department (composed of 7 FTE located in France and in the United States), 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. To face the new challenges following the Westfield transaction, the internal audit organisation has been reviewed and the size of the team will be increased to 9 FTE in 2019.

The Group CEO or (the Chairperson of) the AC can also ask the Group Internal Audit Department to carry out "flash" assignments in order to provide a rapid response to urgent issues and/or the treatment of new risks or problems. Final audit reports are addressed to the MB and to each department that has been involved in the audit. A summary of audit findings is provided to the AC on a quarterly basis.

URW's Internal Audit Charter sets out the different missions of the audit function. To ensure it remains genuinely independent, the Internal Audit Department reports to the Group CEO and to the Chairman of the AC.

A description of the main risks monitored by this internal control system are set out 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, or not properly assessed, in particular as consequence of the Westfield transaction occurred in 2018 Q2, and/or of which the occurrence is not considered likely to have a material adverse effect on the URW, its operations, financial position and/or results, share price or guidance/outlook as at the date of filing of this Registration Document. By nature, that section does take into account neither potential unidentified or emerging risk at the date of filing of this Registration Document nor any developing identified risk.

In addition, given the geographical scope of URW activities, the potential impact of a same type of risk may differ from a country to another one.

Note: due to the recent Westfield transaction, the Group Risk Mapping is still under review. It may still have some discrepancies or differences in (i) the list of key risks between European and US platforms, or (ii) level of control of such risks at the platform level, or (iii) in the mitigating measures and/or action plan in progress to be implemented. The full assessment of the Group risk mapping is planned to be stabilized by 2019 year end.

The Group Risk Inventory is organized in two categories :

- external environment risks (4 key risks);
- business activities risks (13 key risks).

The risk presented below are ranked on a descending order impacting the Group (first ones being the most impacting). This ranking is the result of the process performed through the ERM Framework described on part 6.1.2 "Group Enterprise Risk Management Framework".

This ranking is established on the potential net impact corresponding to the potential (financial/legal/reputational) impact including current mitigating and reduction measures, whatever being the potential likelihood of the risk event.

The likelihood is mentionned as a subjective assessment performed through the ERM Framework described on part 6.1.2 "Group Enterprise Risk Management Framework".

Please find below the legend used :

Net impact	*** High net impact	** Medium net impact	* Low net impact
Likelihood	@@@ Likely	@@ Possible	@ Unlikely

		Net impact	Likehood
Category #1: Risks inherent to the external environment	Retail Market Evolution/Disruption	***	@@
	Access to capital & Financial Market disruption	***	@
	Climate change and Societal Risks	**	@
	Geopolitical and Sovereign Risk	*	@
Category #2: Operational risks inherent to the business activities	Terrorism & Major security Incident	***	@@
	Development & Construction Management	***	@@
	M&A, In/Divestment	***	@@
	Change Management & Integration	**	@
	Brand & Reputation	**	@
	Material Misstatement & Unreliable forecast	**	@
	IT System & Data: Continuity and integrity	**	@@
	Leasing & Commercial Partnerships	**	@
	REIT Status & Regime (Tax)	**	@
	Corruption, Money Laundering & Fraud	**	@
	Health and Safety (including natural disasters(1))	**	@@
	Legal & Regulatory	*	@
	Recruitment, Retention & Succession	*	@

*(1) Natural disaters *** due to level of uninsured risks in some countries (impacts of local limitations/exclusions/caps in insurance coverages*

These risks are developed below with the associated risk mitigating measures.

CATEGORY #1 RISKS INHERENT TO EXTERNAL ENVIRONMENT

Risk Factors	Risk details	Mitigating measures	Additional information
Retail Market Evolution/Disruption Net impact: *** Likelihood: @@	• Evolution of the consumer trend/preference. • Failure to: • predict and prepare for the impact of change, • develop and implement effective strategy to meet changing market conditions, • compete effectively against direct competitor or new project/offer.	• Regular conduct of social and satisfaction surveys to anticipate changes in social behaviour and customer demand. • Continued development of online and other digital shopper services to adapt to new trends. • In Continental Europe, Loyalty programmes and events in malls to enhance the customers' shopping experience and offers an entertaining experience. • In the US and UK, implementation of the "flagship" strategy. • URW Innovation Lab & URW link start-up accelerator.	More details in section 6.2.1.1
Access to funds, interest rate, foreign exchange rate, counterparties and capital markets Net impact: *** Likelihood @	• Exposure to market risks(fluctuations in interest rates), • Ability to raise financial resources.	• Monitoring of sensitivity to market, credit, interest rates, foreign exchange (FX) risks and counterparty. • Decisions taken by the Group Asset & Liability Management Committee.	More details in section 6.2.1.2
Climate Change and Societal Risks Net impact: ** Likelihood @	• Failure: • to promote local acceptance, • to prevent and monitor environmental pollutions, • to develop green and sustainable value of assets-responsibility in supply chain, • to increase energy and greenhouse gases use and waste/water management.	• Assessment of European assets most exposed to natural disasters. • Extensive public consultations held for all development and extension projects. • Inspection and continuous improvement of existing buildings and technical equipment liable to have an impact on the environment or on personal safety and Environmental risks monitored. • Environmental management systems to improve environmental performance of assets. • Very ambitious CSR Strategy recognized as best in class by investors and indices.	More details in section 6.2.1.3
Geopolitical & Sovereign risk Net impact: * Likelihood @	• Failure to predict: • political instability (economic, demographic, political, environmental factors), • global or continental/regional recession or turnoil.	• Closely followed-up by the Senior Management Team. • Markets and geopolitical watch in place.	More details in section 6.2.1.4

CATEGORY # 2 : OPERATIONAL RISKS INHERENT TO THE BUSINESS ACTIVITIES

Risk	Sub-Risks	Mitigating measures	Additional information
Terrorism & Major security Incident Net impact: *** Likelihood @@	• Non-compliance with authority request/demand. • Failure to prevent terrorism and active shooter (security prevention, threats alert, training, preparation and resources to manage appropriate response). • Failure to mitigate Impact on terrorist attack/active shooter event (Incident response effectiveness and crisis communication strategy and plan).	• Implementation of policy and guidelines. • Implementation of technical solutions for security. • Implementation of a Group Security Committee to follow local requirements and trend. • Information and training for retailer staff. • Crisis management handbook in place and emergency response plans and staff trained.	More details in section 6.2.2.1
Development & Construction Management Net impact: *** Likelihood @@	• Failure in feasibility studies and investment decision process as well as in preventing and monitoring major design execution failure or material overhead. • Failure to comply with on-time opening date.	• Standardised development & construction processes. • Selection of large & reputable contractors. • Tender process implemented. • Insurance policies.	More details in section 6.2.2.2
M&A In/Divestment Net impact: *** Likelihood @@	• Misalignment with URW Strategy. • Failure in acquisition/sale process. • Failure to achieve the €6 Bn announced disposal plan.	• Standardised risk analysis & in-depth due diligence. • Decision-making process is collegial and includes SMT, MB & SB Members. • Centralised regulatory & legal documentation of assets for data room purposes.	More details in section 6.2.2.3
Change management & Integration Net impact: ** Likelihood @	• Failure to create a single Group with shared culture. • Failure to manage organizational challenge. • Failure to capture public announced synergies.	• Prevent key leaders from leaving the Company by specific actions. • Leading of a group wide cultural Integration project. • Implementation of a dedicated integration office and governance in Paris and Los Angeles to take into consideration local specificities. • Early sharing best practices between the two former legacy business functions.	More details in section 6.2.2.4
Brand & Reputation Net impact: ** Likelihood @	• Failure in protecting intellectual property, to implement re-branding strategy, and to coordinate brand across all markets where URW operates. • Failure to develop and maintain a challenging Brand Story. • Failure in group communication and crisis management.	• Focused and measured approach for the re-branding in the Continental Europe, defined by “50 attributes” and branded “Westfield” going forward. • Marketing strategy and monitoring social media for positive and negative publicity. • Despite URW efforts, likelihood of event with potentially negative consequences may occur and the Group is prepared for such events in order to manage and mitigate the risk.	More details in section 6.2.2.5
Material Misstatement & Unreliable forecast Net impact: ** Likelihood @	• Failure to design and maintain effective internal control processes to prevent material budget errors or material financial statement errors (consolidation process) or material public misstatement and/or guidance’s and/or forecasts.	• Closing account check list and internal control processes with use of manuals for accounting procedures. • Harmonization of the consolidation process between the US and EU. • Multiple checks carried out.	More details in section 6.2.2.6
IT System & Data: Continuity and Integrity Net impact: ** Likelihood @@	• Inadequacy between IT & Cyber threats. • Data leakage through IT Systems. • Unavailability of critical IT Systems. • Incapacity to guarantee the integrity (completeness and accuracy) of data and reports generated by IT systems. • Inadequacy between IT and business needs/operations.	• Mitigating measures regularly reviewed and improved. • Annual test of the IT recovery plan. • Cyber insurance policy. • Existence of a two-year full integration plan to enable operational migration of Information Systems.	More details in section 6.2.2.7

Risk	Sub-Risks	Mitigating measures	Additional information
Leasing & Commercial Partnerships Net impact: ** Probabilité @	• Failure to capture the potential upside and define the right rent level. • Failure to manage deferred rent/free period and to prevent/predict tenant default.	• Collegial leasing decision-making process. • Credit analysis for new tenants. • Close follow-up of debtors.	More details in section 6.2.2.8
REIT Status & Regime (Tax) Net impact: ** Likelihood @	• Loss of any Tax REIT Status or tax changes with material negative impact. • Major tax litigation. • Failure to manage and maintain very complex taxation structuring.	• Tax regimes closely followed up by the Group Tax Department. • Tax requirements monitored on a regular basis.	More details in section 6.2.2.9
Corruption, Money Laundering & Fraud Net impact: * Likelihood *	• Failure to comply with International/national anti-bribery and corruption law. • Failure to comply with International/national anti-money laundering law. • Failure to prevent fraud or misappropriation and their negative Impacts.	• The Code of ethics focus on corruption & bribery. • Enlargement of a global Anti-Corruption Programme to the UK & US. • Global assessment within the Group on local practices and close monitoring with local compliance referent.	More details in section 6.2.2.10
Health and Safety (including natural disasters) Natural disaters *** due to level of uninsured risks in some countries (impacts of local limitations/exclusions/caps in insurance coverages Net impact: * Likelihood @@	• Failure to comply with regulation (effective policies and procedures, enforce global monitoring, insufficient/unexperienced resources). • Failure to adequately identify potential hazards and/or structural failure, to have a crisis communication strategy and plan and to mitigate and manage impact of any natural disasters risk.	• Regular inspections of technical facilities that could have an impact on personal safety, property and/or the environment. • Regulatory watch organized for each country to keep local and regional teams aware of new regulations. • Crisis Management Team (CMT) supported by a formal framework, policies and procedures, and teams in charge of H&S regularly trained.	More details in section 6.2.2.11
Legal & Regulatory Net impact: * Likelihood @	• Failure to comply with laws and regulations (government, federal, state, province, local country, sector). • Failure to prevent and mitigate material negative impact of any investigations and/or litigation. • Failure to predict legal changes and adapt the Group Organization in proper way.	• Risks monitored by the Group General Counsel. • Legal Department is organized around three geographical platforms. • Comprehensive legal training on complex or new regulations are performed to raise awareness. • External advisors and law firms provide constant update on both emerging legislation and recent case law on specific matters.	More details in section 6.2.2.12
Recruitment, Retention & Succession Net impact: * Likelihood @	• Failure to recruit appropriate profiles to maintain strategic capabilities. • Failure to retain key people. • Failure to meet people comfort/well-being standards. • Failure to set up and update a formal succession plan.	• Permanent market watch for key external talent. • A yearly 360° review of each employee. • Implementation of a meaningful and attractive Group Compensation & Benefits. • Existence of an effective succession plan for relevant levels.	More details in section 6.2.2.13

6.2.1 RISKS INHERENT TO THE EXTERNAL ENVIRONMENT

URW 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. Moreover, the Group operates in a various number of countries within the world and may face some specific local risks.

In addition to risk factors specific to each category of assets/business sectors, 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 or increasing or emerging risks may have an adverse effect on the Group including but not limited to the sales in Shopping Centres, the value of its assets, its turnover or results, share price and forecasts/guidances, its distribution policy, its development plans, and/or its investment/divestment activities.

6.2.1.1 Retail Market Evolution/Disruption

A long-term deterioration in economic conditions with implications for the rental market and/or investments may have a significant impact on the level of the Group's activities, the value of its assets, its results and its investment and development strategy. The Group's results of operations could be adversely affected by its inability to continue to lease space in its assets on economically favourable terms, or by tenant default, or to adapt its offer and customer experience with new trends and expectations, develop and implement new business models.

The value of the Group's assets (calculated using the fair value method) is sensitive to variations in the appraisers' principal assumptions (yield, rental value, occupancy rates) and is, therefore, subject to material variations that may impact the Group. The rental income of some Group assets may depend on flagship stores/department stores and could suffer a material adverse impact if one or more of these tenants were to terminate their leases 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.

RISK OWNERS: GROUP CEO, PRESIDENT US, EUROPE COO

Risk factors	Mitigating measures
• Risk of changes in the retail sector due to competition from online retail as well as demographic and cultural changes. Anchor department stores and many fashion retailers may change their brick and mortar strategies including store closures. • Risk of changes in user shopping, office and convention exhibition patterns and preferences, including as a result of the growth of mobility, may lead to a decline in asset's square meters rented and could have an adverse impact on Group results. • URW may face failure to develop and implement effective strategy to meet changing market conditions • Competition with other participants in the real estate industry could have an adverse impact on Group's income and its ability to acquire properties, develop land and secure tenants effectively.	The Group has put in place numerous measures to adapt to new consumer trends and attract them: • Annual research performed in each geography (Europe & US) to understand and anticipate shifts in retail, demographic and cultural changes; • Mix Merchandising and Positioning assessments for each flagship asset to future-proof the strategy of the asset and adapt retail mix to new needs; • Expansion of leasing into new types of tenants, including more F&B, Entertainment, Health & Wellness, Luxury as well as Digital brands; • Dedicated plan of physical upgrade of centres including development of event spaces, digital infrastructure, and modular tenant spaces (white boxing for pop-ups); • Continued development of shopper services to adapt to new trends – such as automated parking, wayfinding in centers, Click-and-Collect and Concierge services (valet parking, ticket sales for local attractions, etc.); • Measurement of " the halo" effect to demonstrate the retail power of our physical assets on online spend; • Loyalty programmes and events in malls to enhance the customers' shopping experience and secure URW's share of wallet; • Disposition of non-core or non-competitive assets according to the divestment program[1].

(1) *Refer to 6.2.2.3 . M&A In/Divestment Risks.*

6.2.1.2 Risks associated with access to funds, interest rate, foreign exchange rate, counterparties and capital markets

URW through its activities, is exposed to market, credit, interest rates, foreign exchange (FX) risks and counterparty risk that can generate losses, and affect the access to funding.

RISK OWNERS: GROUP CHIEF FINANCIAL OFFICER, CHIEF FINANCIAL OFFICER EUROPE

Risk factors	Mitigating measures

(i) **Rising cost of access to fund, in particular in case of dramatic interest rates increase, adverse currency movements, debt or equity capital market disruption and/or URW credit rating downgrade.**
URW, through its activities, is exposed to market, credit, interest rates and foreign exchange (FX) risks. These risks can generate losses (e.g. as a result of fluctuations in interest rates and/or FX rates) and affect the access to funding (to repay debt, finance its dividend or its development projects).
Notably, the Group is exposed to:
• Interest-rate risks on the debt it has taken out to finance its investments. An increase or decrease in interest rates could:
  • have a significant impact on the financial expenses and 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 derivative instruments.
• Foreign exchange risks outside the euro zone including US and UK. 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.
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.
• Market risks, which can generate losses as a result of fluctuations in stock markets. The Group either:
  • directly exposed to fluctuations in stock prices due to the ownership of shares or financial instruments, or
  • indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share-based derivatives that are directly correlated with the price of the asset underlying such derivatives.
The use of financing instruments on international markets exposes the Group to extraterritorial regulations 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.
	• Interest rate risk and foreign exchange risk are managed and monitored at the corporate level by the Group Treasury Department, in line with the Group Treasury Policy defined by the Group Asset & Liability Management Committee (ALM Committee).
	• The Group exposure to FX rates fluctuation is partly hedged by either matching investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management goal. The Group aims for a LTV ratio that is broadly consistent currency by currency.
	• The ALM Committee has ten members, including two members of the Management Board (the Chief Executive Officer, the Chief Financial Officer) and the Chief Financial Officer Europe.
	• The ALM Committee meet on a quarterly and ad hoc basis. Throughout the year, the members of this committee received regular information and update on the significant change in the financial environment.
	• The Group Treasury Department regularly provides each member a comprehensive report on the Group's interest rate position and currency exposure, Group's liquidity projections, bank covenant covenant, 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.).
	• Procedures do not allow for speculative positions to be put in place.
	• The Group's market trading guidelines for hedging operations and transactions involving URW shares and its transaction control guidelines are formally set out,ensuring the segregation of duties between execution and control functions.

(ii) **Limited access to funds, in particular in case of unfavorable funding market or URW credit deterioration** The Group's strategy depends on its ability to raise financial resources, either in the form of debt (mainly bank loans, bonds, credit lines and commercial paper) or equity capital, so that it can finance its general operating requirements and its investments. Some events such as: • disruption in the debt or equity capital markets; • a reduction in the lending capacities of banks; • changes affecting the property market or investor appetite for property companies; • a downgrade in URW's credit rating; • a change in business activities, financial position or URW'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 URW's performance deterioration, adverse market movements or material adverse changes.	• Sensitivity to liquidity risk is monitored by the Group Treasury Department in line with the Group Treasury policy defined by the ALM Committee. • The Group Treasury Department regularly provides each member with a comprehensive report on the Group's liquidity projections, Key financial indicators and availability under the Group's committed lines of credit. • URW has put in place undrawn back-up facilities (€8.4Bn as at December 2018). • The Group Treasury Department ensures a regular dialogue with rating agencies with a proactive monitoring of credit metrics. • As part of the Group's funding policy, the Group Treasury Department works on the diversification of its sources of funding and the diversification of its counterparties.

<table>
<tr><th>Risk factors</th><th>Mitigating measures</th></tr>
<tr><td>(iii) Reliability of counterparties or failure to monitor and mitigate counterparty risk
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 case of the default by a counterparty, the Group could:
• lose all or part of its deposits;
• lose the benefit from hedges signed with such counterparties.

This could then:
• result in an increase in interest rate and/or currency exposures;
• have a significant adverse effect on the Group, its results and its financial position.
Due to its use of derivatives, the Group is exposed to potential counterparty defaults.</td><td>• Counterparty risk is monitored by the Group Treasury Department in line with the Group Treasury Policy defined by the Group Asset & Liability Management Committee (ALM Committee).
• The Group Treasury Department regularly provides each member with a report on counterparty risks. Any change in the policy is approved by the ALM Committee.</td></tr>
<tr><td>(iv) Risks related to Credit crunch, Euro break-up, country default, or political instability
The following risks and their potential impacts could be detrimental to the Group and could negatively affect the markets and businesses in which the Group operates:
• credit crunch;
• a Sovereign debt crisis;
• the exit of the Eurozone or the EU by a country where the Group operates. (e.g. Brexit)
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 URW;
• the Group’s ability to meet its commitments in respect of those securities and, more generally, its commitments with respect to its debt.</td><td>• Regular market monitoring and sensitivity analysis, by the Group Treasury department, to assess liquidity, rates and FX risks.
• URW has put in place undrawn back-up facilities (€8.4 Bn as at December 2018).
• Diversification of sources of funding and counterparties.
• 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.</td></tr>
</table>

6.2.1.3 Risks associated with climate change and societal risks

URW places Climate Change and Societal Risks at the heart of its strategy with an integrated commitment to reduce its Group carbon footprint. The Group is developing a global Corporate Social Responsibility (CSR) strategy based on environmental best practices, social fairness and transparent governance. "Better Places 2030" aims to address the main challenges faced by the Group with its operationnal activities.

Each of URW's real estate assets is potentially exposed to damages caused by any potential impact of climate change including natural disasters that may have a significant adverse effect on the properties concerned and similarly on the Group, its results and its financial position. For more details on natural disaster, please refer to 6.2.2.11 "Health and Safety" and to 6.3 "Transferring risk to the insurance market". For the Global Corporate Social Responsibility policy, please refer to section 2.1.3.2 "CSR risks and opportunities".

RISK OWNERS: GROUP CHIEF RESOURCES OFFICER, GROUP DIRECTOR OF CORPORATE SOCIAL RESPONSIBILITY.

Risk factors	Mitigating measures
URW may face new risks related to climate change and its corporate social responsibility (CSR) in the several areas: • local acceptability; • environmental pollution linked to the development and/or operation of assets; • responsibility in supply chain linked with the activity of one or several tenants and contractors affecting the Group image; • energy and greenhouse gas with limited availability and increase in prices of fossil fuels or excessive energy consumption (lighting, heating/cooling); • "green"/sustainable value of assets and of the Company; • waste and water management.	• In 2016, the Group performed an assessment of the European assets most exposed to natural disasters. Action and crisis management plans are in place to enable rapid response in the event of an incident. Moreover, in continental Europe, an annual review is done by PMPS with each region on Health & Safety risks and environmental issues. (cf. Section 6.2.2.11 H&S Risks). • Extensive public consultations held for all development and extension projects, building long-term partnerships with the territory's stakeholders (local residents, public authorities, and associations), frequent measurement of the social-economic impact of the Group assets (direct and direct employment) and "UR involved" program to promote URW Continental European centers. In the US, the UK and Italy, a permitting and plan approval process for every municipality is part of any development project. Part of that process involves an assessment of the economic impact of the project and then a local acceptability assessment. • Inspection and continuous improvement of existing buildings and technical equipment liable to have an impact on the environment or on personal safety and Environmental risks are monitored through a specific Group committee reviewing specific actions and results. • The Group put in place an environmental management system to improve environmental performance of assets, invests in energy efficient equipment when replacing existing facilities. URW redacts energy performance contracts with suppliers and ensures engagement of tenants in energy/carbon reduction actions. • The Group set up engagement to diversify the retailer mix, commitment to promote smaller national and local retailers, supporting entrepreneurship and local concepts, signing voluntary and contractual agreements on sustainability issues with tenants and organizing sustainability meetings with tenants. • URW is working with retailers to promote recycling and programs aimed at reducing waste. • Very ambitious CSR Strategy recognized as best in class by investors and indices.

6.2.1.4 Risks related to Geopolitical instability and Sovereignty

As any international group, URW may suffer from instability, volatility, or sudden/unanticipated change in international geopolitical environment. This environment could also negatively affect the Group's operations and profitability, its solvency and of its counterparties, the value and liquidity of the URW securities, its ability to meet its commitments in respect of those securities and, more generally, its commitments with respect to its debt.

RISK OWNERS: GROUP CEO & SENIOR MANAGEMENT TEAM.

Risk factors	Mitigating measures
Geopolitical risks remain a material market factor especially in an environment of international slowing growth and elevated uncertainty about economic outlook. Those risks are mainly related to Europe fragmentations, US-China relations, global trade tension and sovereign debt crisis.	• The identified risks are closely followed-up by the Senior Management Team, notably by studying strategic decisions and surveys, diversifying the geographical activities or funding sources, implementing appropriate measures when possible in line with market practices or anticipations, and interactions with relevant governmental bodies. • Markets and geopolitical watch in place.

6.2.2 OPERATIONAL RISKS INHERENT TO THE BUSINESS ACTIVITIES

6.2.2.1 Terrorism & Major Security Incident

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 and potential active shooter, which may have serious consequences on persons and property. The activity and the footfall to an asset subject of an act of terrorism or some assets located in the country concerned would suffer variable consequences depending on the gravity of the event and the period of time and could have a significant adverse effect on the Group, its results, its financial position, its assets value and its brand and reputation.

While the threats of a terrorist attack are highest in the UK and Continental Europe, the risk of an active shooter is most likely in the US.

The global new branding in progress and the iconic status of some assets increase the level of threats on the Group assets.

RISK OWNER: CHAIRMAN OF THE GROUP SECURITY COMMITTEE.

Risk factors	Mitigating measures

• The risk of failure of security measures to:
  • be compliant with authority request/demand,
  • prevent/mitigate the impact of a major security incident affecting the capability of URW to assure persons' security, property integrity and to maintain the brand reputation,
  • enable teams to react properly during a major security incident including terrorist attack or active shooter affecting the capability of URW to assure persons' security and property integrity.
• The risk of failure of crisis management measures (at the headquarter level and asset level) to mitigate the impact of a major incident.
	• Measures were taken in 2018 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,
	  • developing security policies and procedures implemented at all locations with physical security measures and access control appropriate location per location,
	  • implementing a global security governance and guidelines,
	  • participating in the US on security campaign as developed by the US Department of Homeland Security,
	  • implementing at Group Level a local Security referents committee to manage and standardize the Group's practices in line with local regulations,
	  • reinforcing strong relationship with regular meetings with intelligence agencies and police authorities,
	  • providing training to shopping centres' management teams to identify and manage situations linked to terrorism and active shooters,
	  • giving security guidelines for Development Project and working with Development team.
	• Crisis management handbook in place and recurring exercises on sites are conducted.
	• Emergency response plans and all SCM staff trained.

6.2.2.2 Development, Design & Construction Management

URW conducts construction and refurbishment activities in the office, shopping centre, hotel, residential, and Convention & Exhibition property segments. This ambitious development pipeline involves significant investment of financial capital, human resources and senior leadership time and attention. While, it represents a huge opportunity in terms of capturing market share in the relevant markets and of creating a flagship model to distinguish URW from the competition, such pipeline may imply significant cost and inability to design appropriate asset and/or deliver it in due time with negative impacts on the Group.

RISK OWNERS: GROUP CHIEF DEVELOPMENT OFFICER AND MANAGING DIRECTOR OF DEVELOPMENT.

Risk factors	Mitigating measures

• Failure to comply with feasibility studies and investment decision process as well as project definition, which may not be aligned with the Group's strategy and/or future tenant and customer demand, generating potential vacancies or letting at inadequate rent levels.
• Failure to control the construction costs (staying on time and on budget, managing fluctuations and technical constraints).
• Failure to comply with on-time opening date that results in project cost overruns.
• At UK and US level, the Group owns sometimes the responsibility of general contractor and faces potential claims, hazards or financial penalties from JV partners or external third parties.
• Failure to find JV partners and/or appropriate project funding.
	• Any investment decision for a development project is submitted to an authorisation according to Group's decision making process.
	• The progress of the project, its budget and returns are reviewed quarterly by the Controlling Department at Group level and by the Senior Management team during pipeline reviews or 5 year business plans.
	• The Group Chief Development Officer and Managing Director of Development of URW are regularly monitoring the status of the project on all aspects.
	• Third-party specialist advisors and consultants are employed throughout the pre-development phase to assist in identifying potential hurdles with external stakeholder and developing action plans to successfully navigate the issue.
	• Group's construction projects are carried out in countries where the Group has a local team. At Continental Europe level, 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. 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,
	  • construction and renovation costs are kept under control and remain in line with initial budgets,
	  • building complies with the Group's Environmental Quality Charter and any regulations applicable to owners, and
	  • appropriate time is built into the construction schedule to allow for anticipated changes that might develop during the project.
	• Strong experience and internal control process to monitor potential delays or claims with third parties. In addition, insurances policies cover the Group responsibilities.
	• In case the project is developed through a JV, pre-development design, leasing, returns, time schedule and construction plans are developed and shared with JV partners in complete transparency in order to ensure a successful funding of the project.

6.2.2.3 Mergers & Acquisitions: Investment and Divestment

URW may face to a number of risks in connection with any acquisitions of property assets and related redevelopment projects that the New Group may undertake. The value creation process is based on investment and divestment of assets. The profitability of these operations depends on undertaken and initial assumptions, market conditions, tax, quality of assets, legal & regulatory documentation of assets.

RISK OWNER: GROUP CHIEF FINANCIAL OFFICER.

Risk factors	Mitigating measures
The Group faces several risks: • the risk of misalignment of the investment and disinvestment targets with the Group strategy; • the risk of unsuccessful acquisition or sale due to incorrect underwriting assumptions. • the risk of failure to achieve the €6 Bn announced disposal plan	• Management Board and project team closely involved in the transactions 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 an Investment Committee comprising the Group CEO, regional COO, Group CFO and Corporate Investment team, Group CDO (for property development and re-development), and the relevant Regional Managing Director and regional Investment teams. • All projects are approved internally by a strong review process (Investment committee). • Major projects above €25 Mn and outside the Group strategy are reviewed and approved by the Management Board and the Supervisory Board • Due diligence carried out with the assistance of external advisors. • Assumptions are reviewed by the Investment Committee and by external advisors.

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6.2.2.4 Change Management & Integration

While the integration process is underway and on target, Change Management & Integration risk will likely remain a key risk for at least the near future. The potential failure to operationally and culturally integrate former Unibail-Rodamco and former Westfield legacy organizations may impact overall operational and financial performances of the Group.

RISK OWNERS: GROUP CHIEF RESOURCES OFFICER AND GROUP DIRECTOR OF HUMAN RESOURCES AND ORGANIZATION.

Risk factors	Mitigating measures

• Failure to create a single Group relating to the inability to manage the organizational and cultural integration challenges leading to the loss of the synergy and adversely impacting overall operational and financial performance results *and/or* the implementation of the Group strategy.
• The potential failure to create a common culture and common ways of working leading to lower commitment and high turnover of talent.
• Failure to create and effective organization structure supported by clear processes.
• Failure to capture public announced synergies.
	• Prevent key leaders from leaving the Company by specific actions:
	  • appointment process of best qualified people (from ex Unibail-Rodamco and ex Westfield) to top managers positions,
	  • retention scheme for identified managers,
	  • establishment of Succession plan process for top managers.
	• Leading of a groupwide cultural Integration project:
	  • launch of a cultural survey within the new group with high response rate,
	  • workshops performed to build a common Group culture during the management convention with 400 top managers of the new group,
	  • intercultural trainings for employees to better understand cultural differences,
	  • project to define new corporate values.
	• Implementation of a dedicated integration office and governance in Paris and Los Angeles to take into consideration local specificities.
	• Publication of a clear organization manual and regular updates on the Compliance Book.
	• Full time support by the Organization team with regular update to Management Committees (SMT, SB) and specific support of external consultants.
	• Early sharing best practices between the two former legacy business functions, design of global platforms (Digital, International Leasing, Commercial Partnerships) to capture future revenue synergies.
	• Financial Synergies (cost and revenue) are tracked by the Finance team. Top management benefit from incentive program to capture announced synergies.

6.2.2.5 Brand & Reputation

The Westfield brand and URW's reputation are valuable assets giving rise to competitive advantages with consumers, retailers, investors, prospective employees among others. Damage to the Westfield brand or URW's reputation could impair or negate those competitive advantages or cause competitive disadvantages. Such damages can arise as a consequence of other event risks such as among others terrorism & major security incidents, corrupt or illegal behaviour, breaches of trust or integrity. The prevention of such events is focused in the Group risk management framework.

RISK OWNER: GROUP DIRECTOR OF BRAND AND STRATEGIC MARKETING.

Risk factors	Mitigating measures

• The possibility of the failure of the re-branding and marketing strategy affecting the expected results and/or leading to a decrease of the brand value. Transcontinental activities could affect the monitoring of the brand due to exposure in two continentals and many countries.
• The risk of confused external communication affecting the confidence of the shareholders and financial markets.
• The possibility of improper communication response plan to a media and social media or an event risk impacting the brand reputation.
• The risk of a contamination of a reputational damage of SCenters (Brand licensee for Australia and New Zealand) affecting the confidence of URW consumers, investors and stakeholders.
	• The Group put in place a focused and measured approach for the re-branding in Continental Europe, defined by "50 attributes" and branded "Westfield" going forward.
	• Additional research to understand the impact of the rebranding will be implemented.
	• The Group put in place a global Marketing Strategy with local marketing manager at centre level. A Group Brand Director manages the Westfield Brand Story.
	• The Group monitors social media for positive and negative publicity.
	• Despite URW efforts, likelihood of event with potentially negative consequences may occur and the Group is prepared for such events in order to manage and mitigate the risk:
	  • incidence response plans and crisis management playbook are in place,
	  • Crisis Management Team (CMT) supported by a formal framework, policies and procedures,
	  • organization of regular crisis management exercises,
	  • monitoring of the social medial and 24 hours news cycle, which can increase the impact of an adverse event.
	• URW signed a contract with SCenters, which guarantees the application of principles that prevent tarnishing the image of Westfield brand.

6.2.2.6 Material Misstatement & Unreliable forecast

Unreliable forecast and/or accounting mistakes might have a material impact on financial accounts, which may led to material misstatement, financial miscommunication or to profit warnings. Such errors might affect shareholders' confidence and market trust and result in material financial Impacts, brand damage and loss of reputation.

RISK OWNERS: GROUP CHIEF FINANCIAL OFFICER AND CHIEF FINANCIAL OFFICER EUROPE.

Risk factors	Mitigating measures

• The risk of failure to ensure accuracy of the budget or forecast, including in a post-transaction period, affecting the capability of URW to produce reliable financial statements and market communication.
• Risk of an error of appreciation or a technical error in consolidation including in a post-transaction period, affecting the capability of URW to assure reliable financial statements and market communication.
• Risk of financial misstatement, leading to profit warnings.
	• Closing account check list and internal control processes.
	• 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.
	• A dedicated training team has been sent to the US as well as an operating manager in order to train the finance US team on Budget Plans; two expats sent to join the US Finance team.
	• Harmonization of the consolidation process between the US and EU:
	  • implementation of common processes and QFR templates Quarterly Flash Report. 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,
	  • 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: verification of consolidation methods and resulting adjustments, reports of external auditors analysed, changes in budget and forecast cross-checked with the controlling department and Group financial statements are reviewed by the Statutory Auditors before being presented and explained to the MB and the AC and ultimately to the SB.

6.

6.2.2.7 Information Technology System & Data: Continuity and Integrity

Information Technology (IT) Systems are core resources for the Group as they support business processes in their day-to-day operations. Indeed all business units depend on Information Technology Systems' ability to provide support continuously and to respond swiftly and effectively to any disruption.

Therefore, the Information Technology Systems must be reliable in various aspects notably Data Confidentiality (protection of sensitive data), Continuity of critical IT activities (availability of the systems and data needed by the businesses to carry out their operations) and Data Integrity (comprehensive and accurate data).

RISK OWNER: GROUP IT DIRECTOR.

Risk factors	Mitigating measures

• The risk of failure of IT security measures to prevent a cyber-attack affecting the capability of URW to ensure data confidentiality and/or integrity and/or affect IT continuity.
• Personal data and/or confidential data are leaked through IT systems[1].
• URW could not be able to carry out its main activities as critical IT systems are not available.
• Due to technical or organizational vulnerabilities, URW is not able to ensure the integrity of data produced by the IT systems.
• The risk of failure to deliver IT services to support business and operations needs which will lead to a misalignment between IT investments and business strategies, and a poor IT service quality.
	• URW's IT risk management approach is largely based on:
	  • an Information Systems Security strategy rolled out in order to prevent cyber-risks, detect security incident and react to remediate security incidents. This includes maintenance of IT infrastructures up-to-date in terms of security patches and anti-malware protection, several IT security audits…,
	  • contractual commitments requiring the partner to implement the necessary technical and organizational security measures, as well as notifying URW for any security event that could have an impact on URW (including patchs, passwords etc.),
	  • an IT Security Incident & Crisis Management process is in place, with specific procedures in case of a major security event/crisis,
	  • existence of committees/meetings to review IT activities and investments and one IT security committee,
	  • security review of IT projects to identify main risks and associated action plan to mitigate them. The Security Incident & Crisis Management process is linked to the GDPR Data Breach Notification process when a security incident involves personal data[2],
	  • an IT Disaster Recovery Plan implemented and a strong backup policy is in place on workstations and servers. The IT Disaster Recovery Plan is tested on a yearly basis.
	• Existence of a two-year full integration plan to enable operational migration of Information Systems.

(1) Refer to risks related to Personal Data Protection in 6.2.2.12 Legal & Regulatory.
(2) Refer to 6.2.2.12 Legal & Regulatory.

6.2.2.8 Leasing & Commercial partnerships

Group's ability to collect rents depends on the solvency of its tenants. Tenant creditworthiness is taken into consideration by URW before it enters into a specific lease. Nevertheless, it is possible tenants may not pay rent on time or may default on payments, especially the payment policy in more difficult economic environment. In addition, a bad marketing mix due to the rebranding of assets in Europe and a lack of alignment on payments of the Group's strategy could appear.

This could materially affect the Group's operating performance and/or its results.

RISK OWNER: EVP, GROUP DIRECTOR OF INTERNATIONAL LEASING

Risk factors	Mitigating measures
• Retailers are selective in deciding which Shopping Centres to place their stores. Part of a retailer's decision revolves around consideration given to the level of deferred rent, rent-free space, and tenant fit-out allowances that the shopping centre landlord provides as part of the deal. Managing the level of these accommodations to retailers is important to URW in maintaining overall profitable levels of lease income. URW could also lease assets and particularly shopping centres not at the appropriate profitable revenue levels. • The risk of retailer bankruptcies and store closings are occurring more frequently. Anchor department store closing also impact a given URW shopping center or assets. With this growing trend monitoring the financial health of tenants and having appropriate response strategies in place is ever more important. • The risk of the inability to turnover tenant space on time could be increased by the unrealistic rental starting date, the inability to deliver project on time and on budget or the lack of coordination between Leasing, Tenant Coordination, Development and/or Shopping Center Management. • The potential failure of the development of commercial partnership as well as speciality leasing and brand events across the Group could affect the reputation and the brand of URW. Expected identified synergies to develop this business activity can not appear due to misunderstanding of customers, retailers and markets needs.	• Targets (e.g. prices, deadlines and prospective tenants) are defined within each region in collaboration with a Group level team and are approved by the SMT. Major leases in terms of value and/or special terms and conditions must be internally approved in advance. • Regular governance meeting with leasing team and finance team members to review deal to ensure accuracy with Group Strategy. • The leasing of assets is handled by dedicated teams with, for Office Division, support from leading external brokers. • The large number of tenants in the Group's shopping centre portfolio minimises the associated risks in the event of the insolvency of any retailer. • Most tenants are required to provide financial guarantees, such as a deposit, first-demand guarantee or surety bond equal to a multiple of the monthly rent. • Late payment reminders are systematically issued in respect of late payments and are monitored by local teams in each region in the frame of a robust debt collection process. • Payments for ancillary services provided by the Convention and Exhibition division generally received in advance, thereby reducing the risk of unpaid debts. • Constant review and tracking of the tenancy report – which tracks vacancies, tenants in distress, new deals, and lease expiration schedule over next three years. • Strong internal control processes to approve allowances for tenants as well as level of rents. • Monthly meetings with Development, Construction, Leasing, and Tenant Coordination to monitor the progress of project completion and to adjust tenant space delivery schedules accordingly. • Implementation of a global International Leasing platform to develop the transcontinental sourcing. • Dedicated roadmap in place to develop cross fertilization between the two platforms, to develop retailers relationship. Strong experienced team in the US and the UK to coordinate the development.

6.2.2.9 REIT Status & Regime (Tax)

URW is subject to tax in the countries in which it operates and aims to comply with its world-wide tax obligations in respect of all processes and transactions it undertakes. In some countries, a special tax regime for real estate investors exists (hereafter in general: REIT regime, and the entities using such regime: REITs). Whereas a REIT regime leads to a lower tax burden at Group level, at the same time the one of the basic principles is that a REIT is obliged to distribute most of its income, which is subsequently taxable at the level of the shareholders. If and to the extent that URW opts to make use of such regimes, it will be obliged to meet the respective local requirements, which differ per country. Any failure to comply with the material tax requirements imposed by the local REIT regimes or any material change or loss of a local REIT regime could have a significant adverse effect on the Group, its results or financial position.

RISK OWNER: GROUP DIRECTOR OF TAX.

Risk factors	Mitigating measures
• URW is exposed to changes in the tax rules that are currently in force in the countries in which it operates. • The loss of the possibility to use a local REIT regime and/or any major changes in the various local REIT regimes could have a significant adverse effect on the Group. • Continuous attention is needed to be able to comply with tax obligations, against the background of an ongoing increase of the complexity of the tax regulations and interpretations thereof. And to maintain or manage very complex taxation structuring. • Disagreements with the local tax authorities could face the Group with tax litigation with public authorities. Incorrect tax payment could affect URW reputation with a financial impact.	• 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. • A continuous monitoring process is in place to ensure that the Group is in line with the requirements as prescribed by the various REIT regimes. • An experienced Group Tax Department is in place. In addition, tax issues, including potential tax litigations, are closely followed by an internal Tax Committee and the Audit Committee. The Group Tax Department follows developments with external expert lawyers in each country where the Group operates.

6.2.2.10 Compliance risks: Corruption, Money Laundering & Fraud

URW conducts its business in 13 countries and drives its real-estate activity with a wide variety of actors and business partners. Due to its activities and relationship with business partners, URW faces failure to comply with international and national anti bribery, corruption, money laundering & fraud regulations. The Group is also listed in various markets and must comply with several requirements.

RISK OWNERS: GROUP GENERAL COUNSEL, GROUP DIRECTOR OF RISK MANAGEMENT, COMPLIANCE & INSURANCE AND GROUP DIRECTOR OF INTERNAL AUDIT AND COMPLIANCE.

RISKS RELATED TO CORRUPTION

Risk factors	Mitigating measures
As a global company, URW complies with the highest standards in this particular field and with anti-corruption regulations such as the French Sapin II law, the Foreign Corrupt Practices Act "FCPA" (US) or the UK Bribery Act "UKBA" (UK). Failure to comply with anti-corruption regulations and lack of transparency can lead to: • material reputational damages; • financial, administrative or disciplinary sanctions; and • may have a negative impact on investors' trust.	• A rigorous Anti-Corruption Programme (ACP) applicable in every entity controlled by the Group. This Programme is based on a "zero tolerance" principle against 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 of third parties with the Group's ACP. 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. In 2018, the most exposed departments were trained to the ACP and to the "Know Your Partner" procedure in every European region. Further to the acquisition of Westfield, the "Know Your Partner" procedure is being rolled-out in the US, UK and Italy. • A policy regarding gifts, invitations, sponsoring and charitable contributions is implemented 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. • Local Compliance Correspondents support the coordination of the ACP and manage processes and procedures in each region. • During the 2018 financial year, no incident of corruption was reported. • Following the acquisition of Westfield, the ACP was updated to reflect the new group organization. The new Group ACP was provided to all URW staff upon completion of the acquisition. Local Compliance Correspondents were appointed in the UK, US and Italy to support local coordination of the ACP. An Anti-Corruption project was launched to roll out the Group ACP in these regions. The main objective is to introduce and raise the awareness of former Westfield employees to the principles set forth in the ACP and to roll out the "Know Your Partner" procedure. • In 2019, the Group ACP will be strengthened by a dedicated training module available to all URW staff and describing the general principles related to the prevention of corruption.

RISKS RELATED TO LOBBYING ACTIVITIES

Risk factors	Mitigating measures

While conducting real-estate activities, URW 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 on 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, URW 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 legal requirement.
	• In 2018, according to new obligations set forth by the Sapin II law, the Group reported to the French High Authority for Transparency in Public Life some information related to its lobbying activities such as:
	  • the kind of public decisions targeted by lobbying activities,
	  • the kind of lobbying activities undertaken,
	  • the topics covered by these activities, identified by their purpose and area of intervention,
	  • categories of public officials the lobbyist has communicated with.
	The annual mandatory lobbying disclosure and information provided are available on the High Authority website.

6.

RISKS RELATED TO ETHICS AND INTEGRITY

Risk factors	Mitigating measures

As a global company listed on the Paris and Amsterdam Stock Exchanges, URW is committed to performing its activities in a transparent, ethical and upstanding way.
According to its reputation as the premier global developer and operator of flagship shopping destinations, failure to comply with ethical and compliance standards may:
• result in substantial financial, administrative or disciplinary sanctions, negatively impact the trust that stakeholders placed in the Group; and
• result in substantial reputational damages.
	• URW has implemented a Compliance Programme applying 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 Director of Internal Audit and Compliance and is founded on 3 pillars - prevention, detection and correction.
	• Following the acquisition of Westfield, the Code of Ethics was updated to reflect the new group organization. This Code was provided to all company staff (i.e. Europe & US).
	• The Group'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. The Code of Ethics has been translated into the various working languages of the Group and is published on the corporation internet and intranet sites.
	• The Group's Code of Ethics is supplemented by:
	  • an annual e-learning module to all companies' staff and designed to raise their awareness on ethics. This year, employees from former Westfield also attended the e-learning module,
	  • a Group reporting system encouraging company staff to report any violation or breach to the Group Director of Internal Audit & Compliance.
	• Contracts signed with Group's suppliers include a clause on ethical business behaviour as well as explaining that suppliers are expected to uphold the standards described in the Group Code of Ethics, the clause describes the required steps to report potential or proven breaches.
	• Contracts signed with Group's suppliers include a clause on ethical business behaviour as well as explaining that suppliers are expected to uphold the standards described in the Group Code of Ethics, the clause describes the steps to report potential or proven breaches.
	• Any material breach is reported to the French financial market authority, which would then make this information public via its website. In 2018, the Group did not report any material breaches.

RISKS RELATED TO STOCK MARKET REGULATION

Risk factors	Mitigating measures
URW is a global company listed on various stock markets such as Paris and Amsterdam. The Group is also a member of: • the CAC 40; • Euronext; • 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, URW is required to comply with various regulations and requirements aiming at fostering market transparency in order to provide clear, real 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 (MAR) related to insider trading is detailed in the Insider Trading Rules procedure, setting out common principles applying to the qualification of Inside Information, the disclosure of such information, trading bans during pre-defined periods of time and disclosure requirements for designated persons. A Group Disclosure Committee (GDC) is responsible for qualifying Inside Information if any. To reflect the new Group organization, the Insider Trading Rules were updated further to the completion of the acquisition.

RISKS RELATED TO 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.

6.2.2.11 Health and Safety including natural disasters

As a property owner or manager, URW has to comply with local environmental and health and safety regulations in each country where it is active. A potential failure to comply with these regulations, or the need to comply with significant new regulations that may be introduced could lead to fines, penalties, prosecution, closures, delays-on development of the Group's activities. This could potentially affect URW's results and its financial position as well as its general liability, brand and reputation.

The Health & Safety Risks during operations include all unwanted events with a possible negative impact:

- on people: employees, visitors, tenants, suppliers, contractors and local communities;
- on the environment;
- on the building;
- on the business continuity.

The risk of injuries, fatalities or property damage at a URW property are ever-present. Significant measures are employed to prevent the most serious foreseeable types of health and safety events.

RISK OWNERS: CHIEF OPERATING OFFICER EUROPE & CHIEF OPERATING OFFICER US.

Risk factors	Mitigating measures
• The possibility and impact of non-compliance with law, regulations and Group Policies & Regional related to Heath & Safety (H&S), leading to prosecutions and financial sanctions. • The possibility of failure to adequately identify potential hazards and/or structural failure. The Group is potentially exposed to damages caused by an accidental event leading to ill health, injuries or death with the associated impact on brand, reputation, business disruption and legal intervention, prosecutions and sanctions. Moreover, a non-adapted response to an accidental event could lead to financial losses and impact on the image of the Group. The risk of natural disasters affecting assets resulting in financial impact, in a significant business disruption or in people injury, or deaths. The management of this risk differs according to the region. In the US, assets are much more exposed (climate change, health or ecological crises, etc.).	• The Group regularly arranges inspections of technical facilities that could have an impact on personal safety, property and/or the environment. Every asset completes mandatory regulatory inspections and completes corrective actions as required. • Regulatory watch is organized for each country to keep local and regional teams aware of new regulations, which enable them to setup corresponding action plans. • All assets have fire alarm and fire sprinkler systems tested as required by regulations and utilization of safety and building maintenance software to ensure scheduled inspections and corresponding corrective actions are completed. • Training sessions are organized with a minimum frequency of one per year by Synergies & Expertise team for PMPS newcomers, presenting the group H&S risk management policies at Continental Europe level. • In Continental Europe, a Health and Safety annual risk assessment was conducted in 2018 for all managed assets in all regions to mitigate health and safety risks such as water, air, lead, asbestos and Legionnaires' disease. • Crisis Management Team (CMT) supported by a formal framework, policies and procedures, and teams in charge of H&S regularly trained. Action and crisis management plans are in place to enable rapid response in the event of an incident. • An assessment of European assets most exposed to natural disasters (flooding, storm and earthquake) exists and is regularly updated. For assets potentially exposed to natural disasters, emergency response plans are defined by the asset technical manager or risk manager with support by regional and corporate teams. The insurance coverage for all assets regarding natural disasters is managed by corporate insurance team. • In US, insurance broker conducts a "catastrophe loss expectancy analysis" for the catastrophic perils of flood, hurricane, and earthquake in conjunction with the annual insurance renewal that provides guidance as to the potential cost associated with damages from any one event, and which is used in the selection of limits of insurance purchased.

6.2.2.12 Legal & Regulatory

URW must comply with a wide variety of laws and regulations in all countries in which it operates as well as with some extraterritorial regulations, and, in particular, with European and American regulations. The risk of failing to comply with applicable laws and regulation may result in a major violation causing either a negative reputational impact of result in fines or the loss of required license for doing business and/or any other legal action.

RISK OWNER: GROUP GENERAL COUNSEL AND GROUP DIRECTOR OF RISK MANAGEMENT, COMPLIANCE & INSURANCE

Risk factors	Mitigating measures
• Failure to comply with law and regulations at governmental, federal, state, province, local country or sector level on, among others: • financial rules, • securities law and regulations, • general competition regulations, • urban planning regulations, • construction and operating permits and licences, • health and safety regulations (including for assets that are open to the public), • environmental regulations, • lease laws, • labour regulations, • personal data protection, • corporate and tax laws. • Failure to prevent or mitigate material negative impact of any investigations and/or litigation. • Failure to predict unexpected changes in regulatory framework and/or the loss of benefits associated with a status or an authorization could require URW to: (i) adapt and/or reduce its business activities, its assets or its strategy (including geographical presence), and/or (ii) face additional constraints and/or costs. All this can lead to a significant adverse effect on the value of its property portfolio and/or its results, and/or 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 and • 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 URW complies with the regulations that govern its operations. • The Legal Department is organized around (i) three geographical platforms (Continental Europe, UK, US) each managed by a General Counsel, and (ii) a Group Legal Support (a Head of Group Corporate & Security Lax, Corporate & Security Law and Head of Data & Brand Protection). They are charged with protecting the Group's interests in contractual matters, drawing up standard contracts and supervising litigation. • On a recurring basis, each local Legal Department provides the Group General Counsel with formal progress reports on the Group's main outstanding disputes and major legal topics. • There is an internal alert process to inform the Group General Counsel of any (potential) major litigation, major litigation or relevant legal topic. • Comprehensive legal training on complex or new regulations are performed to raise awareness. • The Group in-house lawyers are specialists in jurisdictions in which the Group operates and set the network of external counsel and experts as required. • External advisors and law firms provide constant update on both emerging legislation and recent case law on specific matters. • 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.

RISKS RELATED TO PERSONAL DATA PROTECTION

Risk factors	Mitigating measures
• In the course of its activities, URW collects and processes diverse personal data from customers, employees, business partners and service providers. On May 25, 2018 European Regulation on personal data enters into force, embodying a new era for companies processing personal data: (i) financial risk increases up to €20 Mn or 4% of the worldwide turnover (higher of), (ii) companies' accountability replaces previous notification and authorization rules (more inspection from data protection authority, more emphasis on rights of data subjects), (iii) material reputational risk.	A Group action plan was launched in 2017 and monitored by the legal team. The deadlines have been met thanks to the implementation on the Continental European perimeter (former UR Group), of several outcomes on: • marketing: a new consent and customer privacy policy as well as customer claim management process; • organizational & technical processes: retention period policy, data breach notification process, update of the employee privacy policy, IT Security; • communication & awareness campaign: Group wide e-learning training on GDPR for each employee and specific trainings for business population (marketing, IT, HR); • implementation of the register by each region ; • signature of data processing agreement with major IT contracts service provided; • processes and registers related to GDPR regulation were implemented. So as to align the level of compliance after the Westfield acquisition within the Group, a new governance and specific actions have been set out: • appointment of one Head of Group Data & Brand Protection, Data Protection Officers and Local Data Protection Correspondents network set up; • set out of an escalation process; • harmonization of UR & Westfield practices and policies; • preparation and monitoring of the Californian Consumer privacy Act (CCPA) of with US team are also planned; • inclusion into the GDPR of the UK.

6.2.2.13 Recruitment, Retention & Succession

To successfully implement its challenging strategy and achieve its targets, the Group rely on its people. Insufficient and inadequate human resources or inability to attract or retain talented people could prevent the Group from reaching its objectives

RISK OWNERS: GROUP CHIEF RESOURCES OFFICER & GROUP DIRECTOR OF HUMAN RESOURCES & ORGANIZATION.

Risk factors	Mitigating measures

• Failure to recruit appropriate profiles to maintain strategic capabilities.
• Failure to retain key people: Low employee commitment could result in high turnover, team instability and loss of knowledge, which would jeopardize the performance of the Group. The Group may have difficulty attracting, motivating and retaining executives and other key employees due to uncertainty associated with the Westfield Transaction.
• Failure to meet people's comfort and well being standards.
• Failure to set up and udpate a formal succession plan in case of the departure of (i)a top management team member, or (ii)a key person. It could have a material adverse impact upon the business, financial position and/or results of the Group.
	The Group Human Resources Department works with operational teams to define business needs and team sizing, and organizes permanent market watch for key external talent.
	Recruitment is organized along the following key features:
	  • the development of a new employer brand, supported by a strong campus relations practice including regular on-campus presence, and the organization of key events such as a Business Game, and an Hackathon event,
	  • a very successful Graduate Program to attract and recruit the best graduates from top business and engineering schools, enlarged in 2019 to the UK & the US,
	  • the development of a cooptation program (Coopt@UR) geared toward more senior talents,
	  • a strong internal Talent Acquisition practice,
	  • the selective use of renown external head-hunters.
	• A yearly 360° review of each employee with identification of key employees, key managers and future talent is performed in Continental Europe and will be performed in the US/UK next year to provide consistent career development.
	• Implementation of a meaningful and attractive Group Compensation & Benefits policy within the Group as well as the development of internal mobility and career paths.
	• Development of URW Academy and focus on soft skills for all employees.
	• Existence of an effective succession plan for relevant levels (Supervisory Board, Management Board, Senior Management Team and key managers).
	• An ongoing program of talent identification and education to enhance the prospects of internal candidates being ready to assume senior roles.

6.

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 health and safety. This policy improves the Group's position when negotiating cover and premiums with its insurers.

The Group is covered by insurance programmes, which are underwritten by leading insurance companies located in various markets (the United States, the UK, France or Australia).

These programmes are actively monitored by the Group Insurance Department in liaison with local teams and insurance brokers in continental Europe, in the UK and in the United States.

Under the property damage and terrorism programmes, all Group's property assets are insured, for the most part, for their reconstruction value (regularly assessed by internal or external property insurance valuers), as well as for business interruptions and loss of rent (for more details, refer to the table below).

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.

The Group has also taken out general liability insurance policies that cover financial damages resulting from third party claims.

Type of insurance	Coverage and main limits (Based on 2018 group insurance programmes)

Property damage and loss of rent/business interruption & terrorism	Coverage: "all risks" basis (subject to named exclusions) and terrorism.
	Basis of compensation:
	• reconstruction costs for building, replacement cost for equipment;
	• loss of rent or business interruption with a compensation period of between 12 and 60 months depending on the asset.
	Limits of compensation:
	• Continental Europe:
	  • all risks: limit of €880 million per occurrence covering all property damages and loss of rent/business interruption. The programme includes sub-limits notably:
	  • earthquake: limit of €100 million in the annual aggregate,
	  • flood: limit of €100 million in the annual aggregate sub-limited to €25 million in the annual aggregate for the Netherlands (Dike failure is excluded which is market practice),
	  • these above sub-limits do not apply for assets located in countries where compulsory national insurance mechanisms exist: Régime catastrophes naturelles in France & Consorcio de Compensación de Seguros in Spain,
	• Terrorism: limit of €900 million in the aggregate covering damages and loss of rent/business interruption following a terrorist attack, except French and Spanish assets which are insured for their full values according to Gareat in France and Consorcio de Compensación de Seguros in Spain;
	• the UK: limits are based on the declared values per occurrence covering all damages and loss of rent/business interruption, including terrorism events. The programme includes sub-limits.
	• the US: limit of $1,9 billion per occurrence covering all damages and loss of rent/business interruption including terrorism events. The programme includes sub-limits notably for natural catastrophe risks. The Group insurance brokers complete annually a detailed loss estimate analysis on natural catastrophe exposures. This information is used in determining the amount of insurance purchased for the perils of earthquake and windstorm/hurricane.
	  • earthquake: the overall program sublimit for Earthquake is $500 million per occurrence and annual aggregate subject to additional inner sub-limits of:
	  • sub-limit of $400 million for California Earthquake: this limit applies to all locations in California. A retention per location of 5% of total insured values would be applicable,
	  • sub-limit of $250 million for Pacific Northwest Earthquake: this limit applies to SouthCenter in Tukwila, WA. A retention per location of 3% of total insured values would be applicable;
	  • windstorm/hurricane: limit of $1,9 billion in the annual aggregate. A deductible of $50,000 per location would be applicable, except for assets located in Florida where a retention per location of 5% of the total Insured values would be applicable;
	  • flood: sub-limit of $500 million in the aggregate with $500,000 deductible per location for properties in designated flood zones.
	In the US in particular, the combination of the concentration of a large number of assets in the same area with a high exposure to natural catastrophe risks and the limited capacity available from insurers to cover these risks exposes Unibail-Rodamco SE and its controlled subsidiaries to retain a significant share of these risks as uninsured.

Type of insurance	Coverage and main limits (Based on 2018 group insurance programmes)
General civil liability	Coverage: "all risks" basis (subject to named exclusions) for damage caused to third parties up to: ● limit of €200 million per claim in Continental Europe; ● limit of $500 million per claim in the United States and in the UK/Italy. The programmes include sub-limits, for example to cover liability claims following a terrorist attack.

General environmental liability	Coverage for damage caused to third parties up to:
	● continental Europe:
	  ● for accidental pollution: limit of €30 million per claim and annual aggregate,
	  ● for gradual pollution: limit of €3 million per claim within an annual aggregate;
	● US & UK:
	  ● limit of $5 million per claim and in the annual aggregate limit.

Cyber risks	Annual aggregate coverage up to: ● limit of €15 million for Unibail-Rodamco SE, except the US, UK and Italian entities; ● limit of $25 million for the US, UK and Italian entities.

Main construction projects and renovation works on properties are covered by contractors' All Risks policies for their total construction cost. Defects affecting the works are covered by decennial insurance in France, Inherent Defect Insurance for large construction or extension projects in Continental Europe or by contractors' warranties in the US and in the UK.

The 2018 premium amounted to €38 million[(1)], excluding construction insurance premiums for projects in Continental Europe and in the UK. Most of these premiums were invoiced to third parties (*e.g.* co-owners, tenants…).

The Group did not incur any major uninsured losses in 2018.

At the end of 2018, the Group's insurance policies were successfully renegotiated with coverage improvements notably for Corporate insurance policies (Professional Indemnity, Cyber, Crime and Employers Practice Liability) and insurances for Continental Europe assets with effect as of January 1, 2019.

6.

(1) Only for Insurances directly managed by URW, excluding premiums reinvoiced from third parties.

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 the Company was incorporated on July 23, 1968 for a period of 99 years, *i.e.* up to July 22, 2067.

Its registered office is at 7, place du Chancelier Adenauer, 75016 Paris, France and it is registered in the Paris Trade and Companies Register under number 682 024 096. Unibail-Rodamco's LEI is 969500SHQITWXSIS7N89.

Its financial year runs from January 1 to December 31.

Information about the Company is available on its website: www.urw.com. The content of the website is not an integral part of this Registration Document, any prospectuses or any documents which refer to it unless certain information has been expressly included for reference purposes.

7.1.2 LEGAL FORM AND APPLICABLE LAW

Originally constituted as a public limited company with a Board of Directors, the Company was converted on May 21, 2007 into a public limited company with a Management Board and Supervisory Board, then, on May 14, 2009, into a European company with a Management Board and Supervisory Board pursuant to the provisions of European Council Regulation no. 2157/2001/EC of October 8, 2001, applicable to European companies and the laws and regulations in force 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, 2018, the share capital is €691,443,005 divided into 138,288,601 fully paid up ordinary shares on a par value of €5 each. Company shares may be registered or bearer shares at the shareholder's discretion subject to the requirements set out in Article 9 of the Articles of Association.

In June 2018, the shares of the Company were individually stapled with the Class A Shares of WFD Unibail-Rodamco N.V. (hereinafter together, the **"Stapled Shares"**), a public limited liability company *("naamloze vennootschap")* incorporated under the laws of the Netherlands, with its registered office located in Amsterdam and registered with the Dutch Commercial Register under number 70898618.

For more information about the Stapled Shares, please refer to Article 6 of the Articles of Association of the Company or Section 7.6.2 of this Registration Document.

7.2.2 SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

Securities granting access to the capital of Unibail-Rodamco SE are described below.

7.2.2.1 CDIs (CHESS Depositary Interests)

The term "CDI" designates Australian CHESS (clearing house electronic subregister SYSTEM) depositary interests that represent beneficial ownership in Stapled Shares registered in the name of or on behalf of CDN (CHESS Depositary Nominees Pty Limited, a subsidiary of the Australian Securities Exchange (ASX)). CDIs are admitted for trading on the ASX.

20 CDIs collectively represent a beneficial interest in 1 Stapled Share. CDN enables holders of CDIs to exercise[1] the voting rights attached to the Stapled Shares. The CDIs can be converted into Stapled Shares at any time, and inversely.

7.2.2.2 Performance Stock Options and Performance Shares

The long-term remuneration plan of the Company combines two remuneration elements in Stapled Shares: 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 at December 31, 2018, the number of potential Stapled Shares to be theoretically issued after taking into account cancellations (assuming the required performance and presence conditions are attained and excluding any cancellations that may occur during the course of the plan) represents 0.14% of the fully-diluted share capital with regard to the PS and 1.85% of the fully-diluted share capital with regard to the SO.

(1) Holders of CDIs can (i) either ask CDN to vote in a given way, (ii) or request that CDN grant it with power to vote at the general meeting.

7.2.2.3 ORA (bonds redeemable in shares)

Pursuant to the Public Exchange Offer initiated in April 2007 by the Company for Rodamco Europe N.V., 9,363,708 ORA were issued in part consideration for the shares contributed by Rodamco Europe N.V. shareholders to the Public Exchange Offer. As at December 31, 2018, 9,357,951 ORA have been redeemed for shares.

The number of outstanding ORA at this date is 5,757, which will be converted into Stapled Shares. The number of potential new shares to be issued out of the exercise of the remaining ORA is 7,196[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 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)

On April 20, 2018, the General Meeting of the holders of 2014 and 2015 ORNANE approved all of the resolutions submitted to them with respect to the Westfield transaction and, notably, the redemption of ORNANE in new and/or existing Stapled Shares.

— 2014 ORNANE issuance of June 25, 2014

On June 25, 2014, the Company issued 1,735,749 2014 ORNANE at a nominal value per unit of €288.06, representing a nominal amount of €500 million, maturing on July 1, 2021. As at December 31, 2018, no 2014 ORNANE have been converted.

The 2014 ORNANE have been convertible since January 1, 2018. The conversion rate to Stapled Shares is 1.16 as at December 31, 2018.

For more details on the 2014 ORNANE, please refer to the *Note d'opération* approved by the French financial markets authority under visa no. 14-296 dated June 17, 2014.

— 2015 ORNANE issuance of April 15, 2015

On April 15, 2015, the Company issued 1,441,462 2015 ORNANE at a nominal value per unit of €346.87, representing a nominal amount of €500 million, maturing on January 1, 2022. As at December 31, 2018, no 2015 ORNANE have been converted.

The 2015 ORNANE have been convertible since January 1, 2018. The conversion rate to Stapled Shares is 1.01 as at December 31, 2018.

For more details on the 2015 ORNANE, please refer to the *Note d'opération* approved by the French financial markets authority under visa no. 15-144 dated April 8, 2015.

7.2.3 PLEDGED COMPANY SHARES

As at December 31, 2018, 523,540 Stapled Shares were pledged in a registered custodian account. No standard registered shares were pledged.

7.2.4 ESCHEAT SHARES

Within the framework of the escheat shares sale procedure implemented by the Company, Company shares unclaimed by shareholders for a period of two years following publication of a notice in the newspaper La Tribune on July 8, 2005, were sold. The shareholders whose shares were sold may claim the counter value from CACEIS Corporate Trust within a ten-year period as from the sale of the shares.

Since July 8, 2017, the attributable sums may be claimed by the beneficiaries from the "Caisse des Dépôts et Consignations" within a period of 20 years.

7.2.5 OTHER SECURITIES GRANTING ACCESS TO THE SHARE CAPITAL

None.

(1) Subject to ORA holder entitlement to round up to fractional shareholding.

7.2.6 CHANGES IN UNIBAIL-RODAMCO SE'S SHARE CAPITAL DURING THE PAST FIVE YEARS

Since January 1, 2014, 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
2014	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	€490,204,202	€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
2015	03/03/2015	Reimbursement of ORA	1,045	98,059,392	€490,296,960	€159,132.60
	03/03/2015	Exercise of SO (2007-2010 tranches)	15,774	98,075,166	€490,375,830	€1,698,066.93
	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
2016	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 tranches - 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
	07/05/3016	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
2017	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
2018	03/31/2018	Allocation of Performance Shares (2014 tranche)	26,240	99,882,916	€499,414,580	€0.00
	03/31/2018	Exercise of SO (2011-2014 tranches)	22,416	99,905,332	€499,526,660	€3,116,778.25
	04/26/2018	Exercise of SO (2012 and 2014 tranches)	3,263	99,908,595	€499,542,975	€570,934.30
	04/26/2018	Company Savings Plan	40,388	99,948,983	€499,744,915	€5,912,244.23
	05/22/2018	Exercise of SO (2013-2014 tranches)	14,010	99,962,993	€499,814,965	€2,529,576.40
	06/07/2018	Issue of ordinary shares in remuneration for a non-cash contribution	38,319,974	138,282,967	€691,414,835	€8,005,573,107
	09/30/2018	Reimbursement of ORA	63	138,283,030	€691,415,150	€9,067.06
	09/30/2018	Exercise of SO (2012-2014 tranches)	3,596	138,286,626	€691,433,130	€565,538.12
	12/31/2018	Reimbursement of ORA	50	138,286,676	€691,433,380	€7,185.02
	12/31/2018	Exercise of SO (2012 tranche)	1,925	138,288,601	€691,443,005	€256,293.92

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 Management Board.

7.3 SHARE BUY-BACK PROGRAMME

7.3.1 AUTHORISATION TO BUY BACK SHARES

The Ordinary and Extraordinary General Meeting of May 17, 2018 (twenty-fourth resolution), pursuant to Articles L. 225-209 *et seq.* of the French Commercial Code and in compliance with Regulation no. 596/2014 of the European Parliament and of the European Council of April 16, 2014 on market abuse, authorised the Management Board, for a period of 18 months, to buy back Company shares up to the legal limit of 10% of the total number of outstanding shares adjusted for any change in the share capital during the authorisation period, with the aim of:

(i) cancelling all or part of the Company shares thus purchased, under the conditions provided by Article L. 225-209 of the French Commercial Code and subject to the general meeting's authorisation to reduce the share capital;

(ii) holding Company shares and/or Stapled Shares that can be allotted to its executive officers and employees and to its affiliated companies under the terms and conditions provided by law, in particular in the context of stock option plans, free allotments of existing shares, share ownership plans or Company or inter-company employee stock purchase plans;

(iii) holding shares of the Company and/or Stapled Shares to allot them upon the exercise of rights attached to negotiable securities giving access to the share capital by way of redemption, conversion, exchange, presentation of a warrant, or in any other manner;

(iv) stimulating the market or the liquidity of the shares of the Company and/or the Stapled 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 of the Company, excluding costs, based on a par value of €5 per share. The total cost of the share buy-back programme can not exceed €2.47 billion.

General Meeting of May 17, 2019

At the General Meeting to be held on May 17, 2019, the Management Board will propose to shareholders that they renew this authorisation for a period of eighteen months on the following terms and conditions, *i.e.* a maximum share buy-back purchase price at €225 per share, excluding costs, based on a par value of €5 per share. The total cost of the share buy-back programme must not exceed €3.11 billion pursuant to the share capital as at December 31, 2018 (*i.e.* 138,288,601 shares).

This new authorisation, subject to the General Meeting to be held on May 17, 2019 approval, would replace the authorisation granted on May 17, 2018. This authorisation cannot be used by the Management Board during the period of a public offer.

7.3.2 REVIEW OF THE USE OF THE AUTHORISATION TO REDEEM SHARES AND INFORMATION ON THE TRANSACTIONS CARRIED OUT DURING THE FINANCIAL YEAR ENDING DECEMBER 31, 2018

During the financial year ended on December 31, 2018, the Company did not proceed with the acquisition of any shares under the share buy-back programme.

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, 2018

As at December 31, 2018, 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 12/31/2018	0
Accountant value of the portfolio	€0
Market value of the portfolio	€0

7.4 INFORMATION ON THE SHAREHOLDING

7.4.1 OWNERSHIP OF CAPITAL AND VOTING RIGHTS

As at December 31, 2018, the Company's share capital comprises 138,288,601 fully paid-up ordinary shares with a par value of €5 each. One single voting right is attached to each share in accordance with the "one share, one vote" principle.

99.71% of the share capital is free floating.

The Company's shareholding structure has changed as follows during the last three financial years:

Shareholder		Year-end-2016 Number of shares	Year-end-2016 % of share capital	Year-end-2016 % of voting rights	Year-end-2017 Number of shares	Year-end-2017 % of share capital	Year-end-2017 % of voting rights	**Year-end-2018 Number of shares**	**Year-end-2018 % of share capital**	**Year-end-2018 % of voting rights**
Free float		98,715,540	99.32	99.32	99,103,931	99.25	99.25	137,894,274	99.71	99.71
Included the following major shareholders:	Blackrock Investment Mgt	nc	nc	nc	nc	nc	nc	6,840,786	4.95	4.95
	APG Asset Mgt	nc	nc	nc	nc	nc	nc	6,593,704	4.77	4.77
	Vanguard Group	nc	nc	nc	nc	nc	nc	4,542,787	3.29	3.29
	Blackrock Investment Mgt	nc	nc	nc	nc	nc	nc	4,208,044	3.04	3.04
	LFG America and Lowy Foundation	nc	nc	nc	nc	nc	nc	3,643,513	2.63	2.63
Treasury shares		0	0	0	0	0	0	0	0	0
Corporate officers(1)		423,126	0.43	0.43	490,409	0.50	0.50	116,757	0.08	0.08
Company Savings Plan(2)		248,743	0.25	0.25	255,773	0.26	0.26	275,275	0.20	0.20
TOTAL		**99,393,785**			**99,856,676**			**138,288,601**		

Figures may not add up due to rounding.

(1) Corporate officers endorse the members of the Management Board. Before June 7, 2018, the Management Board consisted of six members and, as of June 7, 2018, this was reduced to two members.The amount does not take into account the units in the Company Savings Plan held by the corporate officers.

(2) Including units in the Company Savings Plan held by the Management Board members.

There has not been any significant variation of the share capital since December 31, 2018.

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7.4.2 INFORMATION REGARDING OWNERSHIP THRESHOLD DISCLOSURES SINCE JANUARY 1, 2018

Legal threshold disclosures notified prior to January 1, 2018 can be viewed on the French Financial Markets Authority ("AMF") website and threshold disclosures notified to the Company are available at the registered office of the Company.

In addition to the thresholds provided by Article 9 *bis* of the Articles of Association of the Company (see section 7.6.8 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 notifying 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 ended December 31, 2018:

Shareholder	Number of shares	% of share capital(1)	Number of voting rights	% of voting rights
BlackRock Inc. (disclosed on 01/19/2018 - increase)	9,989,181	10.00%	9,989,181	10.00%
BlackRock Inc. (disclosed on 01/26/2018 - decrease)	9,979,761	9.99%	9,979,761	9.99%
BlackRock Inc. (disclosed on 01/29/2018 - increase)	9,995,136	10.01%	9,995,136	10.01%
BlackRock Inc. (disclosed on 06/11/2018 - increase)	14,192,166	10.26%	14,192,166	10.26%
Lowy Family(2) (disclosed on 06/13/2018 - increase)	3,643,513	2.63%	3,643,513	2.63%
BlackRock Inc. (disclosed on 07/17/2018 - decrease)	13,806,352	9.98%	13,806,352	9.98%

(1) Calculated on the date the threshold crossing was reported.
(2) On the date the threshold crossing was disclosed, the Lowy family held its securities in LFG America Pty Limited (2.7%) and the Lowy Foundation (0.07%).

7.4.3 SHAREHOLDERS' AGREEMENT

To the best of the Company's knowledge, there is no shareholders' agreement, nor any person or group of persons exercising or capable of exercising control over the Company.

7.5 FINANCIAL AUTHORISATIONS

Pursuant to Article L. 225-37-4 of the French Commercial Code as referenced in Article L. 225-68, the following table summarises the use, during the 2018 financial year, of the authorisations currently in force granted by general meetings to increase the share capital. All or parts of financial authorisations approved by the general meetings of April 21, 2016 and April 25, 2017 were in effect on January 1, 2018 and were cancelled and replaced by new authorisations granted by the General Meeting of May 17, 2018. These authorisations supersede, with effect as from the same date, if applicable, the unused part of any authority previously granted to the Management Board for the same purpose.

Type of authorisation[1]	Date of general meeting[4] and resolution	Authorisation expiry date	Amount[2]	Beneficiaries	Issue terms and conditions	Amounts 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 12/31/2018[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]	04/25/2017 resolution no. 18	10/25/2018	€75,000,000 (nominal value) in ordinary shares and/or securities giving access to the share capital +€1,500,000,000 (nominal value) in debt instruments	Shareholders	Authorisation to the Management Board to fix the amount and conditions	0	Totality of the authorisation
	05/17/2018 resolution no. 16	11/17/2019				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] *via* a public offer	04/25/2017 resolution no. 19	10/25/2018	€45,000,000 (nominal value) in ordinary shares and/or securities giving access to the share capital +€1,500,000,000 (nominal value) in debt instruments	Shareholders and/or third parties	Authorisation to the Management Board to fix the amount and conditions; cancellation of the PSR[3] with a priority right	0	Totality of the authorisation
	05/17/2018 resolution no. 17	11/17/2019				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]	04/25/2017 resolution no. 20	10/25/2018	Maximum threshold of 15% for the first issue and within the global limit fixed in respect of the initial issue of debt instruments	Subscribers to the issue	Authorisation to the Management Board to increase the number of shares and/or negotiable securities giving access to the share capital to be issued at the same terms and conditions as the initial issue	0	Totality of the authorisation
	05/17/2018 resolution no. 18	11/17/2019				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	04/25/2017 resolution no. 21	10/25/2018	Capital contribution in the form of securities: 10% of the authorised share capital as at the issuance	Subscribers to the issue	Authorisation to the Management Board to fix the amount and conditions including the power to cancel PSR[3]	0	Totality of the authorisation
	05/17/2018 resolution no. 19	11/17/2019				0	Totality of the authorisation
Increase in the share capital reserved for participants of Companies Savings Plans without PSR[3]	04/25/2017 resolution no. 23	10/25/2018	Maximum nominal value of €2,000,000	Participants in the Company Savings Plan	Authorisation to the Management Board to fix the terms 20% discount applies based on the average share price over previous 20 trading days	70,950	329,050
	05/17/2018 resolution no. 20	11/17/2019				0	400,000
Increase in the share capital reserved for managers and employees - Performance Stock Option plan	04/25/2017 Performance Plan no. 9 resolution no. 22	06/25/2020	Maximum: • 1% of the fully diluted share capital per year • 3% of the total diluted capital over the authorisation validity period	Employees and corporate officers of the Group	Authorisation to the Management Board to fix the terms Performance and presence conditions are mandatory No discount applied	630,135	3,602,812
	05/17/2018 Performance Plan no. 10 resolution no. 21	07/17/2021				0	4,232,948

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Type of authorisation[1]	Date of general meeting[4] and resolution	Authorisation expiry date	Amount[2]	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 12/31/2018[2]
Increase in the share capital reserved for managers and employees - Performance Share plan	04/21/2016 Performance Plan no. 2 resolution no. 15	06/21/2019	0.8% of the total diluted capital over the authorisation validity period	Employees and corporate officers of the Group	Authorisation to the Management Board to fix the terms Performance and presence conditions are mandatory	159,054	969,732
	05/17/2018 Performance Plan no. 3 resolution no. 22	07/17/2021				0	1,128,786
Increase in the share capital reserved for managers and employees - LTI SI allocation of Performance Shares as part of the acquisition and integration of the Westfield Group	05/17/2018 resolution no. 23	05/17/2019	0.07% of the total diluted capital over the authorisation validity period	Employees and corporate officers of the Group	Authorisation to the Management Board to fix the terms Performance and presence conditions are mandatory	38,130	60,639

(1) For more details, please refer to the exact text of the resolutions.
(2) Up to: €122 million (par value) in shares and securities giving access to the share capital; and €1.5 billion (par value) in debt instruments.
(3) Pre-emptive Subscription Rights.
(4) The authorisations/delegations granted by the Combined General Meeting of May 17, 2018 supersede, with effect as from the same date, the unused part of any authority previously granted to the Management Board for the same purpose.

7.6 ARTICLES OF ASSOCIATION OF THE COMPANY AND CHARTERS OF THE CORPORATE BODIES

The main statutory provisions are given hereafter. Furthermore, the Management Board, Supervisory Board, Audit Committee, the Remuneration Committee and the Governance and Nomination Committee each have their own charters. The Articles of Association and charters of these committees are available on the Company's website or at its registered office.

As of the date of the filing of this Registration Document, the Articles of Association were last updated on January 4, 2019.

7.6.1 CORPORATE PURPOSE (ARTICLE 2 OF THE ARTICLES OF ASSOCIATION)

The Company's corporate object in France and abroad is:

- investment through the acquisition, development, construction, ownership of land, buildings, property assets and rights, and the fitting out of property complexes, with a view to renting them out;
- the management, rental, leasing, divestment or exchange of the above assets, either directly, or through taking investments or interest ownerships, or by creating partnerships, companies or consortia;
- more generally, any financial, securities or property transactions directly or indirectly connected with the foregoing object or likely to facilitate its achievement;
- acquiring, owning, divesting investments in any French or foreign legal entities with an activity directly or indirectly linked to the corporate object of the Company or which would favour its development.

7.6.2 STAPLED SHARE PRINCIPLE (ARTICLE 6 OF THE ARTICLES OF ASSOCIATION)

A Stapled Share comprises a share of the Company and a WFD Unibail-Rodamco N.V. Class A Share ("WFD Unibail-Rodamco Class A Share").

The Company, WFD Unibail-Rodamco N.V. company, and all of the controlled entities appearing in the consolidated financial statements of the Company and/or of WFD Unibail-Rodamco N.V. constitute the "Stapled Group".

In order to achieve a situation where holders of the Company's shares - other than any entity of the Stapled Group - hold an interest in both the Company and in WFD Unibail-Rodamco N.V., as if they held an interest in a single (combined) company:

- none of the shares of the Company can be (i) issued to, or subscribed for by, others than any entity of the Stapled Group, (ii) transferred to or, subject to applicable law, pledged or otherwise encumbered by others than any entity of the Stapled Group, or (iii) released from any encumbrance by others than any entity of the Stapled Group, in each case except together with a WFD Unibail-Rodamco Class A Share, in the form of a Stapled Share;
- no right to subscribe for one or more Company Shares can be (i) granted to or exercised by others than any entity of the Stapled Group, (ii) terminated by others than any entity of the Stapled Group, (iii) transferred to or, subject to applicable law, pledged or otherwise encumbered by others than any entity of the Stapled Group, or (iv) released from any encumbrance by others than any entity of the Stapled Group, in each case except together with a corresponding right to subscribe for an equal number of WFD Unibail-Rodamco Class A Shares in the form of an equal number of Stapled Shares;
- all shareholders, other than any entity of the Stapled Group, must refrain from (i) acquiring any Company shares, (ii) acquiring, exercising or terminating any right to subscribe for one or more Company shares, or (iii) creating or acquiring a usufruct, pledge or other encumbrance over any Company share or any right to subscribe for one or more Company shares, in each case except (if it concerns a Company share) together with a WFD Unibail-Rodamco Class A Share, respectively, in the form of a Stapled Share or (if it concerns a right to subscribe for one or more Company shares) together with a corresponding right to subscribe for an equal number of WFD Unibail-Rodamco Class A Shares in the form of an equal number of Stapled Shares; and
- subject to applicable law, the Management Board and the Supervisory Board shall take all necessary actions to ensure that, at all times, the number of Company shares issued and held by others than any entity of the Stapled Group is equal to the number of WFD Unibail-Rodamco Class A Shares issued and held by others than any entity of the Stapled Group.

The Stapled Share principle can only be terminated by virtue of a resolution passed by the Extraordinary General Meeting of the Company to amend the Articles of Association. A resolution by the Extraordinary General Meeting of the Company deciding such an amendment shall only become effective after the Management Board has confirmed that the WFD Unibail-Rodamco N.V. general meeting has passed a resolution to terminate the Stapled Share Principle as included in the WFD Unibail-Rodamco N.V. Articles of Association.

7.6.3 SIIC REGULATION

Since 2003, the Company and its eligible subsidiaries opted for and became subject to the tax regime applicable to Listed Property Investment Companies (SIIC) introduced by the 2003 French Finance Act (Article 208 C of the French General Tax Code, *Code général des impôts)*. This regime is based on the principle of fiscal transparency: in relation to rental activities and gains from divestments, income tax is borne at shareholder level and not at the level of the Company[1].

(1) For more details, please refer to note 8 of Section 5.2.

7.6.4 STATUTORY OBLIGATIONS PERTAINING TO CHANGES IN THE COMPANY'S SHARE CAPITAL AND CATEGORIES OF SHARE RIGHTS

None.

7.6.5 CORPORATE GOVERNANCE STRUCTURE (ARTICLES 10 TO 16 OF THE ARTICLES OF ASSOCIATION)

The Company is managed by a Management Board ("MB") and a Supervisory Board ("SB").

Details of the composition and the functioning of the MB and the SB are set out in Section 3.1 of the Registration Document.

7.6.5.1 The Management Board (Articles 10 to 12 of the Articles of Association and Charter of the Management Board)

The MB is the collegial decision-making body of Unibail-Rodamco SE. It is composed of a maximum of seven members appointed for a four-year term by the SB which elects one of them as Chairman. The Management Board consisted of two members as at December 31, 2018.

Should the Management Board comprise two members only, the meetings of the MB will be validly held where both members are present and approval of its decisions will require unanimous vote, except for certain decisions set out in the MB's charter which may be approved by majority vote, with the Chairman having a casting vote.

With respect to third parties, the MB is granted the widest possible powers to act in all circumstances in the name of the Company, subject to those expressly attributed by law to the SB and to general meetings of shareholders and within the limits of the corporate purpose and those which require prior authorisation from the SB (see Section 7.6.5.2.1 of the Registration Document).

— ***Excerpts of the Charter of the MB***

Upon a proposal by the Chairman of the MB and with the authorisation of the SB, the Management Board members may share the management tasks.

The Chairman of the MB has overall competence except for those duties expressly assigned to the Group Chief Financial Officer (hereinafter the "Group CFO").

The Group CFO is responsible for generating profits through the optimisation of the cost of capital, tax matters and investor relations. In this position, he is responsible for the overall Finance function within the Group (financial control, consolidation, refinancing, taxes, budget and five-year Business Plan, coordination of asset valuations and investor relations). They are also responsible for the investment/divestment process and for defining strategies for co-ownership and co-investments and for coordinating corporate development operations (mergers and acquisitions, strategic alliances and partnerships).

7.6.5.2 The Supervisory Board (Articles 13 to 16 of the Articles of Association and Charter of the Supervisory Board)

The SB exercises permanent oversight and control over the MB and the general affairs of the Company as provided by law, the Articles of Association and its Charter. The SB has 8 to 14 members appointed for a term of three years.

Retention of an SB Member is subject to the condition that he/she is not over the age of 75. If an SB Member reaches this age limit while in office, they will be considered as having resigned at the next Ordinary Annual General Meeting which will be held after the end of the year during which they reached the age of 75. During this general meeting, the shareholders may appoint his/her 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 directing the discussions. The SB Chairman's and Vice-Chairman's terms may not exceed their terms as SB Members.

The SB meets as often as the interest of the Company so requires.

7.6.5.2.1 Limitations on the Powers of the Management Board by the Supervisory Board (Article 11 of the Articles of Association and Charter of the Supervisory Board)

Pursuant to Article 11.5 of the Company's Articles of Association and the SB Charter (Appendix F), the SB's prior approval must be obtained for certain MB decisions and operations, in particular:

— ***Excerpts and summaries of certain provisions of the Charter of the SB***

- all acquisitions (including the acquisition of real estate and of all or part of share-holdings) and any investments (including capital expenditures for internal development), directly or *via* the intermediary of legal entities exceeding €25 million (consolidated figure). The threshold is raised to €500 million (consolidated figure) for assets and/or activities located within countries or a sector in which the Group operates. This threshold is raised to €700 million (consolidated figure) for urgent operations and decisions, subject to prior agreement between the Chairman of the MB, the Chairman and the Vice-Chairman of the SB;
- asset disposals (including disposals of real estate and of all or part of share-holdings) directly or *via* the intermediary of legal entities exceeding €500 million (consolidated figure). This threshold is raised to €700 million (consolidated figure) for urgent operations and decisions, subject to prior agreement between the Chairman of the MB, the Chairman and the Vice-Chairman of the SB;
- indebtedness or the creation of guarantees in excess of €500 million (consolidated figure), threshold raised to €1 billion for corporate financial debt refinancing purposes;
- outsourcing accountability to third parties for asset management and real estate management or other asset management or real estate management representing more than 25% of the total value of the Company's participations and investments;
- transfers of all or part of the Company's business to third parties in excess of €500 million (consolidated figure).
- any significant changes in the Group's governance and/or organisation, the allocation of responsibilities within the MB, the approval of changes to the charter of the MB, the relocation of the Group's corporate functions and any action affecting the Company's entitlement to the tax regime applicable to Listed Property Investment Company (SIIC) tax treatment or any other real estate tax-exempt status in a foreign country;
- any general Remuneration Policy within the Group and any remuneration of the Management Board members;
- any share-holdings or interests in other companies or activities and any disposals of or changes to such a share-holding or interest (including any changes to the share-holding of the Company in WFD Unibail-Rodamco N.V. exceeding €25 million (consolidated figure). The threshold is raised to €500 million (consolidated figure) for assets and/or activities located within countries or a sector in which the Group operates. This threshold is raised to €700 million (consolidated figure) for urgent operations and decisions, subject to prior agreement between the Chairman of the MB, the Chairman and the Vice-Chairman of the SB;
- any off-balance sheet commitments by the Company exceeding €25 million (consolidated figure). The threshold is raised to €500 million for off-balance sheet commitments for assets and/or activities located within countries or a sector in which the Group operates. This threshold is raised to €700 million for urgent operations and decisions, subject to prior agreement between the Chairman of the MB, the Chairman and the Vice-Chairman of the SB;

- all proposals to the general meeting to amend the Articles of Association of the Company;
- any proposal to (re)appoint or dismiss the Statutory Auditors of the Company or of one of its main subsidiaries and any review of the fees of the Statutory Auditors;
- any proposal to the general meeting to delegate power for the issue or redemption of Company shares, in line with the Staple Share Principle;
- any alterations to the Company's dividend allocation policy and proposals by the MB in the distribution of interim or full dividends;
- any share-holdings or interests in, or contracts with, other companies or activities under which the Company or activity would obtain the right to appoint members of the SB;
- any decisions to submit applications for a moratorium of file petitions for the bankruptcy of the Company or any of the Groups;
- any proposal to dissolve or wind up the Company or one of its main subsidiaries;
- any signing of an agreement involving or likely to involve a conflict of interest between a member of the MB or the SB on the one hand and the Company on the other hand in the meaning of Articles L. 225-86 *et seq.* of the French Commercial Code;
- any alteration to the insider trading rules in force within the Company;
- approval of the Group's strategy and its annual budget, as submitted to the SB for approval when submitting the financial statements for the financial year completed;

- in accordance with Article L. 229-7 of the French Commercial Code, the rules stated in Articles L. 225-86 to L. 225-90 of the Code, regarding regulated agreements subject to the prior authorisation of the SB, with the exception of agreements on current transactions and signed under normal conditions, are applicable to the Company.

The SB must also, pursuant to its Charter, be informed of current transactions involving amounts in excess of €300 million but below €500 million.

7.6.5.2.2 The specialised committees of the Supervisory Board

Three specialised committees are responsible for assisting the Board to carry out its duties: the Audit Committee, the Remuneration Committee and the Governance and Nominations 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.

7.6.6 GENERAL MEETINGS (ARTICLES 18 AND 19 OF THE ARTICLES OF ASSOCIATION)

The general meetings of shareholders are convened and conducted pursuant to French law and European regulations. All shareholders, evidencing the ownership of their shares, have the right to participate, either in person or through a representative, provided that they have been shareholders for at least two business days prior to the date of the general meeting.

The terms and conditions of participation in general meetings are set out in Article 18 of the Company's Articles of Association.

There is one voting right per share. There are currently neither preference shares nor shares with double voting rights.

7.6.7 REQUIREMENTS PERTAINING TO THE DISTRIBUTION OF PROFITS (ARTICLE 21 OF THE ARTICLES OF ASSOCIATION)

The distributable profit in any given year is equal to the sum of the net profit and any retained earnings, less any prior year losses and amounts transferred to reserves. In addition to the Distributable Profits, the General Meeting of shareholders may expressly resolve to distribute sums from other distributable reserves and/or contribution premiums.

Pursuant to the SIIC regime, the payment of a dividend may give rise to the imposition of a withholding tax (currently at a rate of 20%) on the Company pursuant to Article 208-C-II-*ter* of the French General Tax Code calculated on the basis of the total dividend paid to any shareholders holding (directly or indirectly) 10% or more of the share capital ("Shareholder Concerned"[1]), if the Shareholder Concerned, as a legal person who is a non-French tax resident, is not subject to a tax equivalent to the French corporate income tax to be paid by French companies on SIIC dividends distributed by the Company (the "Shareholder Subject to Withholding Tax"). Any Shareholder Concerned is deemed to be a Shareholder Subject to Withholding Tax unless it provides the Company with a satisfactory and unreserved legal opinion certifying that it is not a Shareholder Subject to Withholding Tax. If this is not possible and in compliance with Article 21 of the Articles of Association, this tax will be borne by the Shareholder Subject to Withholding Tax. The withholding amount is either offset against its dividend or reimbursed *a posteriori*.

7.6.8 STATUTORY SHAREHOLDER THRESHOLD AND OBLIGATION TO REGISTER SHARES (ARTICLES 9 AND 9 BIS OF THE ARTICLES OF ASSOCIATION)

In addition to the thresholds provided by French law[2], under Article 9 *bis* of the Articles of Association of Unibail-Rodamco SE, any shareholder that comes to hold, alone or in concert with other shareholders, a number of shares equal to or greater than 2% of the total number of shares in issue or of the voting rights, or any further multiple thereof, must, no later than ten stock exchange days after exceeding each of the holding thresholds, advise the Company in writing of the total number of shares or voting rights held, sent by registered letter with proof of receipt requested to the registered office of the Company. Notification must also be given when the number of shares or voting rights falls below one of these thresholds under the same conditions and within the same time limit.

Moreover, pursuant to Article 9 of the Company's Articles of Association, a Shareholder Concerned[3] must register the totality of its shares (owned directly or *via* an entity it controls) and provide evidence to the Company by registered letter with proof of receipt within five stock exchange days of reaching such threshold. A Shareholder Concerned that fails to comply with the above requirements may lose the right to participate in and/or vote at general meetings of the Company in accordance with the provisions of Article 9 Paragraph 4 of the Articles of Association.

Pursuant to the provisions of Article 9 *bis*, the Shareholder Concerned shall declare under its own responsibility whether it has to be considered as a Shareholder Subject to Withholding Tax *(Actionnaire à Prélèvement)* under Article 208 C II of the French Tax Code, which is the case when the Shareholder Concerned (i) is not resident in France for taxation purposes; and, (ii) is not subject, in its country of residence, to a tax equal to at least two-thirds of the level of taxation applicable in France. Any Shareholder Concerned declaring it has to not to be considered as a Shareholder Subject to Withholding Tax shall provide the Company with a satisfactory and unreserved legal opinion certifying that it is not a Shareholder Subject to Withholding Tax. Any change in the Shareholder Concerned's position should be notified to the Company within ten trading days prior to the payment of any distribution.

(1) A "Shareholder Concerned" is any shareholder, other than a natural person, that owns, directly or through entities acting as intermediaries that it controls within the meaning of Article L. 233-3 of the French Commercial Code, at least the percentage of rights to a dividend specified in Article 208 C-II-ter (10%) of the French General Tax Code.

(2) For more details, please refer to Section 7.4.2 of the Registration Document.

(3) 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.

Any shares exceeding the threshold that have not been disclosed in accordance with the requirements specified under the first and third paragraphs here in above shall be disqualified for voting purposes at all general meetings held for a period of two years after the date of the notice confirming the requisite disclosure has finally been made, (i) if the failure to disclose has been duly noted and (ii) if requested by one or more shareholders holding at least 2% of the Company's share capital in accordance with the terms of the law (unless the voting rights have already been stripped pursuant to Article 9 Paragraph 5 of Articles of Association).

Similarly, the voting rights attached to any shares that have not been disclosed in accordance with these requirements may not be exercised or delegated by the holder either in person or by proxy.

Declarations are to be sent to the Investor Relations Department: individual.investor@urw.com.

7.7 INVESTMENT BY THE COMPANY OUTSIDE THE UNIBAIL-RODAMCO-WESTFIELD GROUP

In accordance with Article L. 233-6 of the French Commercial Code, the Company has not made any significant investment in a company with its registered office in France during the financial year ending December 31, 2018.

7.8 ELEMENTS LIKELY TO HAVE AN EFFECT IN THE CASE OF A PUBLIC OFFER

The Stapled Share Principle, which is part of the Articles of Association of the Company (for more details, please refer to Section 7.6.2 of this Registration Document) contains restrictions on transfers of Company shares.

Any holder of Stapled Shares will hold both Unibail-Rodamco SE shares and Class A WFD Unibail-Rodamco N.V. Shares. Consequently, any holder of Stapled Shares must comply with both the French public offer rules and the Dutch public offer rules. Due to Unibail-Rodamco SE's shareholding in WFD Unibail-Rodamco N.V., one Stapled Share does not represent the same percentage of voting rights in Unibail-Rodamco SE as it does in WFD Unibail-Rodamco N.V. As a result, a holder of Stapled Shares may cross the 30% threshold for a mandatory public offer for all outstanding Unibail-Rodamco SE shares without being subject to a statutory requirement to make a mandatory offer for all outstanding WFD Unibail-Rodamco N.V. shares at the same time.

However, due to the Stapled Share Principle, an offeror that is not an entity of the Unibail-Rodamco-Westfield Group can only acquire Unibail-Rodamco SE shares in the form of Stapled Shares, which could result in a requirement for the offerer to launch a parallel public offer for all outstanding WFD Unibail-Rodamco N.V. shares.

In addition, all information pursuant to Article L. 225-37-5 of the French Commercial Code that is likely to have an effect in the event of a public offer is included in this Chapter 7 and, regarding the change in control, in Section 4.1.6.1 of the Registration Document.

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 audited 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 27, 2019

Christophe Cuvillier
Chairman of the Management Board
Group Chief Executive Officer

Jaap Tonckens
Group 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

6, Place de la Pyramide
92908 Paris La Défense Cédex

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 2016 AND 2017

Pursuant to Article 28 of Commission regulation (EC) no. 809/2004, the following information is incorporated by reference in this 2018 Registration Document:

8.3.1 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.

8.3.2 FOR 2017 FINANCIAL YEAR

The 2017 Registration Document was filed with the French Financial Markets Authority on March 28, 2018, under number D. 18-0194.

The financial information, the consolidated financial statements and the statutory Financial statement for the year 2017 and the Statutory Auditors' report on these financial statements appear respectively in Chapter 4 (on pages 194 to 237) and Chapter 5 (on pages 238 to 342).

The other parts of this document are either irrelevant to the investor or covered elsewhere in the Registration Document.

8.4 DOCUMENTS AVAILABLE TO THE PUBLIC

The following documents are available on the website at www.urw.com:

- the registration documents in the form of annual reports, as well as their updates, which are filed with the AMF;
- the financial press releases of the Group.

Unibail-Rodamco SE'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.urw.com or obtained upon request from the Company.

8.5 GLOSSARY

Average cost of debt: recurring financial expenses (excluding the ones on financial leases and the ones related to partners' current accounts) + capitalized financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact)/average net debt over the period.

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-Westfield 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-Westfield 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 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-Westfield's NIY with the EPRA Net Initial Yield definitions, refer to the EPRA Performance Measures.

EPRA topped-up yield: EPRA Net Initial Yield adjusted in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

EPRA vacancy rate: Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.

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

Financial statements under IFRS: the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union as at closing date.

Financial statements on a proportionate basis: they are prepared based on the financial statements under IFRS, except for the joint-controlled entities, which are consolidated on a proportionate basis, instead of being accounted for using the equity method (as applicable under IFRS). Unibail-Rodamco-Westfield believes that these financial statements on a proportionate basis give to stakeholders a better understanding of the underlying operations of Unibail-Rodamco-Westfield and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK.

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 capitalized interest); Recurring EBITDA is calculated as total recurring operating results and other income less general expenses, excluding depreciation and amortization.

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, excluding current accounts with non-controlling interests/total assets (whether under IFRS or on a proportionate basis), including or excluding transfer taxes and excluding goodwill not justified by fee business.

Minimum Guaranteed Rent uplift: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.

Net Disposal Price (NDP): Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.

Net Initial Yield (NIY): annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs.

Non-recurring activities: non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, bond tender premiums, impairment of goodwill or recognition of negative goodwill, amortization of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.

Occupancy Cost Ratio (OCR): (rental charges + service charges including marketing costs for tenants, all including VAT)/(tenants' sales, including VAT). As tenant turnover is not known for all tenants for The Netherlands, no reliable OCR can be calculated for this country.

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-Westfield 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-Westfield'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 interest and internal costs capitalized.

TSR Performance Benchmark Index: The TSR Performance Benchmark Index includes companies with more than 50% of their activity focused in Retail or Office and operating in the same countries as URW. Following Westfield's acquisition, the composition of the index has been adjusted by the CR to reflect URW's new geographical and activity scopes. As of June 7, 2018, the reference index is composed of 29 companies (10 Eurozone Retails, 3 France Offices, 5 UK Retail and 11 US Retail), all sub-index weighted to reflected the weight of each business line in URW Gross Market Value, as follows (as long as the index includes the concerned company over the nesting period of the plan):

- Sub-Index Eurozone Retail (63% weight) - Klépierre, Carmila, Deutsche EuroShop, Citycon, EuroCommercial Ppty, Mercialys, Wereldhave, Vastned Retail, Retail Estates, Lar España Real Estate.
- Sub-Index France Offices (7% weight) - Covivo, Icade, Gecina.
- Sub-Index UK Retail (8% weight) – British Land Co, Land Securities Group, Hammerson, Intu Properties, NewRiver REIT.
- Sub-Index US Retail (22% weight) – Simon Property Group, Macerich, Taubman Centers, Washington Prime Group, CBL & Associates prop., Pennsylvania Centers, Regency Centers, Federal Realty Investment, Kimco Realty, Brixmor Property Group, Weingarten Realty Invest.

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

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8.6.2 CROSS-REFERENCE TABLE OF THE FINANCIAL REPORT

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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
2. Dividends paid out in respect of the last three years	(Article 243 *bis* of the General Tax Code)	5.2 (note 11.3)
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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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