unibail·rodamco

Paris, Amsterdam, January 28, 2015
Press Release

FULL-YEAR RESULTS 2014

Exceeding, Reshaping, Innovating
"2014 has been synonymous with exceptional achievements for Unibail-Rodamco. Net recurring results reached €1,068 Mn, up by +8.3%. The Group's strategy to concentrate on the largest regional shopping centres in Europe has led to the sale of non-strategic assets totaling €2.1 Bn. The stake acquired in CentrO, one of Germany's best shopping centres, and the signing of agreements for prime development projects in Brussels and Hamburg, have confirmed our leadership. 2014 was also marked by exceptional momentum for both our shopping centres and offices. Continuous innovation by Unibail-Rodamco's teams has further strengthened the Group's position as the undisputed leader in European commercial real estate."
Christophe Cuvillier, CEO and Chairman of the Management Board

Recurring EPS at €10.92, up +6.8%
The Group's net recurring result was €1,068 Mn, up +8.3% from €986 Mn in 2013, driven by strong like-for-like growth in shopping centres and offices, the successful deliveries in 2013, the acquisition of a stake in CentrO in May 2014 and a record-low cost of debt of 2.6%.

Strong operating performance, exceeding expectations
Despite a deteriorating macroeconomic environment in the second half of the year, Unibail-Rodamco's performance was robust and demonstrates the strength of its business model.
In the Retail segment, footfall increased by +1.5% and tenant sales in the Group's shopping centres for the year 2014 grew by +2.7%, thanks, among others, to the very strong performance of tenants in the Group's French shopping centres in December, up +3.6% compared to 2013. Overall, the Group's tenant sales increased by +2.4% through November 2014, outperforming the national indices by +190 bps.
The like-for-like Net Rental Income (NRI) growth was up +3.8% compared to 2013, 300 bps above indexation, the best performance since 2011. The Group signed 1,458 leases on standing assets, with a Minimum Guaranteed Rent uplift of +19.6% (+23,4% in the large malls[1]). Unibail-Rodamco signed 182 leases with international premium retailers up from 165 in 2013. Vacancy stood at 2.2%, of which 0.3% in strategic vacancy to prepare for major restructuring projects, down from 2.5% at the end of 2013.
In the French offices segment, the Group recorded a second year of outperformance with a total take-up of 93,217 m², up by +16% from 2013, compared to the growth in take-up in Greater Paris of +13%. A number of significant leases were signed on new offices in Paris, demonstrating the success of « The New Art of Working », the Group's strategic initiative in offices. Like-for-like NRI growth of the Group's French offices division came to +5.2%.
Despite still challenging conditions, Convention & Exhibition NRI was up by +4.9% compared to 2013 and stable compared to 2012, the last comparable year. Large shows performed well, and 24 new exhibitions were launched. The new 50-year lease on Porte de Versailles, signed with the City of Paris in December 2013, started on January 1st, 2015.

Reshaping the retail portfolio
Starting in 2009, Unibail-Rodamco has worked to reshape its portfolio to focus on very large shopping centres, located in wealthy and densely populated catchment areas of major European cities. During 2014, the Group accelerated this strategy and disposed of €1.8 Bn[2] of shopping centres in France, The Netherlands and Spain. Following the completion of the sale of Nicétoile in January 2015 for €312.5 Mn, the Group, in less than one year, has exceeded its objective to dispose of between €1.5 and €2.0 Bn of retail assets over a five-year period. In the meantime, in Germany, the Group acquired a stake in CentrO and increased its stake in mfi to 91.15%.
The execution of this strategy has led to the creation of a pan-European homogenous super prime portfolio. Since 2009, the average gross market value (GMV) of a Unibail-Rodamco shopping centre has more than doubled from €172 Mn to €395 Mn. The average GLA has grown by 34%, from 49,200 to 66,000 m² and the average footfall is up from 7.9 to 10.8 Mn.

[1] Above 6 Mn visits per year.
[2] Net disposal proceeds.

Innovating to offer a unique customer experience
Aiming to further improve the Group's leading position in terms of asset quality, premium services and differentiated customer experience, "UR Lab" launched several new initiatives in 2014 and further refined a number of concepts introduced previously, driving additional footfall. Fresh!, inspired by the best downtown food markets, was launched in Gloriès (Barcelona), iPhone and Android app downloads increased by +42% year-on-year and the number of Facebook fans of the Group's shopping centres and loyalty cards program grew by +30% and +33%, respectively. 4 further shopping centres were awarded the 4 Star label: the CNIT (Paris region), Pasing Arcaden (Munich), Fisketorvet (Copenhagen) and Täby Centrum (Stockholm), bringing the total number of 4 Star shopping centres to 19. The Group also successfully launched in April the "Unexpected Shopping" campaign across Europe in 24 shopping centres. Original and ground-breaking, this unique advertising campaign was a world-premiere for shopping centres and has now become a new way to communicate for the Group.

Unrivalled financial market conditions lead to a further decrease in the average cost of debt
The Group raised €6.5 Bn of medium to long-term debt through diversified sources of funding and its financial ratios stand at healthy levels: Loan-to-Value at 37% and the interest cover ratio at 4.2x. Unibail-Rodamco's average cost of debt reached a new record low of 2.6% in 2014, down -30 bps from 2013. The average maturity of the Group's debt increased to 5.9 years. The Group has ample liquidity, with €4.9 Bn of undrawn bank lines.

Active leasing and yield compression drive portfolio revaluation
The GMV of the Group's portfolio as of December 31, 2014, amounted to €34.6 Bn, up +7.6% from €32.1 Bn on December 31, 2013, and +4.9% (€1.2 Bn) on a like-for-like basis. French malls grew by +4.8% on a like-for-like basis thanks to the Group's active leasing and to yield compression. In Spain, the portfolio value increased by +10.2% on a like-for-like basis as a result of yield compression on the back of a number of benchmark transactions. The Group's French office portfolio saw its GMV grow by +1.3% on a like-for-like basis. It is the first time since 2010 that the appraisers have revalued the Group's office portfolio positively.
The average net initial yield of the retail portfolio was 4.8%, down from 5.1% in December 2013. Going Concern NAV stands at €166.30 per share as at December 31, 2014, an increase of +4.2% compared to December 31, 2013. Value creation in Going Concern NAV during 2014 amounted to €23.98 per share, partially offset by the €8.90 dividend paid in May 2014 and the negative impact of -€8.38 per share resulting from the mark-to-market of debt and derivatives.

Record pipeline at €8.0 Bn: active refueling to power future growth
After a very active 2013 in terms of deliveries, 2014 saw the delivery of the Majunga tower (La Défense, France) and Palais Vest (Recklinghausen, Germany). The Group refueled its development pipeline with two significant new projects: NEO (Brussels, Belgium) for the complete redevelopment of the Heysel plateau, including Mall of Europe, a 114,000 m² GLA shopping centre; and Überseequartier (Hamburg, Germany), where the City of Hamburg and Unibail-Rodamco will develop a unique shopping, touristic and business destination in HafenCity: a total of over 184,000 m² GLA of which 50% dedicated to leisure and retail. The Group expects to add 1.2 Mn m² of additional GLA with its extensions and brownfield retail projects, representing an increase of ca. 36% of the Group's existing retail GLA. The estimated total investment cost (TIC) of the consolidated development pipeline as at December 31, 2014 amounts to €8.0 Bn, compared to €6.9 Bn as at December 31, 2013.

Medium to long-term earnings outlook is increased
The disposals made in 2014 have allowed Unibail-Rodamco to improve the growth prospects of the Group. For 2015, the core business is therefore anticipated to be strong and the Group expects the underlying recurring earnings per share to grow by between +6% and +8%. As a consequence of the massive 2014 disposals and as a result of the further disposals the Group plans to make in 2015 (e.g., Arkady Pankrac and selected others), recurring earnings are expected to reach €10.15 to €10.35 per share in 2015.
For the 2016-2019 period, the combination of healthy like-for-like growth prospects, the streamlining of the Group's portfolio, deliveries from the development pipeline and the protected cost of borrowing, leads the Group to raise the outlook for the compound annual growth rate of its recurring earnings per share, from between +5% and +7% previously, to between +6% and +8%[3].

[3] This medium-term outlook is derived from the Group's annual 5-year business plan exercise, key inputs in which are indexation, rental uplifts, disposals, timely delivery of pipeline projects, cost of debt and taxation, variations in which may cause growth rates to vary from year to year.

unibail·rodamco

Dividend
The Group will propose to the Annual General Meeting (AGM) to declare a dividend of €9.60 per share in cash for 2014. This represents an increase of +7.9% from 2013 and an 88% pay-out ratio of net recurring result, up from 87% last year.

Further to the Group's announcement in October 2014, Unibail-Rodamco will, from January 2015, pay its dividend in two installments: an interim dividend of €4.80 on March 26, 2015 and, subject to approval by the AGM, a final dividend of €4.80 on July 6, 2015.

The calendar of payment dates in 2016 (for the 2015 fiscal year dividend) will be as follows:

- Payment of an interim dividend on March 25, 2016 (ex-dividend date March 23, 2016); and
- Payment of a final dividend, subject to approval of the AGM, on July 6, 2016 (ex-dividend date July 4, 2016).

For 2015 and thereafter, the Group intends to continue an annual cash distribution of at least €9.60 per share.

	FY-2014	FY-2013	Growth	Like-for-like growth
Net Rental Income (in € Mn)	**1,465**	**1,352**	**+8.4%**	**+3.9%**
- Shopping centres	1,192	1,097	+8.7%	+3.8%
- Offices	172	160	+8.0%	+4.2%
- Convention & Exhibitions	100	96	+4.9%	+4.9%
Recurring net result (in € Mn)	**1,068**	**986**	**+8.3%**	
Recurring EPS (in € per share)	**10.92**	**10.22**	**+6.8%**	
	Dec. 31, 2014	Dec. 31, 2013		
Total portfolio valuation (in € Mn)	**34,576**	**32,134**	**+7.6%**	**+4.9%**
Going Concern Net Asset Value (in € per share)	**166.30**	**159.60**	**+4.2%**	
EPRA triple Net Asset Value (in € per share)	**151.20**	**146.20**	**+3.4%**	

Figures may not add up due to rounding.

The appendix to the press release and the full-year 2014 results presentation are available on the Group's website www.unibail-rodamco.com
The audit procedures by statutory auditors are in progress.

For further information, please contact:

Investor Relations
Julie Coulot
+33 1 76 77 57 22
julie.coulot@unibail-rodamco.com

Media Relations
Pauline Duclos-Lenoir
+33 1 76 77 57 94
pauline.duclos-lenoir@unibail-rodamco.com

About Unibail-Rodamco
Created in 1968, Unibail-Rodamco SE is Europe's largest listed commercial property company, with a presence in 12 EU countries, and a portfolio of assets valued at €34.6 billion as of December 31, 2014. As an integrated operator, investor and developer, the Group aims to cover the whole of the real estate value creation chain. With the support of its 2,085 professionals, Unibail-Rodamco applies those skills to highly specialised market segments such as large shopping centres in major European cities and large offices and convention & exhibition centres in the Paris region.

The Group distinguishes itself through its focus on the highest architectural, city planning and environmental standards. Its long term approach and sustainable vision focuses on the development or redevelopment of outstanding places to shop, work and relax. Its commitment to environmental, economic and social sustainability has been recognised by inclusion in the DJSI (World and Europe), FTSE4Good and STOXX Global ESG Leaders indexes.
The Group is a member of the CAC 40, AEX 25 and EuroSTOXX 50 indices. It benefits from an A rating from Standard & Poor's and Fitch Ratings.
For more information, please visit our website: www.unibail-rodamco.com

APPENDIX TO THE PRESS RELEASE
January 28, 2015

The audit procedures by statutory auditors are in progress.

The press release and its appendix as well as the results presentation slide show can be found on Unibail-Rodamco's website
www.unibail-rodamco.com

Consolidated Income Statement by segment (€Mn)			2014 Recurring activities	2014 Non-recurring activities [1]	2014 Result	2013 Recurring activities	2013 Non-recurring activities [1]	2013 Result
SHOPPING CENTRES	FRANCE	Gross rental income	696.9	-	696.9	635.7	-	635.7
		Operating expenses & net service charges	(68.1)	-	(68.1)	(67.0)	-	(67.0)
		Net rental income	**628.8**	**-**	**628.8**	**568.7**	**-**	**568.7**
		Contribution of affiliates	12.9	6.2	19.2	26.3	6.9	33.3
		Gains/losses on sales of properties	-	46.3	46.3	-	7.4	7.4
		Valuation movements	-	504.3	504.3	-	391.0	391.0
		Result Shopping Centres France	**641.7**	**556.8**	**1,198.5**	**595.1**	**405.3**	**1,000.4**
	SPAIN	Gross rental income	165.6	-	165.6	165.9	-	165.9
		Operating expenses & net service charges	(19.8)	-	(19.8)	(23.1)	-	(23.1)
		Net rental income	**145.8**	**-**	**145.8**	**142.8**	**-**	**142.8**
		Contribution of affiliates	1.4	(1.0)	0.4	1.5	(5.2)	(3.7)
		Gains/losses on sales of properties	-	4.4	4.4	-	(0.1)	(0.1)
		Valuation movements	-	192.3	192.3	-	(71.4)	(71.4)
		Result Shopping Centres Spain	**147.1**	**195.7**	**342.8**	**144.3**	**(76.6)**	**67.6**
	CENTRAL EUROPE	Gross rental income	145.2	-	145.2	116.3	-	116.3
		Operating expenses & net service charges	(3.3)	-	(3.3)	(3.6)	-	(3.6)
		Net rental income	**141.9**	**-**	**141.9**	**112.7**	**-**	**112.7**
		Contribution of affiliates	68.1	12.5	80.6	48.9	(5.0)	43.9
		Gains/losses on sales of properties	-	0.7	0.7	-	-	-
		Valuation movements	-	229.9	229.9	-	82.8	82.8
		Result Shopping Centres Central Europe	**210.0**	**243.1**	**453.1**	**161.6**	**77.8**	**239.4**
	AUSTRIA	Gross rental income	115.3	-	115.3	111.0	-	111.0
		Operating expenses & net service charges	(8.6)	-	(8.6)	(6.4)	-	(6.4)
		Net rental income	**106.7**	**-**	**106.7**	**104.6**	**-**	**104.6**
		Valuation movements	-	74.1	74.1	-	26.2	26.2
		Result Shopping Centres Austria	**106.7**	**74.1**	**180.8**	**104.6**	**26.2**	**130.8**
	NORDIC	Gross rental income	116.1	-	116.1	112.8	-	112.8
		Operating expenses & net service charges	(19.0)	-	(19.0)	(18.6)	-	(18.6)
		Net rental income	**97.1**	**-**	**97.1**	**94.1**	**-**	**94.1**
		Gains/losses on sales of properties	-	(0.1)	(0.1)	-	(0.1)	(0.1)
		Valuation movements	-	110.7	110.7	-	61.1	61.1
		Result shopping Centres Nordic	**97.1**	**110.6**	**207.7**	**94.1**	**61.0**	**155.1**
	THE NETHERLANDS	Gross rental income	79.9	-	79.9	82.2	-	82.2
		Operating expenses & net service charges	(7.7)	-	(7.7)	(8.3)	-	(8.3)
		Net rental income	**72.1**	**-**	**72.1**	**73.8**	**-**	**73.8**
		Gains/losses on sales of properties	-	2.2	2.2	-	0.0	0.0
		Valuation movements	-	12.7	12.7	-	30.3	30.3
		Result Shopping Centres The Netherlands	**72.1**	**14.9**	**87.1**	**73.8**	**30.4**	**104.2**
		TOTAL RESULT SHOPPING CENTRES	**1,274.8**	**1,195.2**	**2,470.0**	**1,173.6**	**524.0**	**1,697.6**
OFFICES	FRANCE	Gross rental income	154.6	-	154.6	140.6	-	140.6
		Operating expenses & net service charges	(6.2)	-	(6.2)	(6.7)	-	(6.7)
		Net rental income	**148.4**	**-**	**148.4**	**133.9**	**-**	**133.9**
		Gains/losses on sales of properties	-	(0.3)	(0.3)	-	0.0	0.0
		Valuation movements	-	54.5	54.5	-	(69.8)	(69.8)
		Result Offices France	**148.4**	**54.2**	**202.7**	**133.9**	**(69.8)**	**64.2**
	OTHER COUNTRIES	Gross rental income	28.8	-	28.8	30.6	-	30.6
		Operating expenses & net service charges	(4.8)	-	(4.8)	(4.8)	-	(4.8)
		Net rental income	**24.0**	**-**	**24.0**	**25.8**	**-**	**25.8**
		Gains/losses on sales of properties	-	1.3	1.3	-	(0.0)	(0.0)
		Valuation movements	-	(5.0)	(5.0)	-	(42.1)	(42.1)
		Result Offices other countries	**24.0**	**(3.7)**	**20.3**	**25.8**	**(42.1)**	**(16.3)**
		TOTAL RESULT OFFICES	**172.4**	**50.5**	**223.0**	**159.7**	**(111.8)**	**47.9**
CONVENTION & EXHIBITION	FRANCE	Gross rental income	180.4	-	180.4	171.7	-	171.7
		Operating expenses & net service charges	(95.4)	-	(95.4)	(90.9)	-	(90.9)
		Net rental income	**85.0**	**-**	**85.0**	**80.8**	**-**	**80.8**
		Contribution of affiliates	0.4	(0.3)	0.2	0.1	(0.1)	(0.0)
		On site property services	**49.7**	**-**	**49.7**	**39.7**	**-**	**39.7**
		Hotels net rental income	**15.3**	**-**	**15.3**	**14.8**	**-**	**14.8**
		Exhibitions organising	**14.2**	**(2.9)**	**11.3**	**9.7**	**7.3**	**17.0**
		Valuation movements, depreciation, capital gains	(10.6)	152.9	142.4	(12.6)	110.0	97.4
		TOTAL RESULT CONVENTION & EXHIBITION	**154.1**	**149.7**	**303.8**	**132.5**	**117.1**	**249.6**
		Other property services net operating result	33.7	(1.1)	32.7	27.1	-	27.1
		Other net income	4.7	28.3	33.0	7.3	-	7.3
TOTAL OPERATING RESULT AND OTHER INCOME			**1,639.7**	**1,422.7**	**3,062.4**	**1,500.3**	**529.3**	**2,029.6**
		General expenses	(89.3)	(4.9)	(94.2)	(82.7)	(6.1)	(88.8)
		Development expenses	(4.1)	5.0	0.9	(4.0)	-	(4.0)
		Financing result	(338.5)	(446.9)	(785.3)	(315.4)	(42.8)	(358.2)
RESULT BEFORE TAX			**1,207.9**	**975.9**	**2,183.8**	**1,098.1**	**480.4**	**1,578.5**
		Income tax expenses	(3.2)	(176.8)	(180.0)	(8.2)	(27.8)	(36.0)
NET RESULT FOR THE PERIOD			**1,204.7**	**799.1**	**2,003.8**	**1,089.9**	**452.6**	**1,542.5**
		Non-controlling interests	136.7	196.6	333.3	104.1	147.8	251.9
NET RESULT - OWNERS OF THE PARENT			**1,068.1**	**602.4**	**1,670.5**	**985.8**	**304.8**	**1,290.6**
Average number of shares and ORA			97,824,119			96,468,709		
RECURRING EARNINGS PER SHARE (€)			**10.92**			**10.22**		
RECURRING EARNINGS PER SHARE GROWTH			**6.8%**			**6.5%**		

[1] Non-recurring activities include valuation movements, disposals, mark-to-market and termination costs of financial instruments, impairment of goodwill or recognition of negative goodwill as well as costs directly incurred during a business combination and other non-recurring items.

STATEMENT OF COMPREHENSIVE INCOME **Presented under IFRS format** (€ Mn)	**2014**	**2013**
Gross rental income	1,702.0	1,584.3
Ground rents paid	(14.0)	(12.7)
Net service charge expenses	(24.5)	(25.2)
Property operating expenses	(198.3)	(194.3)
Net rental income	**1,465.1**	**1,352.1**
Corporate expenses	(87.1)	(80.5)
Development expenses	(4.1)	(4.0)
Depreciation of other tangible assets	(2.2)	(2.2)
Administrative expenses	**(93.4)**	**(86.7)**
Acquisition and related costs	**0.1**	**(6.1)**
Revenues from other activities	237.3	182.0
Other expenses	(164.4)	(127.7)
Net other income	**72.9**	**54.3**
Proceeds from disposal of investment properties	766.4	50.8
Carrying value of investment properties sold	(749.7)	(43.5)
Result on disposal of investment properties	**16.7**	**7.3**
Proceeds from disposal of shares	886.0	148.3
Carrying value of disposed shares	(820.1)	(148.3)
Result on disposal of shares	**65.9**	**-**
Valuation gains on assets	1,576.0	1,013.7
Valuation losses on assets	(261.8)	(495.6)
Valuation movements on assets	**1,314.2**	**518.1**
Impairment of goodwill / Negative goodwill	**11.3**	**-**
NET OPERATING RESULT BEFORE FINANCING COST	**2,852.8**	**1,839.0**
Result from non-consolidated companies	4.7	7.3
Financial income	*99.9*	*95.5*
Financial expenses	*(438.4)*	*(410.9)*
Net financing costs	(338.5)	(315.4)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	(48.3)	(62.5)
Fair value adjustments of derivatives and debt	(396.6)	22.0
Debt discounting	(1.8)	(2.3)
Share of the result of companies consolidated under the equity method	88.6	70.3
Income on financial assets	22.9	20.1
RESULT BEFORE TAX	**2,183.8**	**1,578.5**
Income tax expenses	(180.0)	(36.0)
NET RESULT FOR THE PERIOD	**2,003.8**	**1,542.5**
Non-controlling interests	333.3	251.9
NET RESULT (Owners of the parent)	**1,670.5**	**1,290.6**

Average number of shares (undiluted)	97,814,577	96,458,943
Net result for the period (Owners of the parent)	1,670.5	1,290.6
Net result for the period per share (Owners of the parent) (€)	**17.1**	**13.4**
Net result for the period restated (Owners of the parent) [(1)]	1,720.2	1,290.6
Average number of shares (diluted)	103,878,972	97,161,396
Diluted net result per share - Owners of the parent (€)	**16.6**	**13.3**

NET COMPREHENSIVE INCOME (in €Mn)		
NET RESULT FOR THE PERIOD	**2,003.8**	**1,542.5**
Foreign currency differences on translation of financial statements of subsidiaries	(12.9)	(8.5)
Gain/loss on net investment hedge	(45.2)	(23.9)
Cash flow hedge	0.9	0.1
Revaluation of shares available for sale		10.4
Other comprehensive income which can be reclassified to profit or loss	**(57.2)**	**(22.0)**
Other comprehensive income reclassified to profit or loss	**(19.8)**	**-**
Employee benefits - will not be reclassified into profit or loss	**(5.9)**	**6.4**
OTHER COMPREHENSIVE INCOME	**(82.9)**	**(15.6)**
NET COMPREHENSIVE INCOME	**1,920.9**	**1,527.0**
Non-controlling interests	333.1	252.0
NET COMPREHENSIVE INCOME (OWNERS OF THE PARENT)	**1,587.8**	**1,275.0**

(1) The impact of the fair value of the ORNANE and the related financial expenses are restated from the net result of the period if they have a dilutive impact.

Consolidated Statement of financial position (€ Mn)	**31/12/2014**	**31/12/2013**
NON CURRENT ASSETS	**33,287.8**	**31,182.2**
Investment properties	**30,253.6**	**28,552.6**
Investment properties at fair value	*29,781.5*	*27,613.5*
Investment properties at cost	*472.1*	*939.1*
Other tangible assets	215.7	203.1
Goodwill	541.2	269.4
Intangible assets	237.5	217.5
Loans and receivables (1)	46.7	62.3
Financial assets	77.1	71.4
Financial assets available for sale	-	128.5
Deferred tax assets	14.3	8.7
Derivatives at fair value	225.7	112.1
Shares and investments in companies consolidated under the equity method	1,676.1	1,556.7
CURRENT ASSETS	**2,282.4**	**1,162.3**
Properties or shares held for sale	**614.1**	**188.6**
Trade receivables from activity	**364.4**	**344.2**
Property portfolio	302.2	303.9
Other activities	62.2	40.3
Other trade receivables	**472.8**	**525.7**
Tax receivables	166.8	231.5
Other receivables (1)	229.4	237.1
Prepaid expenses	76.6	57.2
Cash and cash equivalents	**831.1**	**103.7**
Investments available for sale	529.3	9.8
Cash	301.8	93.9
TOTAL ASSETS	**35,570.2**	**32,344.5**
Shareholders' equity (Owners of the parent)	**14,519.9**	**13,703.9**
Share capital	490.3	486.4
Additional paid-in capital	6,229.8	6,139.8
Bonds redeemable for shares	1.3	1.4
Consolidated reserves	6,199.9	5,800.4
Hedging and foreign currency translation reserves	(71.9)	(14.7)
Consolidated result	1,670.5	1,290.6
Non-controlling interests	**2,413.3**	**2,179.8**
TOTAL SHAREHOLDERS' EQUITY	**16,933.2**	**15,883.7**
NON CURRENT LIABILITIES	**16,108.4**	**13,555.0**
Long term commitment to purchase non-controlling interests	119.6	61.2
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,406.7	857.1
Long term bonds and borrowings	12,006.0	10,733.6
Long term financial leases	367.3	117.6
Derivatives at fair value	698.3	426.3
Deferred tax liabilities	1,172.9	1,013.1
Long term provisions	40.2	31.5
Employee benefits	20.7	13.9
Guarantee deposits	196.0	210.4
Tax liabilities	1.3	17.8
Amounts due on investments	79.4	72.5
CURRENT LIABILITIES	**2,528.5**	**2,905.8**
Current commitment to purchase non-controlling interests	**2.0**	**-**
Amounts due to suppliers and other current debt	**1,035.2**	**1,052.6**
Amounts due to suppliers	187.6	122.7
Amounts due on investments	379.1	448.4
Sundry creditors	256.1	304.5
Other liabilities	212.4	177.0
Current borrowings and amounts due to credit institutions	**1,289.4**	**1,683.7**
Current financial leases	**6.0**	**3.7**
Tax and social security liabilities	**172.8**	**145.4**
Short term provisions	**23.1**	**20.5**
TOTAL LIABILITIES AND EQUITY	**35,570.2**	**32,344.5**

(1) An amount of €22,8 Mn was reclassified from Current assets to Non current assets as at December 31, 2013.

Consolidated statement of cash flows (€ Mn)	2014	2013
Operating activities		
Net result	**2,003.8**	**1,542.5**
Depreciation & provisions	31.8	18.8
Impairment of goodwill/Negative goodwill	-11.3	-
Changes in value of property assets	-1,314.2	-518.1
Changes in value of financial instruments	445.0	40.5
Discounting income/charges	1.8	2.3
Charges and income relating to stock options and similar items	7.9	7.1
Other income and expenses	-5.0	-
Net capital gains/losses on sales of shares	-65.9	-
Net capital gains/losses on sales of properties (1)	-16.0	-8.0
Income from companies consolidated under the equity method	-88.6	-70.3
Income on financial assets	-22.9	-20.1
Dividend income from non-consolidated companies	-4.8	-7.2
Net financing costs	338.5	315.4
Income tax charge	180.0	36.0
Cash flow before net financing costs and tax	**1,480.0**	**1,338.8**
Income on financial assets	21.5	20.1
Dividend income and result from companies under equity method or non consolidated	19.9	28.7
Income tax paid	-39.8	-19.3
Change in working capital requirement	106.8	-78.2
Total cash flow from operating activities	**1,588.4**	**1,290.2**
Investment activities		
Property activities	**-118.2**	**-1,429.0**
Acquisition of consolidated shares	-891.1	-130.9
Amounts paid for works and acquisition of property assets	-1,339.0	-1,520.3
Exit tax payment	-1.4	-8.1
Repayment of property financing	1.1	8.0
Increase of property financing	-12.6	-5.2
Disposal of shares/consolidated subsidiaries	1,409.2	176.7
Disposal of investment properties	715.6	50.8
Repayment of finance leasing	**0.2**	**0.1**
Financial activities	**-3.0**	**-0.0**
Acquisition of financial assets	-5.6	-2.0
Disposal of financial assets	1.6	1.9
Change in financial assets	1.0	0.1
Total cash flow from investment activities	**-121.0**	**-1,429.0**
Financing activities		
Capital increase of parent company	94.2	117.5
Change in capital from company with non controlling shareholders	1.2	-80.7
Distribution paid to parent company shareholders	-871.4	-610.5
Dividends paid to non-controlling shareholders of consolidated companies (3)	-65.8	-112.8
New borrowings and financial liabilities (3)	3,419.1	3,300.7
Repayment of borrowings and financial liabilities (3)	-2,796.6	-2,034.4
Financial income	97.8	87.7
Financial expenses	-420.7	-390.0
Other financing activities	-173.9	-81.7
Total cash flow from financing activities	**-716.1**	**196.0**
Change in cash and cash equivalents during the period	**751.3**	**57.2**
Cash at the beginning of the year	**94.8**	**38.2**
Effect of exchange rate fluctuations on cash held	**-18.4**	**-0.6**
Cash at period-end (2)	**827.6**	**94.8**

(1) Includes capital gains/losses on property sales, disposals of short term investment properties, disposals of finance leasing and disposals of operating assets.

(2) Cash and equivalents include bank accounts, available -for-sale investments and current accounts with terms of less than three months, less bank overdrafts.

(3) A reallocation has been done between dividend paid to non controlling shareholders of consolidated companies and borrowings and financial liabilities.

I. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

Accounting principles

Unibail-Rodamco's consolidated financial statements as at December 31, 2014 were prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable in the European Union as at December 31, 2014.

Following their endorsement by the European Union on December 29, 2012, Unibail-Rodamco has adopted the following IFRS, with effect from January 1, 2013:
- IFRS 10 "Consolidated Financial Statements;"
- IFRS 11 "Joint arrangements;" and
- IFRS 12 "Disclosure of interests in other entities."

IFRS 13 "Fair value measurement" was also adopted with effect from January 1, 2013.
Therefore, all financial statements reported for 2013 and 2014 are compliant with these new IFRS.
No changes were made to the accounting principles with those applied for the year ended December 31, 2013.

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

Scope of consolidation

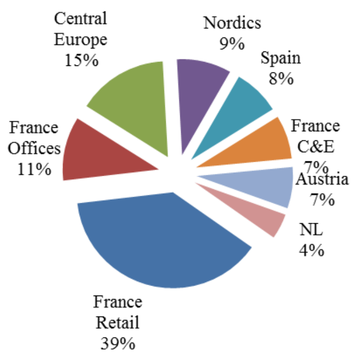
The principal changes in the scope of consolidation since December 31, 2013 were:
- On December 18, 2014, Unibail-Rodamco sold six shopping centres located in France to Wereldhave;
- On November 28, 2014, Unibail-Rodamco sold six shopping centres located in France to Carmila;
- On July 25, 2014, Unibail-Rodamco increased its stake in mfi AG (Germany) to 91.15% following the exercise of the put by the Perella Weinberg Real Estate Fund I (PWREF). Consequently, mfi is fully consolidated since that date;
- On May 14, 2014, Unibail-Rodamco acquired a stake in CentrO, a leading shopping centre located in Oberhausen (Germany). Following this acquisition and based on the governance analysis, the acquired companies are consolidated under the equity method;
- Following a change in control, the Val Tolosa development project located in Toulouse (France) is now fully consolidated, instead of consolidated under the equity method as at December 31, 2013;
- The Group also sold during the first six months of 2014 different assets, mainly the shopping centre Vier Meren, located in The Netherlands, and 34-36 Louvre and 23 Courcelles (Paris), as well as its 7.25% stake in Société Foncière Lyonnaise (SFL).

As at December 31, 2014, 287 companies were fully consolidated, 6 companies were consolidated under "joint operation" (as defined by IFRS 11) and 29 companies were accounted for under the equity method[2].

Operational reporting

The Unibail-Rodamco Group is operationally organised in six regions: France, Spain, Central Europe[3], Austria, the Nordics and The Netherlands. As France has substantial activities of all 3 business-lines of the Group, this region is itself divided in 3 segments: Shopping Centres, Offices and Convention & Exhibition. The other regions mainly operate in the Shopping Centre segment.

The table below shows the split of Gross Market Values per region as at December 31, 2014, including assets consolidated under the equity method[4].



[1] EPRA Best Practices Recommendations are available on the EPRA website: www.epra.com

[2] Mainly the Comexposium subsidiaries and the Rosny 2 shopping centre in France, the Pankrac shopping centre in the Czech Republic, the Zlote Tarasy complex in Poland, and the Ring-Center, Ruhr Park, CentrO, Gropius and Paunsdorf shopping centres in Germany.

[3] Central Europe includes the German portfolio.

[4] Except service companies (the Comexposium subsidiaries, Espace Expansion and mfi property services).

II. BUSINESS REVIEW BY SEGMENT

2014 was a very successful year for the Group. Notable accomplishments included: the disposal or agreement to dispose of non-core retail assets in France, The Netherlands and Spain for net disposal proceeds to Unibail-Rodamco of €2.1 Bn, accomplishing in less than one year the objective to dispose of between €1.5 and €2.0 Bn of retail assets over a five-year period; the launch of the Unexpected Shopping campaign; the highly successful leasing activity by the Group's French offices team, with the leasing of 30,077 m² (49%) in Majunga to Axa Investment Managers and 28,768 m² (80%) to L'Oréal in the So Ouest Plaza building in Levallois (Paris region) to be delivered in H1-2015; the first ever zero coupon convertible bond and Green bond for a real estate company in the Euromarket; the signing of development agreements for mixed-use projects: the "Mall of Europe" in Brussels and the Überseequartier in Hamburg; and the acquisition of a stake in CentrO, one of Germany's best shopping centres.

The excellent execution by the Group's dedicated teams of Unibail-Rodamco's strategy of concentration, differentiation and innovation have further reinforced the Group's position as the undisputed leader in European commercial real estate against a weak overall economic backdrop and despite increased competition.

1. Shopping Centres

1.1 Shopping centre market in 2014

2014 was characterized by a slow economic recovery with low inflation in the EU economy[5]. GDP growth was estimated at +0.8%[5] in the EU and +1.1% in the euro-zone for 2014. Unemployment decreased but remained high at 10.0% in the EU and 11.5% in the euro-zone in November 2014, down by -40 bps and -70 bps since November 2013, respectively[6]. GDP is forecasted to rise only slowly in the course of 2015, +1.5% in the EU and +1.1% in the euro-zone[5], respectively.

These expectations are based on the positive GDP growth in 2014 in a number of countries: estimates for GDP growth for The Netherlands, Spain, and the Czech Republic last year are +0.9%, +1.2%, and +2.5%, respectively. All three countries saw negative GDP growth through the end of 2013. GDP in France and Austria is expected to increase by +0.3% and +0.7%, respectively, in 2014, while Sweden, Slovakia and Poland were among the EU's best performers[5] with forecasted GDP growth for 2014 of +2.0%, +2.4% and +3.0%, respectively. Germany's GDP growth is forecast to reach +1.3% in 2014, a +90 bps increase vs. 2013.

While the macroeconomic outlook improved significantly in the first half of 2014, consumer sentiment deteriorated markedly in the second half due to increasing geopolitical risks and less favourable economic prospects in Europe. Despite these mixed conditions, Unibail-Rodamco's performance was robust and demonstrates the strength of its business model: large shopping centres, located in the wealthy and densely populated catchment areas of major European cities, which receive 6 million or more visits per year and which offer visitors a unique experience thanks to an unparalleled brand offer, a critical mass of international premium[7] retailers, a high quality design, unique and premium services as well as innovative marketing.

Low consumer confidence and unseasonal weather patterns and conditions during the year impacted the number of visitors to shopping centres and, thus, tenant sales across Europe. However, thanks to the Group's active management of its shopping centres and innovative marketing, footfall increased by +1.5% and tenant sales[8] in the Group's shopping centres for the 12-month period ended December 31, 2014, grew by +2.7% compared to 2013. Tenant sales in the Group's shopping centres grew by +2.4% through November 2014 compared to the same period in 2013, outperforming the national sales index[9] by +190 bps. Tenants in the French

[5] Source: European Economic Forecast, autumn 2014. http://ec.europa.eu/economy_finance/publications/european_economy/2014/pdf/ee7_en.pdf

[6] Source: Eurostat, January 7, 2015. http://ec.europa.eu/eurostat/documents/2995521/6454659/3-07012015-AP-EN.pdf/f4d2866e-0562-49f5-8f29-67e1be16f50a

[7] Retailer that has strong and international brand recognition, with a differentiating store design and product approach, which the Group believes will increase the appeal of its shopping centres.

[8] Tenant sales performance in Unibail-Rodamco's shopping centres (excluding The Netherlands) on 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. Tenants' sales including Apple store sales estimated on the basis of available public information of Apple Inc. (2013 10-K published October 30, 2013, pages 27 and 32; 2014 10-K published October 27, 2014, pages 27 and 32). Primark sales are not available.

[9] Based on latest national indices available (year-on-year evolution) as of November 2014: France: Institut Français du Libre Service; Spain: Instituto Nacional de Estadistica; Central Europe: Český statisticky urad (Czech Republic), Polska Rada Centrow Handlowych (Poland, as of October 2014); Austria: Eurostat (Austria

shopping centres outperformed the national sales index by +190 bps, with sales growth of +2.4% compared to the same period in 2013. In December, tenant sales in the Group's French shopping centres were up by +3.6% compared to December 2013. In Austria[10], tenant sales through November 2014 increased by +0.9%, outperforming the national sales index by +30 bps driven by the recently refurbished Shopping City Süd (Vienna) (+4.0% over the same period). In Central Europe, tenant sales grew by +4.0% mainly driven by the strong performance of the extended Centrum Černý Most (+16.3% through November 2014). Spanish shopping centres also showed a strong increase with +4.6% of tenant sales growth through November 2014, outperforming the national sales index by +390 bps. This performance was led primarily by large shopping centres such as La Maquinista (+2.7%), La Vaguada (+4.2%), Parquesur (+5.8%) and Splau (+18.1%), the Barcelona shopping centre refurbished and restructured in 2012. Collectively, tenant sales grew by +5.3% in the Group's six largest shopping centres in Spain[11]. In the Nordics, tenant sales through November 2014 were slightly down compared to the same period in 2013. The Nordics' tenant sales currently exclude Täby Centrum (Stockholm), due to the on-going extension and comprehensive refurbishment of the centre. Tenant sales and footfall in this centre increased by +16.1% and +15.7%, respectively, thanks to the opening of the South extension in July 2013 and delivery of the North extension in May and August 2014.

2014 was an active year in sourcing new developments, acquiring world-class shopping centres and driving innovation.

Developments

In April, the City of Brussels selected Unibail-Rodamco as the co-developer, with its partners BESIX and CFE, of the NEO 1 project. This mixed-use project consists of a redevelopment of the Heysel Plateau in Brussels, including 114,000 m² dedicated to leisure, restaurants and retail, 2,000 m² of outdoor leisure and 4,000 m² of offices: "Mall of Europe". Unibail-Rodamco will develop and operate the "Mall of Europe", representing a €547 Mn investment, while BESIX and CFE will develop the residential program. The Group will use its skillset and innovations on this 230-unit shopping centre which will feature the complete set of 4 Star services, iconic shopfronts, a 9,000 m² Dining Experience™ with 30 restaurants, the largest cinema in Belgium with 4,000 seats and the first indoor "Spirouland" in the world, created by Compagnie des Alpes, Europe's largest theme park operator, at the heart of a 15,000 m² leisure centre. The "Mall of Europe" will be the Group's first shopping centre in Belgium.

In December 2014, Unibail-Rodamco signed an agreement with the City of Hamburg for the urban planning and acquisition of land in Überseequartier. The development project is located approximately one km south of the city centre of Hamburg, in the heart of the HafenCity area, Europe's biggest inner city development project (157 ha).
The project will include retail, restaurants, a multi-screen cinema, a cruise terminal, offices, housing and a hotel, covering a total of 184,000 m² of which 50% will be dedicated to leisure and retail. The project will represent a total investment of €860 Mn.
Überseequartier will offer customers an innovative retail experience with 190 shops, among which many new international premium retailers. Unibail-Rodamco will deploy its latest leading initiatives such as the 4 Star label, iconic shopfronts, "The Designer Gallery", and the Dining Experience™ to create the new standards of shopping. Hamburg is Germany's second largest city with a growing population, currently at 1.7 million inhabitants. A low unemployment rate (5.4%) and a GDP per capita 64% above the German average make the region of Hamburg one of the wealthiest and most dynamic in Europe.

Acquisitions

The Group continued its expansion in Germany with the acquisition of a stake in CentrO in May 2014. Located in Oberhausen, Germany, in the heart of the densely populated Ruhr region, CentrO is one of Germany's largest and most successful shopping centres. Opened in 1996 and extended by 17,000 m² in 2012, CentrO features 232,000 m² of retail and leisure offer, including a two-storey 117,000 m² shopping centre, 39 restaurants, a 9-screen cinema, a 12,000 seat multi-purpose arena, 2 adventure theme parks (Sealife Adventure Park, Legoland Discovery Center) and 12,000 parking spaces.
With 252 shops and restaurants, its tenant mix includes a large and unparalleled collection of international retailers in Germany, such as Apple, Hollister, Abercrombie & Fitch, Superdry, Tommy Hilfiger, Peek & Cloppenburg, Lego and Napapijri. Located in a catchment area of 3 million

and Slovakia); Nordic: HUI Research (Sweden), Denmark's Statistik (Denmark), Eurostat (Finland).
[10] Excluding Slovakia, due to on-going refurbishment works in Aupark.
[11] Assets above 6 Mn visits per annum located in Spain's largest cities: Madrid, Barcelona and Valencia. Assets include La Maquinista, La Vaguada, Bonaire, Parquesur, Gloriès and Splau.

inhabitants, the mall attracts shoppers from as far as The Netherlands.

On July 25, 2014, Unibail-Rodamco increased its stake in mfi AG (Germany) to 91.15%, following the exercise of the put by PWREF for a total amount of €317 Mn.

Innovation

Aiming to further improve the Group's leading position in terms of asset quality, premium services and differentiated customer experience, "UR Lab" launched in 2014 several new initiatives and further refined and expanded a number of concepts introduced previously, driving additional footfall:

- Fresh!: this "UR Lab" innovation is inspired by the best downtown markets and aims to create an exceptional food hall for the most demanding gourmets offering a high quality, diversified and regularly renewed food offer. "El Mercat de Glories" in Glories (Barcelona), opened its door in September 2014 on more than 3,200 m², and offers innovative restaurant concepts, fresh food markets, tasting and fantastic food displays combined with professional craftsmanship. The ambience is further strengthened through "La Cuina" ("The Kitchen"), a dedicated area for food related events, hosting more than 90 events since its inception. 48,000 weekly visitors on average enjoy "El Mercat de Glories" since its opening.

- Digital marketing: the Group expanded its drive to connect more closely with its shopping centres' visitors. Year-on-year iPhone and Android app downloads increased by +42% (to 3.4 Mn), whereas website visits and mobile site visits grew by 18% (to 46.8 Mn). The number of Facebook fans of the Group's shopping centres continued its strong growth to 5.6 Mn fans (4.3 Mn in 2013), representing a +30% increase. Closer to its end-consumers since the launch of the loyalty program late in 2012, Unibail-Rodamco's shopping centres now count 1.6 Mn loyalty card holders, a +33% increase versus 2013. In addition, the Group signed a short-term partnership agreement with Niantic Labs, a division of Google. This initiative enabled "Ingress" gamers (Google's near-real time augmented reality game) to expand their playground to shopping centres for the first time in Continental Europe. More than 176,000 Games Actions were registered while the initiative was active.

- 4 Star label[12]: introduced in 2012, the Group's quality label has been awarded to 19 shopping centres. In 2014, The CNIT (Paris region), Pasing Arcaden (Munich), Fisketorvet (Copenhagen) and Täby Centrum (Stockholm) were added to the list, following a comprehensive quality audit performed by SGS. Pasing Arcaden and Fisketorvet are the first shopping centres in Germany and Denmark to be granted the demanding label. These 19 shopping centres will continue to undergo annual audits to ensure they continue to meet the Group's demanding quality standards.

- The Dining Experience™: the Group's initiative aims to increase the space dedicated to dining through impressively and innovatively designed dining plazas in combination with high quality and differentiating food concepts as well as unique gastronomy events and services adding to the experience. The Dining Experience™ has already been implemented at La Maquinista (Barcelona), Confluence (Lyon), Galeria Mokotow (Warsaw) and Aéroville (Paris region). In 2015, the Dining Experience™ will be introduced in Les Quatre Temps (Paris region), Mall of Scandinavia (Stockholm) and Polygone Riviera (Cagnes-sur-Mer).

Leasing activity

Leasing activity was strong in 2014 with 1,458 leases signed with a Minimum Guaranteed Rent uplift[13] of +19.6% on renewals and re-lettings. The Group's rotation rate[14] was 12.5% in 2014, well above its objective to rotate at least 10% of its tenants each year, and was driven primarily by tenant rotation in its large malls. With a strong focus on differentiating and exclusive retail concepts, generating traffic and customer preference, 182 leases were signed with international premium[15] retailers in 2014 compared to 165 in 2013 (+10%).
Unibail-Rodamco's teams signed many aspirational brands and achieved a number of outstanding firsts,

[12] 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.
[13] Minimum Guaranteed Rent uplift: difference between new and old rents. Indicator calculated on renewals and relettings.
[14] Rotation rate = (number of relettings + number of assignments + number of renewals with new concepts) / number of stores.
[15] Retailer with strong and international brand recognition, and a differentiating store design and product approach, which may increase the appeal of the shopping centres.

including the opening of the first Tesla and Abercrombie & Fitch stores in shopping centres in Continental Europe in Täby Centrum (Stockholm) and Centro (Oberhausen), respectively.
Many differentiating brands chose Unibail-Rodamco malls to enter new European markets such as: the 1st Rituals in France in the Forum des Halles (Paris), the 1st Disney store in Sweden in Mall of Scandinavia (Stockholm) and the 1st Kusmi Tea in Sweden in Täby Centrum (Stockholm).
The Group's outstanding portfolio also enabled international premium retailers to develop their first store in a shopping centre in a number of countries: Starbucks in Sweden in Täby Centrum (Stockholm), Le Pain Quotidien stores in France in Forum des Halles (Paris) and Polygone Riviera (Cagnes-sur-Mer) and COS and & Other Stories in France in Polygone Riviera (Cagnes-sur-Mer).
In addition, the Group accelerated the expansion of differentiating retailers such as: Nespresso in Poland, the Czech Republic and Austria with 4 new stores, Costa Coffee in France and Poland with 5 new stores, Forever 21 in France and Germany with 6 new stores, JD Sports in Germany with 8 new stores, and Kiko in France, Germany, The Netherlands and Poland with 12 new stores.
Lastly, the major developments Mall of Scandinavia (Stockholm) and Polygone Riviera (Cagnes-sur-Mer) scheduled to be delivered in 2015 attracted many exclusive new tenants, including: River Island, Victoria's Secret, Vapiano, O'Learys, the IC Group brands including Peak Performance, Tiger of Sweden and Saint Tropez, and the Inditex brands including Zara, Massimo Dutti, Pull&Bear and Zara Home in the Mall of Scandinavia (Stockholm) and Polygone Riviera attracted Forever 21, H&M, Superdry, Mauboussin and Zadig & Voltaire.

Extension, renovation and brownfield projects

In order to meet demand from retailers for stores in superior assets with high footfall and a critical mass of differentiating retailers, the Group continues to renovate and extend shopping centres:

- In Central Europe, Wilenska (Warsaw) opened its new food court and completed the refurbishment of the entire Level 2 in March 2014. Arkadia (Warsaw) delivered to its visitors an entirely new food court in September 2014, a first step towards a full Dining Experience™ project to open in 2016;
- In Täby Centrum (Stockholm), the North extension was entirely delivered by August 2014. Full delivery, including the last restructuring and new parking, is planned for May 2015;
- In Spain, the ceremonial unveiling of Garbera's (San Sebastian) interior refurbishment took place on October 3, 2014, and the opening of the full redevelopment project of Glories (Barcelona) is scheduled for 2016;
- Other major extension and renovation works are on-going in Forum des Halles (Paris), Parly 2 (Paris region), Chodov (Czech Republic) and Leidsenhage (Leidschendam-Voorburg) and will be delivered in the coming years.

On October 16, 2014, more than 90,000 visitors came to open Palais Vest, the Group's latest new German shopping centre located in Recklinghausen, the northernmost city in Germany's Ruhr region. The total investment cost of the shopping centre was €193 Mn. The Group's leasing teams attracted to Palais Vest a large number of retailers new to the region. With 43,100 m² of retail on 3 levels and 120 shops, the comprehensive retail offer now includes the 1st Reserved store in Germany, new brands to the region such as Tommy Hilfiger, Mango, Playmobil or Rituals, and 12 restaurants at "The Orangerie", the mall's dining plaza. After reaching one million visitors in only three weeks and two million in only seven weeks, Palais Vest is now expected to reach 9 million visitors per year.

In addition, major brownfield projects: Mall of Scandinavia (Stockholm), Polygone Riviera (Cagnes-sur-Mer) and Minto (Mönchengladbach) are to be delivered in 2015.

1.2. Net Rental Income from Unibail-Rodamco's shopping centres

As at December 31, 2014, the Group owned 90 retail assets, of which 73 shopping centres. 54 of these host 6 million or more visits per annum and now represent 95% of the Group's retail portfolio[16] in Gross Market Value (GMV). Following the disposal of 12 shopping centres in 2014, the Group's French shopping centres now account for 48% of the Group's retail portfolio GMV (vs. 53% as at December 31, 2013).

Total consolidated Net Rental Income (NRI) of the shopping centre portfolio amounted to €1,192.4 Mn in 2014, up +8.7% from 2013.

[16] On standing assets, including assets consolidated under the equity method.

Region	Net Rental Income (€Mn)		
	2014	2013	%
France	628.8	568.7	10.6%
Spain	145.8	142.8	2.1%
Central Europe	141.9	112.7	25.9%
Austria	106.7	104.6	2.0%
Nordic	97.1	94.1	3.2%
Netherlands	72.1	73.8	-2.3%
TOTAL NRI	**1,192.4**	**1,096.8**	**8.7%**

The total net growth in NRI amounted to +€95.6 Mn compared to 2013 due to:

- +€51.8 Mn from changes in consolidation and acquisitions:
  - ✓ In France, the joint venture with the Abu Dhabi Investment Authority (ADIA) in the Parly 2 shopping centre (Paris region) was consolidated under the equity method in H1-2013 and has been fully consolidated since July 2013;
  - ✓ In Germany, mfi has been fully consolidated since July 25, 2014 following the acquisition of an additional stake and the related change of control;
  - ✓ Acquisition of additional units in the Villabé shopping centre in France.

- +€24.5 Mn from delivery of shopping centres, mainly in France with the Aéroville (Paris region) opening and the Alma (Rennes) and Toison d'Or (Dijon) extensions, which all opened in October 2013, and in the Czech Republic with the March 2013 opening of the extension of Centrum Černý Most (Prague) and smaller projects in France, Spain, Austria, Poland and The Netherlands.

- +€11.8 Mn due to assets in the pipeline, mainly in the Nordics with Täby Centrum (Stockholm), in France with Forum des Halles and Galerie Gaité (Paris) and in The Netherlands with Leidsenhage.

- -€21.4 Mn due to disposals of non-strategic assets:
  - ✓ -€12.1 Mn in France, mainly due to the disposal of 11 shopping centres[17] in November and December 2014;
  - ✓ -€7.2 Mn in The Netherlands further to the divestment of Vier Meren in January 2014 and of several other assets;
  - ✓ -€2.1 Mn in Spain due to the disposals of Albacenter (Albacete) and Habaneras (Alicante).

[17] Not including Cité Europe which was consolidated only under the equity method.

- -€2.7 Mn from other minor effects, including negative currency translation effect with SEK.

- The like-for-like NRI[18] growth amounted to +€31.6 Mn, up +3.8%, 300 bps above indexation which, in 2014, was only +0.8% compared to +2.1% in 2013.

Region	Net Rental Income (€Mn) Like-for-like		
	2014	2013	%
France	407.7	391.3	4.2%
Spain	126.8	121.8	4.1%
Central Europe	110.5	103.5	6.7%
Austria	100.4	99.3	1.1%
Nordic	67.1	66.9	0.4%
Netherlands	55.0	53.1	3.6%
TOTAL NRI Lfl	**867.5**	**836.0**	**3.8%**

Region	Net Rental Income Like-for-like evolution (%)			
	Indexation	Renewals, relettings net of departure	Other	Total
France	0.4%	1.7%	2.0%	4.2%
Spain	0.2%	0.2%	3.8%	4.1%
Central Europe	0.9%	5.1%	0.7%	6.7%
Austria	2.2%	2.0%	-3.1%	1.1%
Nordic	1.6%	-0.6%	-0.6%	0.4%
Netherlands	1.7%	2.3%	-0.4%	3.6%
TOTAL	**0.8%**	**1.8%**	**1.1%**	**3.8%**

The like-for-like growth in large malls[19] was +4.2%. Their performance was strong in most regions, with year-over-year like-for-like NRI up by +4.7% in France and +5.2% in Spain[20].
The +3.8% like-for-like NRI growth for the Group reflects the impact of low indexation (+0.8% vs. +2.1% in 2013), other income (+1.1% vs. +1.2%) and the weaker performance of smaller malls.

Across the whole portfolio, Sales Based Rents (SBR) represented 1.6% (€18.9 Mn) of total Net Rental Income in 2014, down from 1.8% (€20.1 Mn) in 2013 due primarily to the currency effects in Central Europe, conversion of SBR into Minimum Guaranteed Rent (MGR) and lower sales by certain retailers in Austria.

[18] Like-for-like NRI: Net Rental Income excluding acquisitions, divestments, transfers to and from pipeline (extensions, brownfields) and currency exchange rate differences in the periods analysed.
[19] Standing shopping centres with more than 6 million visits per annum.
[20] In assets above 6 Mn visits per annum located in Spain's three largest cities: Madrid, Barcelona and Valencia.

1.3. Contribution of affiliates

The total recurring Contribution of affiliates[21] for the shopping centre portfolio amounted to €82.4 Mn in 2014, compared to €76.7 Mn in 2013.

Region	Contribution of affiliates (€Mn)		
	2014 Recurring activities	2013 Recurring activities	Change
France	12.9	26.3	- 13.4
Spain	1.4	1.5	- 0.1
Central Europe	68.1	48.9	19.2
TOTAL	**82.4**	**76.7**	**5.7**

The total net increase of €5.7 Mn is mainly due to:

- The negative impact of a change of governance, in July 2013, in the joint venture combining Unibail-Rodamco's and ADIA's interests in the Parly 2 shopping centre (Paris region): the combined entity is now fully consolidated;
- The positive impact of the acquisition, in May 2014, of a stake in CentrO (Oberhausen) and the increase in the contribution coming from Ruhr Park (Bochum), Zlote Tarasy (Warsaw) and mfi affiliates;
- The negative impact of the change of control in mfi in July 2014, as mfi is now fully consolidated instead of consolidated under the equity method;
- The negative impact of the divestment in Cité Europe (Calais), sold to Carmila in November 2014.

On a pro-forma basis, excluding the change of consolidation method, acquisitions and divestment, the total Contribution of affiliates grew by +€2.6 Mn (+10.0%), mainly due to Ruhr Park (Bochum) and Rosny 2 (Paris region).

1.4. Leasing activity in 2014

The Group signed 1,458 leases in 2014 on consolidated standing assets (vs. 1,378 in 2013) for €168.8 Mn of MGR. The average MGR uplift[22] was +19.6% on renewals and relettings (+15.3% in 2013), including a +23.4% uplift in large shopping centres, partially offset by a negative MGR uplift in small shopping centres (less than 6 million visits per annum) of -0.9%. The MGR uplift in large French and Spanish shopping centres[23] in the period was +27.9% and +17.3%, respectively.

Region	Lettings / re-lettings / renewals excl. Pipeline				
	nb of leases signed	m²	MGR (€ Mn)	MGR uplift Like-for-like	
				€ Mn	%
France	467	119,749	72.1	12.3	24.3%
Spain	320	67,213	23.9	0.9	4.7%
Central Europe	252	70,180	28.8	5.4	32.7%
Austria	144	24,997	15.3	2.5	28.0%
Nordic	193	56,702	20.2	1.2	8.3%
Netherlands	82	26,211	8.6	0.4	6.8%
TOTAL	**1,458**	**365,052**	**168.8**	**22.7**	**19.6%**

MGR: Minimum Guaranteed Rent

1.5. Vacancy and Lease expiry schedule

As at December 31, 2014, the total annualised MGR from Unibail-Rodamco's shopping centre portfolio decreased only slightly to €1,143.4 Mn (€1,170.5 Mn as at December 31, 2013) despite the significant disposals completed in 2014.

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

Retail	Lease expiry schedule			
	MGR (€Mn) at date of next break option	As a % of total	MGR (€Mn) at expiry date	As a % of total
Expired	46.5	4.1%	47.8	4.2%
2015	229.2	20.0%	81.8	7.2%
2016	211.1	18.5%	79.6	7.0%
2017	220.0	19.2%	83.1	7.3%
2018	108.5	9.5%	94.9	8.3%
2019	119.8	10.5%	111.9	9.8%
2020	55.5	4.9%	80.6	7.1%
2021	30.7	2.7%	91.0	8.0%
2022	28.1	2.5%	120.5	10.5%
2023	22.8	2.0%	111.5	9.8%
2024	23.3	2.0%	74.4	6.5%
2025	9.4	0.8%	29.2	2.6%
Beyond	38.5	3.4%	137.1	12.0%
TOTAL	**1,143.4**	**100%**	**1,143.4**	**100%**

Estimated Rental Values (ERV) of vacant space in operation on the total portfolio decreased to €29.8 Mn as at December 31, 2014, resulting from a decrease in vacancy and the disposals completed in 2014.

[21] Contribution of affiliates represents Unibail-Rodamco's share of the Net recurring result for the period of all entities consolidated under the equity method and interests received on loans granted to companies consolidated under the equity method.
[22] MGR uplift: the difference between old and new rents. This indicator is calculated only on renewals and relettings.

[23] In assets above 6 Mn visits per annum located in Spain's three largest cities: Madrid, Barcelona and Valencia.

The EPRA vacancy rate[24] as at December 31, 2014 decreased to 2.2% on average across the total portfolio, including 0.3% of strategic vacancy. The vacancy rate in the large shopping centres was 1.9%. The decrease of the vacancy rate in France is mainly due to the impact of disposals and the full letting of Aéroville (Paris region). In Spain, the decrease in vacancy is mainly due to good leasing activity in Parquesur (Madrid), Vallsur (Valladolid), El Faro (Badajoz) and La Maquinista (Barcelona). In Central Europe, vacancy increased due to the impact of the full consolidation of mfi in this region. Excluding the change in consolidation method, vacancy in Central Europe was 0.4%, down from 1.1% as at December 2013. In Austria, the increase in vacancy is due mostly to strategic vacancy in Aupark (Bratislava). In the Nordics, the vacancy remained stable. In The Netherlands, the decrease in vacancy came primarily from Amstelveen and Almere.

Region	Vacancy (Dec 31, 2014)		Dec. 31, 2013
	€Mn	%	
France	14.7	2.2%	2.6%
Spain	2.7	1.5%	2.2%
Central Europe	3.3	1.7%	1.1%
Austria	3.1	2.4%	2.1%
Nordic	4.0	3.1%	3.1%
Netherlands	2.1	3.3%	4.1%
TOTAL	**29.8**	**2.2%**	**2.5%**

Excluding pipeline

The occupancy cost ratio[25] (OCR) stood at 14.2% on average compared to 13.7% as at December 31, 2013, driven by increases in France (+50 bps), Central Europe (+140 bps), Austria (+30 bps) and the Nordics (+130 bps), partially offset by the -100 bps OCR decrease in Spain. Most of the changes were attributable to the Group's leasing activities, charges to tenants and tenant sales evolution, in particular on assets undergoing restructuring. In Central Europe, the OCR increased from 13.8% in December 2013 to 15.2% in December 2014, due to currency effect, the extension of Centrum Černý Most (Prague) and the impact of the full consolidation of mfi. The significant OCR decrease in Spain to 12.6% (from 13.6% in 2013) was primarily due to the recovery of sales in the largest shopping centres, resulting in an OCR of only 12.4% for these shopping centres.

1.6. Investment and divestment

On February 13, 2014, Unibail-Rodamco announced that it had signed an agreement to acquire from Stadium Group, the original developer of CentrO, its stake in the asset. Unibail-Rodamco thus entered into a partnership agreement with Canada Pension Plan Investment Board (CPPIB).

See section 1.1 for a description of the shopping centre.

In consideration for the acquisition of the stake in CentrO, Unibail-Rodamco will pay the vendor up to €535 Mn, of which €471 Mn was paid at closing on May 14, 2014. The transaction represented a net initial yield of 4.4% and an average price of €7,800/m².
The acquisition of CentrO represented a unique opportunity for Unibail-Rodamco to strengthen its presence in Germany and further accelerate the Group's expansion in the country, following the 2012 acquisitions of stakes in mfi and Ruhr Park, one of Germany's largest malls.

On July 25, 2014, Unibail-Rodamco increased its stake in mfi AG (Germany) to 91.15%, following the exercise of the put by PWREF for a total amount of €317 Mn.

In total, the Group paid €858 Mn, primarily for the transactions described above, and the last installment to PWREF owed on the initial acquisition of a stake in mfi in 2012.

The Group's German platform now includes 1.5 million m² and 27 shopping centres, of which the mfi owned square meters are included in the consolidated figures. After the delivery of Palais Vest (Recklinghausen; 43,100 m² GLA) in September 2014, Minto (Mönchengladbach; 41,931 m² GLA) is to be delivered in H1-2015.

In addition, Unibail-Rodamco invested a further €918 Mn[26] in its shopping centre portfolio in 2014:

- New acquisitions amounted to €177 Mn:
  - ✓ In The Netherlands, a number of retail units and other minor assets were acquired during 2014, mainly in Leidsenhage (Leidschendam-Voorburg), for a total acquisition cost of €91 Mn;

[24] EPRA vacancy rate = Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.

[25] Occupancy Cost Ratio = (rental charges + service charges including marketing costs for tenants) / (tenants' sales); VAT included and for all the occupiers of the shopping centre. As tenant turnover is not known for all tenants for The Netherlands, no reliable OCR can be calculated for this country. Tenants' sales including Apple store sales estimated on the basis of available public information of Apple Inc. (2013 10-K published October 30, 2013, pages 27 and 32; 2014 10-K published October 27, 2014, pages 27 and 32). Primark sales are not available.

[26] Total capitalised amount in asset value group share.

- ✓ In France, additional plots were acquired in Forum des Halles (Paris), Ulis 2 and Vélizy 2 (Paris region) and additional land was acquired for Polygone Riviera (Cagnes-sur-Mer). Land was acquired for the Val Tolosa project (Toulouse region). These acquisitions represent a total amount of €71 Mn;
- ✓ In Spain, additional plots were acquired in Parquesur (Madrid), Los Arcos (Sevilla) and La Vaguada, for €15 Mn.

- €630 Mn was invested in construction, extension and refurbishment projects. Significant progress was made on Forum des Halles (Paris), Mall of Scandinavia in Stockholm and Polygone Riviera in Cagnes-sur-Mer (see also section "Development projects").

- Financial, eviction and other costs were capitalised in 2014 for €23 Mn, €59 Mn and €29 Mn, respectively.

During 2014, the Group disposed of the shopping centre Vier Meren in The Netherlands and disposed of 2 non-core assets in Spain. In France, six shopping centres were sold to Carmila in November and six shopping centres were sold to Wereldhave in December.

The total net disposal proceeds of these transactions amounted to €1.8 Bn, reflecting a premium of +5.5% over the last unaffected appraisal value.

Following the completion of the sale of Nicetoile in January 2015, the Group, in less than one year, has exceeded its objective to dispose of between €1.5 and €2.0 Bn of retail assets over a five-year period.

The Group expects to dispose of further assets, in particular in 2015, and will continue its disciplined approach to acquisitions.

Starting in 2009, Unibail-Rodamco has worked on reshaping its portfolio to focus on large shopping centres, located in the wealthy and densely populated catchment areas of major European cities, which receive at least 6 million visits per year and which offer visitors a unique experience thanks to an unparalleled brand offer, a critical mass of international premium retailers, a high quality design, unique and premium services as well as innovative marketing. The execution of this strategy has led to the creation of a pan-European super prime and homogenous portfolio. The table below shows the evolution of the average profile of a Unibail-Rodamco shopping centre.

Average profile of a Group shopping centre*	2009	2013	2014
Valuation in € Mn	172	322	395
Gross lettable area in m^2	49,200	61,700	66,000
Footfall in Mn visits	7.9	10.0	10.8

(*) Valuation (in Gross Market Value), Gross lettable area and footfall as of December 31, 2009, 2013 and 2014, respectively, including assets consolidated under the equity method at 100% share.

1.7. Overview of German operations[27]

In 2012, the Group made its first meaningful investment in Germany by acquiring a stake in mfi and Ruhr Park (Bochum) through companies jointly owned with PWREF. In addition, in 2014 the Group acquired from Stadium Group, the original developer of CentrO, a stake in this asset. Unibail-Rodamco thus entered into a partnership with CPPIB. In July 2014, PWREF exercised its put on the Group for its remaining stake in mfi. To date, the Group's total investment in Germany represents €2,476 Mn (in GMV-group share).

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

To provide a better understanding of the operational performance of the Group's German assets in 2014, the following paragraph describes on a pro-forma and 100% basis, a number of key performance indicators[28]:

- The total GMV of the German portfolio (fully or partly owned) at 100% amounted to €4.3 Bn as at December 31, 2014;
- The Pipeline at 100% amounted to €1.3 Bn;
- The GLA managed amounted to 1.5 million m², including 0.7 million m² for owned assets;
- NRI amounted to €140.5 Mn in 2014, an increase of +€55.1 Mn compared to 2013, mainly explained by the acquisition of CentrO in May 2014 and the opening of Palais Vest in September 2014. On a like-for-like basis, NRI grew by +8.9%;
- 209 leases were signed in 2014 on standing assets (compared to 94 in 2013), with an

[27] Includes Office assets, representing 1.7% of total GMV-group share. Excludes mfi fee business and Ring-Center.

[28] These operating data are for 100% of the assets for the full years 2013 and 2014, except for CentrO which data have been included prorata temporis, and therefore cannot be reconciled with the Group's financial statements and key performance indicators.

average MGR uplift of +14.9%, and 128 leases were signed on pipeline assets;

- Vacancy rate as at December 2014 stood at 3.3% (compared to 6.7% as at December 2013), including 0.2% of strategic vacancy;
- OCR for tenants in 2014 was 16.5%, stable compared to 2013.

2. Offices

2.1 Office property market in 2014

Take-up

In 2014, the take-up of 2.1 million m² of office space in the Paris region represented a strong rebound (+13%) from 2013 following two years of take-up declines in 2013 (-25%) and 2012 (-3%).
Despite this substantial increase, the 2014 Paris region take-up is still 8% below the ten-year average take-up level[29] of 2.3 million m^2.

While all size segments saw an increase in take-up during 2014, the large transaction segment (deals over 5,000 m²) increased most, up by +24% in volume and by +15% in number compared to 2013.

The traditional business districts in the Western Paris region and inner Paris recorded the strongest increases, with La Défense and the Neuilly-Levallois sectors up by +123% and +39%, respectively, compared to 2013.
This increase was fuelled by the return of very large transactions with 12 transactions above 20,000 m². These include the leasing of more than 28,000 m² to L'Oréal in Levallois (Paris region), 30,077 m² to Axa Investment Managers in the Majunga Tower (La Défense) and 3 transactions above 40,000 m²: KPMG (40,500 m²) in "Eqho" in La Défense, Veolia (45,000 m²) in "Parc du Millénaire" in Aubervilliers (Northern Inner rim) and Safran (45,324 m²) in Saint-Quentin-en-Yvelines (Southern Outer rim).

Rents

Headline rents in Paris CBD and La Défense have remained fairly stable since 2010. Tenant incentives, however, increased substantially during this period. The rebound in take-up in 2014 saw a reversal of this trend.

In 2014, average prime rents in Paris CBD decreased slightly to €687/m² from €699/m² at the beginning of the year. However, well located prime office space continues to do better, as evidenced by the Clifford Chance transaction for approximately 10,000 m² on rue d'Astorg (Paris 8th arrondissement) with a headline rent of €750/m². Incentives granted to tenants decreased to an average of 15% by the fourth quarter of 2014[30].

In La Défense, large transactions for new or restructured assets saw generally stable rents, while average prime headline rents rose to €503/m²[30] at the end of 2014 compared to €467/m² at the beginning of the year. The highest rent recorded in this segment was the €530/m² for the Axa Investment Managers transaction on the Majunga Tower (lower floors) and Thales on Carpe Diem (upper floors).

The unprecedented lease incentives granted over the last few years have created renewed interest from companies in looking for new office space.

New Supply

With 4 million m² of vacant office space at the end of 2014, representing a vacancy rate of 7.2%[31], vacancy in the Paris region market is at an all-time high, despite the good level of pre-letting recorded in 2013 and 2014 and the lowest annual level of project development since 2008.

More than 82%[32] of this supply is composed of second-hand office buildings of medium quality with no environmental certifications and generally not considered appealing to tenants.

Like in 2013, 2014 presented a large variation of vacancy rates per geographic sector. While the Northern Inner Rim and Peri-Défense stood at 13.8% and 15.5%, respectively, the vacancy rate in the Paris CBD has remained stable at approximately 5.8% since the beginning of 2013.

The vacancy rate in La Défense remained high at 12.2%, though down slightly from 2013. Thanks to the generally high quality of its offer and the excellent location, La Défense is expected to retain its appeal to companies seeking real-estate efficiency and wishing to attract young new talent.

[29] Source: BNP Paribas Real Estate - Le marché des bureaux 2014, December 2014.

[30] Source: CBRE, December 2014.
[31] Source: CBRE, December 2014.
[32] Source: BNP Paribas Real Estate - Le marché des bureaux 2014, December 2014.

Investment market

Investments in offices[33] during 2014 in the Paris region amounted to approximately €13.5 Bn, a +48% increase from 2013 (€9.1 Bn) and approximately 33% above the ten-year average (2004-2013) of €10 Bn.

This strong performance was fuelled by a number of very large transactions such as those for Coeur Défense (ca. €1.3 Bn), the SFR campus in Saint Denis (ca. €680 Mn) and portfolio transactions such as the Risanamento portfolio (ca. €1.2 Bn). The last quarter of 2014 was very active also with deals totaling approximately €4.5 Bn. In 2014, transactions were characterized by increased size (e.g. over €200 Mn) and included: Le Madeleine (Paris 8th arrondissement); 32 rue Blanche (Paris 9th arrondissement); the building rue Condorcet let to GRDF (Paris 9th arrondissement); the building 44 rue de Châteaudun (Paris 9th arrondissement) let to Galeries Lafayette; the Carrefour headquarters building in Massy; and the Thales Campus in Gennevilliers.

Most of these transactions related to low risk assets, but opportunistic investors were also active on the Paris market with a number of transactions on empty buildings or buildings with very short remaining duration leases (e.g., Quai Ouest in Boulogne, the former Kodak headquarters (Paris 12th arrondissement), Kupka C in La Défense and Les Floreal in Saint-Ouen).

La Défense also saw many large and very large transactions, with the disposals of Coeur Défense, Tours Prisma and Blanche and the pending transaction on Tour Pascal.

The strong demand for office buildings further compressed yields for prime office assets in Paris CBD. Prime yields[34] in Paris CBD fell to between 4.0% and 4.25% at the end of 2014. Record yields below 4.1% were recorded for 61 Monceau, Louvre Saint Honoré and 44 Châteaudun. Prime yields in La Défense fell to around 5.5%.

2.2. Office division 2014 activity

Unibail-Rodamco's consolidated NRI from the offices portfolio came to €172.4 Mn in 2014, an increase of +8.0% year-on-year.

Region	Net Rental Income (€Mn)		
	2014	2013	%
France	148.4	133.9	10.8%
Nordic	12.5	13.9	-9.7%
Netherlands	7.3	8.7	-16.2%
Other countries	4.2	3.2	29.8%
TOTAL NRI	**172.4**	**159.7**	**8.0%**

The increase of €12.7 Mn from 2013 to 2014 is explained as follows:

- +€9.8 Mn due to leasing of offices delivered in France, mainly the So Ouest tower (SAP and PRA International deals);
- +€1.0 Mn due to the full consolidation of mfi since July 2014; partially offset by
- -€1.6 Mn due to assets transferred to pipeline;
- -€1.5 Mn due to disposals, mainly of 34-36 Louvre (Paris) in February 2014;
- -€1.3 Mn due to currency and other effects in the Nordics.
- Like-for-like NRI[35] increased by +€6.3 Mn, a +4.2% increase, mainly due to a strong operating performance of the French offices, including relettings in Issy Guynemer/Nouvel Air and 70-80 Wilson (Paris region), and indemnities received from departing tenants on Capital 8 (Paris).

Region	Net Rental Income (€Mn) Like-for-like		
	2014	2013	%
France	139.3	132.5	5.2%
Nordic	13.2	13.2	-0.5%
Netherlands	0.5	1.0	-44.7%
Other countries	3.2	3.2	-2.5%
TOTAL NRI Lfl	**156.2**	**149.9**	**4.2%**

48,537 m² were leased in standing assets, including 34,372 m² in France. A new lease was signed on Issy Guynemer/Nouvel Air (Paris region) with Aldebaran Robotics for 12,009 m² and renewals and relettings were signed on Le Sextant in Paris and CNIT and Village 5 in La Défense. So Ouest tower is now 100% let, following the leasing of the last 2 floors to PRA International (a medical research institute) for a 7-year firm lease duration.

Significant leases were signed on newly delivered assets in France. 30,077 m² were leased to Axa Investment Managers in Tour Majunga (La Défense). In addition, 28,768 m² were leased to

[33] Source: Immostat, January 2015.
[34] Source: CBRE, December 2014.

[35] Like-for-like NRI: Net Rental Income excluding acquisitions, divestments, transfers to and from pipeline (extensions, brownfields) and currency exchange rate differences in the periods analysed.

L'Oréal in So Ouest Plaza in Levallois (Paris region), due to be delivered in H1-2015.
The expiry schedule of the leases of the office portfolio (termination option and expiry date) is shown below.

Office	Lease expiry schedule			
	MGR (€Mn) at date of next break option	As a % of total	MGR (€Mn) at expiry date	As a % of total
Expired	8.1	3.9%	8.1	3.9%
2015	25.0	11.9%	19.1	9.1%
2016	32.4	15.4%	21.2	10.1%
2017	10.2	4.9%	6.7	3.2%
2018	24.9	11.8%	18.2	8.7%
2019	39.6	18.8%	42.8	20.4%
2020	5.7	2.7%	6.1	2.9%
2021	8.7	4.1%	9.3	4.4%
2022	6.7	3.2%	10.7	5.1%
2023	2.7	1.3%	17.8	8.5%
2024	2.7	1.3%	1.0	0.5%
2025	0.2	0.1%	3.1	1.5%
Beyond	43.3	20.6%	46.1	21.9%
TOTAL	**210.2**	**100%**	**210.2**	**100%**

ERV of vacant office space in operation amounted to €34.3 Mn as at December 31, 2014, corresponding to a financial vacancy[36] of 14.4% on the total portfolio (10.3% as at year-end 2013). In France, ERV of vacant office space amounted to €31.2 Mn, representing a financial vacancy of 14.6% (vs. 9.1% as at December 31, 2013). This increase is mainly due to the delivery of Tour Majunga in July 2014, which was not yet fully let at the end of December 2014.

2.3. Investment and divestment

Unibail-Rodamco invested €170 Mn[37] in its offices portfolio in 2014:

- €151 Mn were invested for works and minor acquisitions, mainly in France for Tour Majunga in La Défense, So Ouest Plaza building and renovation schemes for various buildings (see also section "Development Projects");

- Financial and other costs capitalised amounted to €19 Mn.

The Group divested 34-36 Louvre (Paris) and eight assets in The Netherlands for a total net disposal price of €142.7 Mn, reflecting a premium of +13.1% over the last unaffected appraisal value. In May 2014, the Group also sold its 7.25% stake in SFL for a total amount of €136.9 Mn, representing a +8.3% premium to the share price at the time of the transaction.
The Group expects to dispose between €1.5 Bn and €2.0 Bn worth of office assets by December 2018.

3. Convention & Exhibition

This activity is exclusively located in France and consists of a real estate venues and related services company (Viparis) and a trade show organizer (Comexposium).

Both organizations are owned jointly with the Paris Ile-de-France Chamber of Commerce and Industry. Viparis is fully consolidated by Unibail-Rodamco and Comexposium is accounted for under the equity method.

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

Despite the global economic crisis, 24 new exhibitions were launched in 2014 in Viparis venues and new concepts are still being developed. Following the success of the Tutankhamun show in 2012 and the Titanic exhibition in 2013, two new exhibitions were held at Porte de Versailles in 2014: "From the era of dinosaur to the era of ice" and "Videogame story".

With more constrained marketing budgets, shows remain one of the most effective media for exhibitors. Companies maintain their presence at shows where they can engage with customers and secure new orders. However, due to the difficult economic conditions, the average floor space rented by exhibitors from Viparis and duration decreased.

2014 was characterized by the following shows:

Annual shows:
- The International Agriculture show ("SIA"), attracting 703,400 visits (compared to 693,800 in 2013), one of the best editions of the past ten years.
- The 2014 edition of the "Foire de Paris" confirmed its leading position and its commercial attractiveness with 575,000 visitors from 50 different countries and 3,500 exhibitors and brands.

Biennial shows:
- The Motor show was very successful with more than 1.2 million visits.

[36] EPRA Vacancy rate = Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.
[37] Total capitalised amount in asset value group share.

- SIAL, the world's largest food innovation marketplace, celebrated its 50th anniversary with more than 150,000 visits.
- Eurosatory, the Land and Air-land Defense and Security Exhibition attracted 55,770 visitors and 1,504 exhibitors from 58 different countries. The show is the international leader in this sector and is the major event for new products and innovations.

Congress activity picked up in 2014 compared to 2013. In addition to other recurring national and international congresses, the "Palais des Congrès de Paris" hosted 14,220 delegates during the EULAR (European League Against Rheumatism) congress (the previous edition of this congress in Paris was in 2008).

In total, 810 events were held in Viparis venues, of which 277 shows, 123 congresses and 410 corporate events.

Viparis EBITDA[38] reached €135.1 Mn in 2014, an increase of +€14.5 Mn vs. 2013, and a decrease of only -€2.4 Mn vs. 2012, which included the positive impact of the "Intermat" triennial show and two biannual shows which were since moved from even years to odd years. On a pro-forma basis, excluding this impact, Viparis EBITDA increased by +€9.6 Mn (+7.6%) compared to 2012.

At the end of 2014, completed events and pre-booking levels for 2015 in Viparis venues amounted to 92%, slightly above usual levels of between 85% and 90%.

Viparis signed in December 2013 a new 50-year contract for Porte de Versailles. The former concession, with a term ending in 2026, expired on December 31, 2014. Under the new contract, Viparis will pay, starting in 2015, an annual indexed rent of €16 Mn and will invest approximately €500 Mn over a 10-year period for renovation works and €220 Mn for maintenance works over a 50-year period. The Group is expecting significant value creation in the coming years, due to this long-term contract and to the positive effects of the renovation of Porte de Versailles. Renovation works were launched in 2014 with the construction of a bridge connecting Halls 1 and 2. Next phases of works include the renovation of Hall 7, the creation of a congress centre and the new façade of Hall 1.

In December 2014, Viparis acquired 90% of the shares of SESR company, which benefits from a lease on the Hotel Salomon de Rothschild in Paris CBD.

The NRI from hotels amounted to €15.3 Mn for 2014 compared to €14.8 Mn for 2013, an increase of 3.4%, mainly due to a good performance of the Pullman Montparnasse.

In 2014, Comexposium contributed €14.2 Mn to the Group's recurring result vs. €9.7 Mn in 2013 and €19.6 Mn in 2012, which included the triennial Intermat show. Comexposium is successfully cloning shows in different regions such as the SIAL (International food show) which opened in 2014 its ASEAN edition in Manila, after expanding to China in 1999, Canada in 2001, the Middle East in 2010 and Brazil in 2012.

III. SUSTAINABILITY[39]

Sustainable thinking is closely integrated into Unibail-Rodamco's operating, development and investment activities. Sustainability is a day-to-day commitment of all teams within the Group to run a more efficient and ethical business. The Group's sustainability strategy, based on environmental best practices, social fairness and transparent governance, is designed to return reliable, quantifiable improvements in performance over the long term.

In 2014, the Group continued the implementation of its long-term sustainability strategy and priorities, based on the conclusions of the materiality review carried out in 2012. In particular, in parallel with efforts maintained in environmental matters, the cooperation with stakeholders and local economic development have been elevated in the Group's Sustainability initiatives, which aim to sustain and create value for both its stakeholders and the Group.

In 2014, Unibail-Rodamco successfully issued its two first Green bonds, including the first in Euros for a real estate company in Europe. These "responsible bonds" met with great interest from SRI investors, and allowed the Group to diversify its investor base and to promote the environmental performance of its new development projects, both for the development and construction phase as well as for their responsible and efficient operations.

Following the change of control at mfi, the Group's Environmental Management System was rolled out

[38] EBITDA= "Net rental income " and "Other site property services income" + "Contribution of affiliates" of Viparis venues.

[39] 2014 figures non-audited. Audit works by EY on-going.

in the retail assets owned and managed by mfi (environmental action plan, quarterly report, setting of annual targets and an environmental review), and which are now included in the Group's reporting.

In 2014, the Group's energy intensity[40] decreased sharply (-12.5%) compared to 2013. This strong performance resulted from mild climate conditions during this period across Europe and reflected the impact of the specific action plans implemented in the most energy-intensive buildings in 2014.

In November, Viparis, after an 18-months process, was the first events business ever to obtain ISO 20121 certification for all of its 10 venues and operations in Paris region. ISO 20121 is the new international standard for sustainable events certification aiming to implement a robust Sustainability Management System.

In 2014, the Group accelerated the progress towards environmental certifications for its entire portfolio and development projects.

For its development projects, the Group obtained five additional environmental certifications under the BREEAM scheme (2 extensions and 1 new shopping centre development; 2 office building restructurings), including the first 'Excellent' score obtained in Sweden for a brownfield development, Mall of Scandinavia (Stockholm), and an 'Excellent' score for the newly restructured and extended office building, 2-8 Ancelle in Neuilly (Paris region).

Continuing its certification policy for the standing asset portfolio, 25 additional shopping centres obtained a BREEAM In-Use certificate in 2014, 18 of them 'Outstanding' for their 'Management' part. With 40 shopping centres certified as of December 31, 2014, 68% of the Group's standing shopping centre portfolio[41] is now BREEAM In-Use certified corresponding to over 1.97 million m² of consolidated GLA. 73 % of certifications obtained reached an 'Excellent' or 'Outstanding' level, which is the highest certification profile for a portfolio in the retail real estate market.

In addition, four additional Office buildings were BREEAM-In-Use certified in 2014, all of which with an 'Excellent' score for the 'Management' part.

With best scores in the industry obtained in five of the countries where it operates, Unibail-Rodamco demonstrated the superior environmental performance of its assets and of its property management policy, despite the diversity of its portfolio in terms of size, age and location.

In 2014, the Group continued the embedding of its in-house Risk Management System ("RMS") across its entire portfolio in order to mitigate and better manage health and safety risks. The average score of the annual risk management assessment, carried out by an independent third-party, has improved in 2014 compared to 2013 thanks to strict implementation of customized improvement plans set up in each managed asset. Ahead of local applicable regulations, the Group's RMS includes minimum requirements for a large scope of subjects including air quality, water quality, asbestos, ground and air pollution, legionella, electromagnetic radiation, technical equipment and fire security.

The Group was again included in the principal Environmental, Social and Governance indices in 2014 (FTSE4Good; STOXX® Global ESG[42] leaders; Euronext Vigeo Europe 120; Dow Jones Sustainability Index -DJSI World, DJSI Europe).
With a score of 3.8/5 for the FTSE4Good index in 2014, the Group ranked in the top 3% worldwide.

The Group was selected as industry leader in Sustainalytics rating: #1 out of 274 Real Estate players, with 89 for the overall ESG score; Sustainalytics is used for the STOXX® Global ESG Leaders indices, and its score is one of the ESG ratings used most by SRI analysts.

For the 4th year in a row, Unibail-Rodamco was selected as Green Star in the 2014 GRESB Survey (Global Real Estate Sustainability Benchmark – the only ESG[2] rating dedicated to the Real Estate sector).

Unibail-Rodamco was listed in the 2014 World's Most Ethical Companies selection with 145 other companies of all sectors, and was rated best for corporate governance in the CAC40 by Proxinvest in 2014.

The Group sharply improved its score in the CDP survey (Carbon Disclosure Project), increasing from 79B in 2013 to 96B out of 100 in 2014.

In addition to the third consecutive EPRA Sustainability Gold Award received for its compliance with the EPRA Best Practice Recommendations for Sustainability Reporting, the Group's reporting for 2014 again complied the

[40] In kWh per visit for the managed shopping centre portfolio on a like-for-like basis.
[41] In terms of gross market value, as of December 31, 2014.

[42] Environmental / Social / Governance.

deeply modified international reporting framework GRI G4 (Global Reporting Initiative), based on the most material issues for the Group, and in line with its main business opportunities and risks.

IV. 2014 RESULTS

Recurring other property services net operating result was €33.7 Mn in 2014 and came from property services companies in France, Spain and Central Europe, an increase of €6.6 Mn compared to 2013, mainly due to the full consolidation of mfi from July 2014. The non-recurring -€1.1 Mn charge is related to amortization of an intangible by mfi.

Other net income amounted to €33.0 Mn in 2014 and was mainly composed of a €28.3 Mn non-recurring capital gain due to the sale of the 7.25% stake in SFL acquired by Unibail-Rodamco in March 2011, and €4.7 Mn, recognized in recurring income, mainly corresponding to the balance of the 2013 dividend paid by SFL in April 2014.

General expenses amounted to -€94.2 Mn in 2014 (-€88.8 Mn in 2013), of which -€4.9 Mn of non-recurring expenses mainly related to restructuring costs in mfi (compared to -€6.1 Mn in 2013, mainly related to acquisition costs). As a percentage of NRI from shopping centres and offices, recurring general expenses were stable at 6.5% in 2014 (6.5% in 2013). As a percentage of GMV of shopping centres and offices, recurring expenses were 0.28% for the period ended on December 31, 2014, stable compared to end of 2013.

Development expenses incurred for feasibility studies of projects and potential acquisitions amounted to -€4.1 Mn in 2014 (-€4.0 Mn in 2013) in recurring expenses. The reversal of a provision for an earn-out on a development project had a positive impact of €5.0 Mn in the non-recurring result.

Recurring financial result totalled -€338.5 Mn in 2014, after deduction of capitalised financial expenses of €37.6 Mn allocated to projects under construction. This represents a -€23.1 Mn increase compared to 2013. The Group's average cost of debt[43] was 2.6% for 2014 (2.9% for 2013).

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

Non-recurring financial result amounted to -€446.9 Mn in 2014, which breaks down as follows:

- -€236.4 Mn mark-to-market of derivatives, in accordance with the option adopted by Unibail-Rodamco for hedge accounting to recognise directly in the income statement the change in value of caps and swaps;
- -€85.7 Mn resulting mainly from the premium and costs paid on the repurchased bonds following the completion in October 2014 of the tender offer for €1 Bn encompassing 5 bonds maturing between 2016 and 2019 with coupons ranging between 2.25% and 4.625%. This tender offer was largely financed by a new 8-year bond issued in October 2014 bearing a 1.375% coupon;
- -€48.3 Mn mark-to-market of the ORNANEs issued in 2012 and 2014;
- -€40.4 Mn of currency impact mainly resulting from the revaluation of debt issued in HKD, USD and CHF. The offsetting benefit of the cross currency swap was recorded in the mark-to-market of derivatives;
- -€13.6 Mn of financial interest on the debt related to the long term lease agreement on Porte de Versailles;
- -€11.5 Mn write off of mfi's carried interest and put;
- -€9.1 Mn mainly for amortisation of Rodamco debt marked to market at the time of the merger and amortisation of mfi debt marked to market in July 2014;
- -€1.9 Mn of debt discounting.

Most of the ORAs[44] issued in 2007 have been converted. Only 7,350 ORAs[45] were still in issue as at December 31, 2014.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies[46] do not exist and from activities in France not eligible for the SIIC regime, mainly in the Convention & Exhibition business.

The income tax expense amount takes into account the impact of the recent changes in the tax environment in the various regions where the Group operates.

[43] Average cost of debt = Recurring financial expenses + 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.

[44] ORA: "Obligations Remboursables en Actions" = bonds redeemable for shares.

[45] Convertible into 9,188 shares.

[46] In France: SIIC (Société d'Investissements Immobiliers Cotée).

Income tax allocated to the recurring net result amounted to -€3.2 Mn in 2014 compared to -€8.2 Mn in 2013. This results mainly from tax expenses in non-SIIC activities in France and Spain.

Non-recurring income tax expenses amounted to -€176.8 Mn in 2014, due mainly to the increase of deferred tax liabilities as a result of the revaluation of certain assets to fair market value. This also included the 3% tax levied on cash dividends paid by French companies. The Group paid -€14.8 Mn of tax on the dividend paid in May 2014 for the fiscal year ended December 31, 2013.

Non-controlling interests in the consolidated recurring net result after tax amounted to €136.7 Mn in 2014 (€104.1 Mn in 2013). Minority interests held by third parties related mainly to shopping centres in France (€86.0 Mn, mainly Les Quatre Temps, Parly 2 and Forum des Halles) and the stake of Paris Ile-de-France Chamber of Commerce and Industry in Viparis (€50.6 Mn). The non-recurring non-controlling interests amounted to €196.6 Mn in 2014 (vs. €147.8 Mn in 2013) and were mainly due to valuation movements.

Net result - owners of the parent was a profit of €1,670.5 Mn in 2014. This figure breaks down as follows:

- €1,068.1 Mn of recurring net result (vs. €985.8 Mn in 2013, an increase of 8.3% year-on-year);
- €602.4 Mn of non-recurring result[47] (vs. €304.8 Mn in 2013).

The average number of shares and ORAs[48] outstanding during this period was 97,824,119, compared to 96,468,709 last year. The increase is mainly due to stock options exercised in 2013 and 2014 (impact of +827,104 on the average number of shares in 2014) and to the partial payment of the dividend in shares in June 2013 (1,190,366 new shares were issued on June 3, 2013, with an impact of +498,975 on the average number of shares in 2014 compared with 2013).

Recurring Earnings per Share (recurring EPS) came to €10.92 in 2014, representing an increase of +6.8% compared to 2013.

These results reflect strong like-for-like rental growth of shopping centres and offices, a decrease in the average cost of debt and continued cost control.

V. POST-CLOSING EVENTS

On January 15, 2015, Unibail-Rodamco closed the transaction with the joint-venture between Allianz and Hammerson pursuant to which the joint venture acquired the Group's stake in Nicetoile (Nice) for a total acquisition cost of €312.5 Mn, representing a NIY of 5.0%. This transaction was completed at book value.

On January 22, 2015, the Group entered into an agreement with Atrium European Real Estate Limited pursuant to which it agreed to sell its 75% stake in Arkady Pankrac (Prague) for a total acquisition cost of €162.1 Mn. The transaction valued Arkady Pankrac at €5,350/m² and represents a net initial yield of 5.65%.

VI. DIVIDEND[49]

Further to the Group's announcement in October 2014, Unibail-Rodamco will, from January 2015, pay its dividend in two instalments. Unibail-Rodamco believes that by adopting this policy it offers shareholders a regular flow of dividends which more closely matches the Group's cash flows.

For the 2014 fiscal year dividend to be paid in 2015, the calendar will be as follows:

- Payment of an interim dividend of €4.80 on March 26, 2015 (ex-dividend[50] date March 24, 2015); and
- Payment of a final dividend, subject to approval of the Annual General Meeting (AGM), of €4.80 on July 6, 2015 (ex-dividend date July 2, 2015).

Upon approval by the AGM of the proposal to declare a dividend of €9.60 per share in cash for the year 2014 and payment thereof by the Group, the total amount of dividends paid with respect to 2014 will be €941.4 Mn for 98,058,347 shares issued as at December 31, 2014. This represents an 88% pay-out ratio of net recurring result, up from 87% last

[47] Include valuation movements, disposals, mark-to-market and termination costs of financial instruments, impairment of goodwill or reversal of negative goodwill and other non-recurring items.

[48] It has been assumed here that the ORAs have a 100% equity component.

[49] The tax elements included in this section are not intended to constitute tax advice, and shareholders should consult their own tax advisers.

[50] The ex-dividend dates indicated in this section VI take into account the modification of the settlement deadlines applicable since October 6, 2014.

year, and in line with the Group's 85%-95% dividend pay-out policy.

The statutory 2014 result of Unibail-Rodamco SE (parent company) was a profit of €1,209.2 Mn. The 2014 result of Unibail-Rodamco SE's SIIC sector amounted to €579.1 Mn with a dividend distribution obligation of €477.9 Mn. After payment of the proposed dividend, the SIIC distribution requirement will have been met.

Assuming approval by the Annual General Meeting on April 16, 2015:

- €4.87 of the dividend will have been paid from Unibail-Rodamco's tax exempt real estate activities (the "SIIC dividend"). Such dividend, which corresponds to the distribution obligation under the SIIC regime, will bear French withholding tax for both French and foreign mutual funds (OPC), and will not benefit from the 40% rebate for French individual shareholders;

- The remaining €4.73 will have been paid from Unibail-Rodamco's non-tax exempt activities (the "non-SIIC dividend"). The non-SIIC dividend will not bear French withholding tax for OPC and may benefit from the 40% rebate for French individual shareholders.

The calendar of payment dates in 2016 (for the 2015 fiscal year dividend) will be as follows:

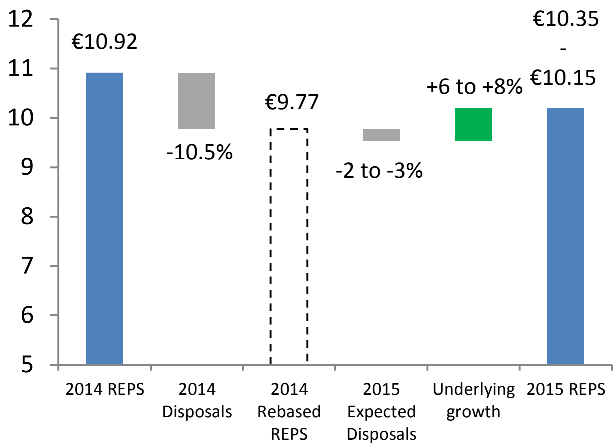
- Payment of an interim dividend on March 25, 2016 (ex-dividend date March 23, 2016); and
- Payment of a final dividend, subject to approval of the AGM, on July 6, 2016 (ex-dividend date July 4, 2016).

For 2015 and thereafter, the Group intends to continue an annual cash distribution of at least €9.60 per share.

VII. OUTLOOK

The Group disposed of or agreed to dispose of an unprecedented €2.4 Bn of shopping centres, offices and financial participations[51] in 2014. With these disposals, Unibail-Rodamco has improved the growth prospects of the Group. For 2015, the core business is therefore anticipated to be strong and the Group expects the underlying recurring earnings per share to grow by between +6% and +8%. As a consequence of the massive 2014 disposals and as a result of the further disposals the Group plans to make in 2015 (e.g., Arkady Pankrac and selected others), the recurring earnings are expected to reach €10.15 - €10.35 per share in 2015.

The evolution of the recurring earnings per share (REPS) 2015



For the 2016-2019 period, the combination of healthy like-for-like growth prospects, the streamlining of the Group's portfolio, deliveries from the development pipeline and the protected cost of borrowing, leads the Group to raise the outlook for the compound annual growth rate of its recurring earnings per share from between +5% and +7% previously, to between +6% and +8%. This medium-term outlook is derived from the Group's annual 5-year business plan exercise, key inputs in which are indexation, rental uplifts, disposals, timely delivery of pipeline projects, cost of debt and taxation, variations in which may cause growth rates to vary from year to year.

[51] Net Disposal Price, group share, including 12 shopping centres in France, the 7.25% stake held in SFL, two non-core shopping centres in Spain, almost all of the Group's Netherlands offices and the disposal of Nicetoile (Nice) on January 15, 2015.

DEVELOPMENT PROJECTS AS AT DECEMBER 31, 2014

Unibail-Rodamco's consolidated development project pipeline grew to €8.0 Bn (€7.3 Bn in group share) as at December 31, 2014, corresponding to a total of 1.5 Mn m² Gross Lettable Area (GLA), to be re-developed or added to the standing assets portfolio. The Group retains significant flexibility on its consolidated development portfolio (66% of the total investment cost[52]).

1. Development project portfolio evolution

After a very active 2013 in terms of deliveries, 2014 saw the delivery of the Majunga Office tower (La Défense, France) and Palais Vest (Recklinghausen, Germany), and the Group focused on extension projects in a number of important assets and renovations of standing assets. In addition, Unibail-Rodamco refueled its development pipeline as it achieved some major milestones for extension projects and added two significant new project entries to the pipeline to drive future growth of the Group.

These two projects are (i) the NEO project (Brussels, Belgium) awarded to Unibail-Rodamco and its partners BESIX and CFE by the City of Brussels, for the redevelopment of the Heysel Plateau in Brussels, including 114,000 m² dedicated to leisure, restaurants and retail, 2,000 m² of outdoor leisure and 4,000 m² of offices; and (ii) the Überseequartier project (Hamburg) where the City of Hamburg and Unibail-Rodamco entered into a development agreement for a project in HafenCity, a unique cultural, touristic and business destination on the banks of the Elbe river, including retail, restaurants, a multi-screen cinema, a cruise terminal, offices, housing and a hotel, covering a total of over 184,000 m² of which 50% will be dedicated to leisure and retail.

The Group's pipeline as at December 31, 2014, now includes the mfi projects for a total investment cost of €326 Mn following the change in control in mfi leading to the full consolidation of mfi as from July, 2014.
The total investment cost of these projects amounted to €291 Mn as at December 31, 2013, including the Palais Vest project which was delivered in 2014.

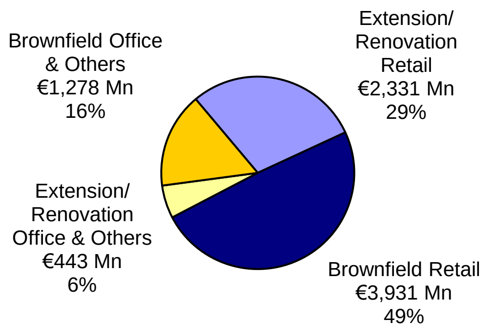
2. Development projects overview

The estimated total investment cost (TIC) of the consolidated development pipeline[53] as at December 31, 2014 amounts to €8.0 Bn. This amount does not include the projects under development by companies consolidated under equity method[54] which amount to circa €0.3 Bn (group's share).

The €8.0 Bn development pipeline compares with the €6.9 Bn as of December 31, 2013. The change in TIC results from (i) new projects added to the pipeline in 2014 (€1.5 Bn), (ii) the change of consolidation method of mfi projects and of the Val Tolosa project[55] (€0.7 Bn), (iii) some modifications in the programme of existing projects (€0.3 Bn), (iv) delivered projects (mainly Majunga for a total investment cost of €425 Mn and Palais Vest for a total investment cost of €193 Mn) and (v) the removal of Oceania and Triangle projects.

The pipeline categories are as follows:

Consolidated development pipeline by category[56]



The €6.3 Bn retail pipeline is split between brownfield projects (63%) and extensions and renovations (37%). The Group expects to add 1.2 Mn m² of additional GLA with the extensions and brownfield projects, representing an increase of ca. 36% of the Group's existing retail GLA.

Development projects in the Office & Other sectors amount to €1.7 Bn. Brownfield projects, corresponding to some 188,862 m² of new GLA, represent 74% of this investment, of which 66% is expected to be delivered after 2019. The remainder will be invested in redevelopment or refurbishment of 115,564 m² of existing assets.

---

[52] In terms of cost to completion of "Controlled" and "Secured exclusivity" projects, as % of total investment cost of the consolidated development portfolio.

[53] The development pipeline includes only the projects in the Shopping Centre and Offices segments of the Group. Projects for the Convention & Exhibition business are not included.

[54] Mainly the development of 2 new shopping centres located in Benidorm (Spain) and in Central Europe.

[55] Following a change in control, the Val Tolosa development project is now fully consolidated, instead of consolidated under the equity method as at December 31, 2013.

[56] Figures may not add up due to rounding.

3. A secured and flexible development pipeline

The table below shows the evolution of the development pipeline since December 31, 2013 by commitment categories:

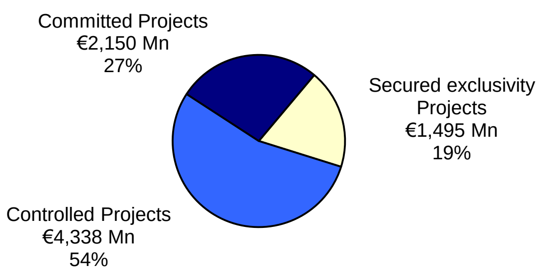
In € Bn	2014	2013
"Committed[57]" projects	2.1	2.2
"Controlled[58]" projects	4.3	3.7
"Secured Exclusivity[59]" projects	1.5	1.1
Consolidated total investment cost	**8.0**	**6.9**

Figures may not add up due to rounding.

Several projects were transferred from the "Controlled" to the "Committed" category following the start of works. It mainly includes the extension and renovation of Parly 2 (Paris region) and the renovation project of Euralille (Lille).

A number of projects were transferred from the "Secured Exclusivity" to the "Controlled" category, including the Spring project in Leidschendam-Voorburg.

Consolidated development pipeline by phase[56]



Of the €2.1 Bn "Committed" development pipeline, €1.4 Bn has already been spent, with €0.7 Bn still to be invested over the next 2.5 years. Of this amount, €0.6 Bn has been contracted.

Retail accounts for 90% of the "Committed" pipeline. The remaining 10% is concentrated in Offices in the Paris region for an amount of €0.2 Bn, of which €0.1 Bn remains to be spent.

The "Controlled" and "Secured exclusivity" development pipeline represents options to create significant value for the Group.

[57] "Committed" projects: projects currently under construction, for which Unibail-Rodamco owns the land or building rights and has obtained all necessary administrative authorizations and permits.
[58] "Controlled" projects: projects in an advanced stage of studies, for which Unibail-Rodamco controls the land or building rights, but where not all administrative authorizations have been obtained yet.
[59] "Secured exclusivity" projects: projects for which Unibail-Rodamco has the exclusivity but where negotiations for building rights or project definition are still underway.

The Group's pipeline does not include projects under consideration or for which it is in competition.

4. Changes in development pipeline projects in 2014

The table below shows the changes in the development pipeline since December 31, 2013:

In € Bn	
Consolidated development pipeline 2013	**6.9**
Deliveries in Offices & Others sector	-0.5
Deliveries in Retail sector	-0.2
Projects excluded from the development pipeline	-0.8
Retail projects added to the development pipeline	1.4
Offices & Others projects added to the development pipeline	0.1
Others (including change in consolidation method)	1.0
Consolidated development pipeline 2014	**8.0**

Figures may not add up due to rounding.

In 2014, several projects with a total investment cost of ca. €1.5 Bn were added to the development pipeline. Key projects include:

- The NEO project, a redevelopment of the Heysel Plateau in Brussels, for a total expected investment cost of €547 Mn;
- Überseequartier project, in Hamburg, for a total expected investment cost of €860 Mn.

Following the acquisition of the full control of mfi in July, 2014, mfi's development projects are now included in the pipeline for a total investment cost of €326 Mn (included previously in the development projects consolidated under equity method). These projects include:

- Minto, a 41,931 m² shopping centre in Mönchengladbach, for a total investment cost of €206 Mn;
- Oskar, a 24,426 m² shopping centre in Osnabrück, for a total investment cost of €120 Mn.

During 2014, Unibail-Rodamco also obtained full control of the 64,383 m² GLA Val Tolosa project (part of a 97,011 m² full GLA complex) for an expected total investment cost of €262 Mn (included as at December 31, 2013 in the development projects consolidated under equity method for 50%).

The projects removed from the pipeline include the BAB 2 extension in France (sold in 2014 with the asset to Carmila), Oceania in Spain and the Triangle tower in Paris. However, the Group continues its work on the Triangle project in close cooperation with the City of Paris and has challenged decisions that affected this project.

5. Investments in 2014

See sections 1.6 and 2.3 of the "Business Review by segment" for shopping centres and offices, respectively.

6. Delivered projects in 2014

The main deliveries in 2014 were:

- Majunga, an office tower in La Défense (Paris), currently 49% let, for a total investment cost of €425 Mn;
- The refurbishment of 2-8 Ancelle office in Paris region (100% let), for a total investment cost of €80 Mn;
- Palais Vest, a 43,100 m² GLA shopping centre in Recklinghausen (Germany), for a total investment cost of €193 Mn.

In addition, several small extension/renovation projects in Spanish existing shopping centres were delivered in 2014 (mainly in Glories (Barcelona) and Garbera (San Sebastian)).

7. Deliveries expected in 2015

2015 is expected to be a very active year in terms of project deliveries (mainly in H2-2015 for the largest projects).

The most important of these projects are:

- Polygone Riviera, a shopping centre project with 71,015 m² in Cagnes-sur-Mer;
- The last phase of Täby Centrum (Stockholm) extension project;
- Forum des Halles' extension/renovation project, in the centre of Paris;
- Mall of Scandinavia, a new shopping centre with 101,506 m² in Stockholm and an expected total investment cost of €607 Mn;
- The mixed-use project So Ouest Plaza (36,576 m² offices GLA and 4,222 m² of retail GLA) in Levallois (Paris region) next to the existing So Ouest shopping centre;
- The restructuring and renovation of the shopping centre Euralille (Lille);
- Minto, a 41,931 m² GLA shopping centre in Mönchengladbach (Germany).

The aggregate rental pre-letting of the projects (both in Shopping Centres and Offices segments) to be opened in the next 12 months is 75% and provides income visibility.

8. Projects overview

See table next page

Costs of existing projects have slightly increased in total due to:

- The mechanical effects of inflation and discounting,
- The acquisition of units in connection with the Spring project;
- Some changes in scope, mainly in Polygone Riviera and Mall of Scandinavia, or significant modifications in the program in a few projects (mainly in Val Tolosa, the Carré Sénart extension and in the Aupark renovation);
- Some increases of other costs in a few projects (mainly in So Ouest Plaza and in Palma Springs).

DEVELOPMENT PROJECTS – December 31, 2014

Consolidated Development projects (1)	Business	Country	City	Type	Total Complex GLA (m²)	GLA U-R scope of consolidation (m²)	Cost to date(2) U-R scope of consolidation (€ Mn)	Expected cost (3) U-R scope of consolidation (€ Mn)	Expected Opening date(4)	U-R Yield on cost (%) (5)	Project Valuation
MINTO	Shopping Centre	Germany	Mönchengladbach	Greenfield / Brownfield	41,931 m²	41,931 m²	174	206	H1 2015		Fair value
SO OUEST PLAZA	Office & others	France	Paris region	Redevelopment / Refurbishment	40,798 m²	40,798 m²	129	220	H1 2015		Fair value
TABY CENTRUM EXTENSION	Shopping Centre	Sweden	Stockholm	Extension / Renovation	26,940 m²	26,940 m²	287	320	H1 2015		Fair value
EURALILLE	Shopping Centre	France	Lille	Extension / Renovation	-686 m²	-686 m²	27	67	H1 2015		Fair value
FORUM DES HALLES RENOVATION	Shopping Centre	France	Paris	Extension / Renovation	15,049 m²	15,049 m²	73	143	H2 2015		Fair value
MALL OF SCANDINAVIA	Shopping Centre	Sweden	Stockholm	Greenfield / Brownfield	101,506 m²	101,506 m²	471	607	H2 2015		Fair value
POLYGONE RIVIERA	Shopping Centre	France	Cagnes sur Mer	Greenfield / Brownfield	71,015 m²	71,015 m²	221	443	H2 2015		Fair value
AUPARK RENOVATION	Shopping Centre	Slovakia	Bratislava	Extension / Renovation	7,245 m²	7,245 m²	3	29	H1 2017		At cost
PARLY 2 EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	8,195 m²	8,195 m²	19	110	H1 2017		At cost
OTHERS					0 m²	0 m²	1	4			
Committed Projects					**311,993 m²**	**311,993 m²**	**1,405**	**2,150**		**7.3%**	
GLORIES EXTENSION-RENOVATION	Shopping Centre	Spain	Barcelona	Extension / Renovation	11,085 m²	11,085 m²	16	106	H2 2016		Fair Value
PALMA SPRINGS (6)	Shopping Centre	Spain	Palma de Mallorca	Greenfield / Brownfield	73,845 m²	73,845 m²	5	230	H2 2016		At cost
VAL TOLOSA (7)	Shopping Centre	France	Toulouse	Greenfield / Brownfield	97,011 m²	64,383 m²	36	262	H2 2017		At cost
WROCLAW	Shopping Centre	Poland	Wrocław	Greenfield / Brownfield	79,163 m²	79,163 m²	38	220	H2 2017		At cost
CHODOV EXTENSION (8)	Shopping Centre	Czech Rep.	Prague	Extension / Renovation	40,770 m²	40,770 m²	26	159	H2 2017		At cost
SPRING (9)	Shopping Centre	Netherlands	Leidschendam-Voorburg	Extension / Renovation	74,131 m²	74,131 m²	144	430	H2 2017		At cost
TRINITY	Office & others	France	Paris region	Greenfield / Brownfield	48,893 m²	48,893 m²	12	308	H1 2018		At cost
CARRE SENART EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	30,214 m²	30,214 m²	20	229	H1 2018		At cost
MAQUINEXT	Shopping Centre	Spain	Barcelona	Extension / Renovation	39,393 m²	39,393 m²	62	177	H1 2018		At cost
SCS EXTENSION	Shopping Centre	Austria	Vienna	Extension / Renovation	19,511 m²	19,511 m²	5	149	H2 2018		At cost
BUBNY	Shopping Centre	Czech Rep.	Prague	Greenfield / Brownfield	55,692 m²	55,692 m²	22	202	Post 2019		At cost
NEO	Shopping Centre	Belgium	Brussels	Greenfield / Brownfield	120,098 m²	120,098 m²	3	547	Post 2019		At cost
PHARE	Office & others	France	Paris region	Greenfield / Brownfield	124,531 m²	124,531 m²	55	917	Post 2019		At cost
OTHERS					101,208 m²	101,208 m²	90	403			
Controlled Projects					**915,545 m²**	**882,917 m²**	**533**	**4,338**		**8% target**	
UBERSEEQUARTIER	Shopping Centre	Germany	Hamburg	Greenfield / Brownfield	184,362 m²	184,362 m²	3	860	Post 2019		At cost
OTHERS					167,515 m²	167,515 m²	5	635			
Secured Exclusivity Projects					**351,877 m²**	**351,877 m²**	**8**	**1,495**		**8% target**	
U-R Total Pipeline					**1,579,415 m²**	**1,546,787 m²**	**1,946**	**7,983**		**8% target**	
					Of which additionnal area	1,340,140 m²					
					Of which redevelopped area	206,647 m²					

Development projects consolidated under equity method (1)	Business	Country	City	Type	Total Complex GLA (m²)	GLA U-R share (m²)	Cost to date(2) U-R share (€ Mn)	Expected cost (3) U-R share (€ mn)	Expected Opening date(4)	U-R Yield on cost (%) (5)
OTHERS					2,941 m²	1,471 m²	21	66		
Committed Projects					**2,941 m²**	**1,471 m²**	**21**	**66**		**8% target**
BENIDORM	Shopping Centre	Spain	Benidorm	Greenfield / Brownfield	54,934 m²	27,467 m²	38	88	H2 2018	
OTHERS (10)					109,855 m²	54,928 m²	5	167		
Controlled Projects					**164,789 m²**	**82,395 m²**	**43**	**254**		**8% target**
U-R Total Pipeline - Projects under equity method					**167,730 m²**	**83,865 m²**	**64**	**320**		**8% target**

(1) Figures subject to change according to the maturity of projects.
(2) Excluding financial costs and internal costs capitalised.
(3) Excluding financial costs and internal costs capitalised. The costs are discounted as at December 31, 2014.
(4) In the case of staged phases in a project, the date corresponds to the opening of the last phase.
(5) Annualized expected rents net of expenses divided by the total investment cost.
(6) Formally named Mallorca.
(7) Val Tolosa newly consolidated at 100% in 2014.
(8) The project includes 1,754 m² of offices assessed at fair value as at December 31, 2014.
(9) Change in methodology of presentation.
(10) Under confidentiality agreement.

NET ASSET VALUE AS AT DECEMBER 31, 2014

Unibail-Rodamco's EPRA triple Net Asset Value (NNNAV)[60] amounted to €151.20 per share as of December 31, 2014, an increase of +3.4% or +€5.00 from €146.20 at December 31, 2013, and of +5.5% compared to June 30, 2014. This increase is the result of: (i) the value creation of €22.28 per share representing the sum of: (a) the 2014 Recurring Earnings Per Share of €10.92, (b) the revaluation of property and intangible assets and capital gain on disposals of €12.47 per share, (c) the dilutive effect of the stock-options of -€0.17 per share, (d) the change of transfer taxes and deferred tax adjustments of -€0.30 per share and (e) other items for -€0.64 per share, partially offset by: (ii) the payment of the dividend of -€8.90 per share in May of 2014 and the negative impact of the mark-to-market of debt and financial instruments of -€8.38 per share.
The going concern NAV[61] (GMV based), measuring the fair value on a long term, on-going basis, came to €166.30 per share as at December 31, 2014, up by +4.2%, or +€6.70, compared to €159.60 as at December 31, 2013.

1. PROPERTY PORTFOLIO

Investment volumes[62] in commercial real estate in Europe reached €176 Bn in 2014, an increase of +28% compared to 2013, representing the highest level recorded since 2007. With €46 Bn transacted, retail accounted for 26% of total transactions, of which shopping centres represented 52%.

Demand for prime and core properties in Europe was very strong during the year, fuelled by attractive lending conditions and abundant liquidity available on the market. While the UK, Germany and France remained the preferred investment destinations, investors in search for yield have increasingly been willing to move up the risk curve and have committed a significant amount of capital to the European periphery, such as Spain, Ireland and Italy, which offer higher yields and numerous investment opportunities.

In prime shopping centres, the scarcity of products and increasing demand from institutional investors are putting pressure on yields. Benchmark large lot transactions, such as Bluewater in the UK, Beaugrenelle in France, CentrO in Germany and Puerto Venecia in Spain, have led appraisers to compress prime and super prime yields across countries in their valuation.

In a retail environment increasingly polarised between products, investors and retailers are increasingly selective in terms of shopping centres of interest, which in turn benefits prime and large malls. Unibail-Rodamco took advantage of the increased demand for shopping centre assets and disposed a number of non-core assets, primarily in France, the Netherlands and Spain for a total acquisition cost[63] of €2.1 Bn in 2014. These disposals have increased its share of large assets attracting 6 Mn visits and above to 95% of its portfolio[64] at the end of 2014 (vs. 90% as of December 2013). With footfall up by +1.5% and tenant sales by +2.7% in 2014, the Group's malls saw their Gross Market value (GMV) increase by +5.2% on a like-for-like basis. The GMV of the Group's large malls increased by +5.8% on a like-for-like basis. The GMV of the smaller malls declined by -2.6% during the period.

Unibail-Rodamco's French malls performed well with like-for-like[65] NRI growth of +4.2% and a MGR[66] uplift of +24.3% for the year. French portfolio GMV grew by +4.8% on a like-for-like basis thanks to the Group's active leasing and to yield compression. In Spain, the Group's portfolio value increased by +10.2% on a like-for-like basis as a result of yield compression on the back of a number of benchmark transactions (2014 investment volumes to €8.4 Bn, +181% vs. 2013). In Central Europe, the GMV of the Group's portfolio increased by +8.7% on a like-for-like basis as a result of higher rents (+5.8%) and some yield compression (+2.9%).

The Group's French office portfolio saw its GMV grow by +1.3% on a like-for-like basis. It is the first time since 2010 that the Group's appraisers have revalued its office portfolio positively. This revaluation was the result of a strong like-for-like NRI growth of +5.2% and a compression in yields.

---

[60] EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV per share less the estimated transfer taxes and capital gain taxes.
[61] Going Concern NAV: the amount of equity per share needed to replicate the Group's portfolio with its current financial structure.
[62] Source: DTZ research.
[63] Total acquisition cost value of the retail assets sold (at 100%).
[64] In terms of gross market values as of December 31, 2014, including values of shares in assets consolidated under equity method.
[65] Net Rental Income (NRI) like-for-like growth excluding acquisitions, divestments, transfers to and from pipeline (extensions, brownfields) and currency exchange rate differences in the periods analyzed.
[66] MGR (Minimum Guaranteed Rent) uplift = Difference between new and old rent. This indicator is calculated only on renewals and re-lettings and not on vacant unit re-lettings.

The valuation of the Convention & Exhibition portfolio increased by +7.9% on a like-for-like basis, mainly due to the yield effect.

Unibail-Rodamco's asset portfolio including transfer taxes stood at €34,576 Mn as of December 31, 2014, compared to €32,134 Mn on December 2013, i.e. a +7.6% increase. On a like-for-like basis, the value of the Group's portfolio increased by +€1,160 Mn, net of investments, i.e. +4.9% compared to December 31, 2013.

Asset portfolio valuation of UNIBAIL-RODAMCO (including transfer taxes) (a)	**December 31, 2014**		**Like-for-like change net of investment - full year 2014** (b)		**December 31, 2013**	
	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	27,348	79%	981	5.2%	25,592	80%
Offices	4,081	12%	31	1.1%	3,955	12%
Convention & Exhibition	2,498	7%	131	7.9%	2,094	7%
Services	649	2%	18	3.6%	492	2%
Total	**34,576**	**100%**	**1,160**	**4.9%**	**32,134**	**100%**

Figures may not add up due to rounding.

(a) Based on a full scope of consolidation, including transfer taxes and transaction costs (see §1.5 for Group share figures).
The portfolio valuation includes:
- The appraised or at cost value of the entire property portfolio, when fully consolidated or under joint operation;
- The market value of Comexposium;
- The equity value of Unibail-Rodamco investments in assets consolidated under the equity method (mainly CentrO, Ruhr Park, Ring-Center, Gropius Passagen and Paunsdorf Centre in Germany, the Zlote Tarasy complex in Poland, Arkady Pankrac in the Czech Republic and Rosny 2 in France). The equity value of Unibail-Rodamco's share investments in assets consolidated under equity method amounted to €1,617 Mn as of December 31, 2014 compared to €1,367 Mn as of December 31, 2013.
The valuations take into account the negative cash flows related to rents paid on concessions or leaseholds, which are accounted for as financial debt in the consolidated balance sheet.
The portfolio does not include financial assets such as the €831 Mn of cash and cash equivalents on the Group's balance sheet as of December 31, 2014 and the €60 Mn bond issued by the owner of a shopping centre in France, which has been repaid in January 2015.
(b) Excluding currency effect, investment properties under construction, assets consolidated under the equity method and changes in the scope (including acquisitions, disposals and deliveries of new projects) during 2014, consist mainly of:
- Acquisitions of units in Ulis 2 (Paris region), Forum des Halles (Paris), Vélizy 2 (Paris region), Los Arcos (Sevilla), Parquesur (Madrid), La Vaguada (Madrid), Centrum Chodov (Prague), Leidsenhage (The Hague region) and Amstelveen (Amstelveen);
- Acquisitions of land plots in Plaisance-du-Touch (Toulouse region) for the Val Tolosa project and in Cagnes-sur-Mer (Nice region) for the Polygone Riviera project;
- Acquisition of CentrO (Oberhausen);
- Acquisition of C&E company SESR (Paris);
- Disposals of retail assets in France: BAB 2 (Anglet), Cité Europe (Coquelles), Labège 2 (Labège), Place d'Arc (Orléans), Bay 1 and Bay 2 (Paris region), Rivétoile (Strasbourg), Docks 76 (Rouen), Saint Sever (Rouen), Côté Seine (Paris region), Docks Vauban (Le Havre), Mériadeck and Passages Mériadeck (Bordeaux), 23 Courcelles car dealership (Paris);
- Disposal of one office building in France: 34-36 Louvre (Paris);
- Disposals of retail assets in The Netherlands: shopping centres Vier Meren (Hoofddorp), WC Plaza (Rotterdam), Coolsingel (Rotterdam) and high-street shops in Rotterdam;
- Disposals of office buildings in The Netherlands: Oude Boteringestraat (Groningen) and other office buildings in Zoetermeer, Almere, Rotterdam and Delft;
- Disposals of shopping centres in Spain: Albacenter (Albacete) and Habaneras (Torrevieja);
- Porte de Versailles due to the long-term lease renewal signed in H2-2013 and valued for the first time in H1-2014;
- Majunga (La Défense) delivered in H2-2014.
- Impact of the change in consolidation method of mfi in Germany and of Val Tolosa (Toulouse region) in 2014 (from equity method to full consolidation).
The like-for-like change in portfolio valuation is calculated excluding changes described above.

Appraisers

Three international and qualified appraisers, JLL, DTZ and CBRE, assess the retail and office properties of the Group. Unibail-Rodamco's appraisers rotate every five year, in line with RICS recommendations.

The valuation process has a centralised approach, intended to ensure that, on the Group's internationally diversified portfolio, pan-European capital market views are taken into account. Unibail-Rodamco has allocated properties across the three appraisers, while ensuring that large regions are assessed by both companies for comparison and benchmarking purposes. The appraiser of Convention & Exhibition as well as Service activities is PwC. Assets are appraised twice a year (in June and December), except service companies, which are appraised yearly.

Appraisal methods used by appraisers are compliant with international standards and guidelines as defined by RICS (Royal Institute of Chartered Surveyors), IVSC (International Valuation Standards Committee) and FSIF (Fédération des Sociétés Immobilières et Foncières).

Appraiser	Property location	% of total portfolio
DTZ	France / Netherlands / Nordic / Spain / Central Europe	44%
JLL	France / Nordic /Spain / Central Europe / Austria	42%
PwC	France	8%
CBRE	France / Spain	2%
At cost or under sale agreement		3%
		100%

Figures may not add up due to rounding.

Fees paid to appraisers are determined prior to the valuation campaign and are independent from the value of properties appraised.
A detailed report, dated and signed, is produced for each appraised property.
None of the appraisers has received fees from the Group representing more than 10% of their turnover.

Valuation methodology
Independent appraisers determine the fair market value based on the results of two methods: the discounted cash flow (DCF) methodology and / or the yield methodology. Furthermore, the resulting valuations are cross-checked against the initial yield, value per square meter and the fair market values established through actual market transactions.

Appraisers have been given access to all information relevant for valuations, such as the Group's confidential rent rolls, including information on vacancy, break options, expiry dates and lease incentives, performance indicators (e.g., footfall and sales where available), letting evidence and the Group's cash flow forecasts from annually updated detailed asset business plans. Appraisers make their independent assessments of current and forward looking cash flow profiles and usually reflect risk either in the cash flow forecasts (e.g. future rental levels, growth, investment requirements, void periods, incentives), in the applied required returns or discount rates and in the yield applied to capitalise the exit rent to determine an exit value.

Pursuant to the adoption in 2013 of IFRS 13 (Fair value measurement), additional disclosure on the valuation methodologies applied by the Group's appraisers is available in § 1.6. IFRS 13 did not impact the valuation methods used by the Group's appraisers.

Valuation scope
As at December 31, 2014, 97% of Unibail-Rodamco's portfolio was appraised by independent appraisers.

Investment Properties Under Construction (IPUC) for which a value could be reliably determined, are required to be accounted for at fair value and were assessed by external appraisers.

IPUC are taken at fair value once management considers that a substantial part of the project's uncertainty has been eliminated, such that a reliable fair value can be established. Unibail-Rodamco uses generic guidelines to establish the remaining level of risk, focusing notably on uncertainty remaining in construction and leasing.

IPUC were valued using a discounted cash flow or yield method approach (in accordance with RICS and IVSC standards[67]) as deemed appropriate by the independent appraiser. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The following assets under construction are assessed at fair value as at December 31, 2014:
- Mall of Scandinavia shopping centre in Stockholm;
- So Ouest Plaza office in the Paris region;
- Minto in Mönchengladbach;
- Polygone Riviera in the Nice region.

The Forum des Halles (Paris), Täby Centrum (Stockholm) and Euralille (Lille) extension and renovation projects continue to be taken into account by appraisers in the valuation of the asset.

The Glories (Barcelona) refurbishment project is now taken into account by appraisers in the valuation of the asset.

Refer to the table in the section "Development Projects as at December 31, 2014" for an overview of valuation methods used for development projects.

The remaining assets (3%) of the portfolio were valued as follows:
- At cost for IPUC for which a reliable value could not yet be established. These includes assets under development: the Parly 2 and Aupark extension and renovation projects, as well as all development projects included in the "Controlled" and "Secured exclusivity" categories (see section "Development Projects" for more details);
- At acquisition price for assets acquired in 2014;
- At bid value for assets under sale agreement.

1.1. Shopping Centre portfolio

The value of Unibail-Rodamco's shopping centre portfolio is the addition of the value of each individual asset. This approach does not include the "portfolio value", which reflects the additional value of having a large group of unique assets in a single portfolio although it is definitely part of the appeal to the Group's shareholders.

Evolution of Unibail-Rodamco's shopping centre portfolio valuation

The value of Unibail-Rodamco's shopping centre portfolio grew from €25,592 Mn as at December 31, 2013, to €27,348 Mn as at December 31, 2014, including transfer taxes and transaction costs:

[67] RICS: Royal Institution of Chartered Surveyors; IVSC: International Valuation Standards Council.

Valuation 31/12/2013 (€ Mn)	25,592	
Like-for-like revaluation	981	
Revaluation of non like-for-like assets	390	(a)
Capex/ Acquisitions	2,454	(b)
Disposals	- 1,979	(c)
Constant Currency Effect	- 91	(d)
Valuation 31/12/2014 (€ Mn)	**27,348**	

Figures may not add up due to rounding.
(a) Non like-for-like assets including investment properties under construction valued at cost or at fair value. Includes the revaluation of the shares in assets consolidated under equity method, and the impact of the removal of the Oceania (Valencia) project from the pipeline.
(b) Includes the impact of the change in consolidation method of mfi that occurred in H2-2014, the change in consolidation method of Val Tolosa that occurred in H1-2014 and the acquisition of the stake in CentrO (Oberhausen).
(c) Value as at 31/12/2013.
(d) Currency impact of -€91 Mn mainly in the Nordics, before offsets from foreign currency loans and hedging programmes.

Based on an asset value excluding estimated transfer taxes and transaction costs, the shopping centre division's net initial yield as at December 31, 2014, decreased to 4.8%.

Shopping Centre portfolio by region - December 31, 2014	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (a) Dec. 31, 2014	Net inital yield (a) Dec. 31, 2013
France (b)	13,041	12,545	4.4%	4.7%
Central Europe (c)	4,980	4,887	5.4%	5.6%
Nordic	2,919	2,865	4.9%	5.1%
Spain	2,661	2,603	5.7%	6.6%
Austria	2,321	2,300	4.8%	4.9%
Netherlands	1,424	1,341	5.3%	5.6%
Total (d)	**27,348**	**26,541**	**4.8%**	**5.1%**

(a) Annualised contracted rent (including latest indexation) net of expenses, divided by the value of the portfolio net of estimated transfer taxes and transaction costs. Shopping centres under development or held by companies consolidated under equity method are not included in the calculation.
(b) The effect of including key money in the region's net rental income would increase the net initial yield to 4.6% as at December 31, 2014.
(c) Including German assets. The aggregate net initial yields for the assets held by mfi and fully consolidated (Höfe am Brühl in Leipzig, Pasing Arcaden in Munich, Gera Arcaden in Gera and Palais Vest in Recklinghausen) stands at 5.3% as at December 31, 2014.
(d) Valuation amounts in € include the Group share equity investments in assets consolidated under equity method.

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

Valuation of Shopping Centre portfolio (including transfer taxes)	December 31, 2014		December 31, 2013	
	€ Mn	%	€ Mn	%
France	13,041	48%	13,628	53%
Central Europe (a)	4,980	18%	3,168	12%
Nordic	2,919	11%	2,619	10%
Spain	2,661	10%	2,468	10%
Austria	2,321	8%	2,223	9%
Netherlands	1,424	5%	1,487	6%
Total (b)	**27,348**	**100%**	**25,592**	**100%**

(a) Including German assets.
(b) Valuation amounts include the Group share equity investments in assets consolidated under equity method.

Sensitivity

A change of +25 basis points in net initial yield would result in a downward adjustment of -€1,203 Mn (or -4.9%) of the total shopping centre portfolio value (excluding assets under development or consolidated under equity method), including transfer taxes and transaction costs.

Like-for-like analysis

On a like-for-like basis, the value of the shopping centre portfolio, including transfer taxes and transaction costs and restated for works, capitalised financial and leasing expenses and eviction costs, increased by +€981 Mn (or +5.2%) in 2014. This breaks down into a positive rent impact (+1.7%) and yield compression (+3.5%).

Shopping Centre - Like for Like (LxL) change (a)				
Full year 2014	LxL change in € Mn	LxL change in %	LxL change - Rent impact	LxL change - Yield impact (b)
France	485	4.8%	2.5%	2.3%
Central Europe	187	8.7%	5.8%	2.9%
Nordic	9	0.8%	-2.2%	3.0%
Spain	215	10.2%	-0.5%	10.7%
Austria	80	3.6%	0.2%	3.4%
Netherlands	6	0.5%	-0.4%	0.9%
Total	**981**	**5.2%**	**1.7%**	**3.5%**

(a) Like-for-like change net of investments from December 31, 2013 to December 31, 2014.
(b) Yield impact calculated using the change in potential yields (to neutralise changes in vacancy rates) and taking into account key money. In the Nordics the like-for-like change and subsequent rent impact are calculated on a significantly reduced scope for Forum Nacka and the on-going extension/refurbishment works on Täby Centrum, both in Stockholm.

Like-for-like revaluations confirm a differentiation between assets attracting 6 million visits and above per annum (+5.8% in 2014, of which +2.2% is the rent impact and +3.6% the yield impact) and those with less than 6 million visits per year (-2.6% in 2014, of which -2.7% is the rent impact and +0.2% the yield impact).

1.2. Office portfolio

Evolution of Unibail-Rodamco's office portfolio valuation

The value of the office portfolio increased to €4,081 Mn as at December 31, 2014 from €3,955 Mn as at December 31, 2013, including transfer taxes and transaction costs:

Valuation 31/12/2013 (€ Mn)	3,955	
Like-for-like revaluation	31	(a)
Revaluation of non like-for-like assets	53	(a)
Capex/ Acquisitions	202	
Disposals	- 152	
Constant Currency Effect	- 8	(b)
Valuation 31/12/2014 (€ Mn)	**4,081**	

(a) Includes: (i) investment properties under construction or delivered in 2014, valued at cost or at fair value (mainly Majunga and So Ouest Plaza), (ii) the revaluation of the shares in Zlote Tarasy offices (Lumen and Skylight) and (iii) the removal of the Triangle project.
(b) Currency impact of -€8 Mn in the Nordics, before offsets from foreign currency loans and hedging programmes.

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

Valuation of Office portfolio (including transfer taxes)	December 31, 2014		December 31, 2013	
	€ Mn	%	€ Mn	%
France	3,659	90%	3,466	88%
Nordic	189	5%	190	5%
Central Europe	167	4%	131	3%
Austria	39	1%	40	1%
Netherlands	28	1%	129	3%
Total	**4,081**	**100%**	**3,955**	**100%**

Figures may not add up due to rounding. Central Europe includes shares in Zlote Tarasy offices (Lumen and Skylight).

For occupied offices (rented and available area) and based on an asset value excluding estimated transfer taxes and transaction costs, the Office division's net initial yield as at December 31, 2014 decreased by -38 basis points to 6.8%.

Valuation of occupied office space - December 31, 2014	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (b) Dec. 31, 2014	Net inital yield (b) Dec. 31, 2013
France	2,691	2,608	6.8%	7.1%
Nordic	176	172	7.2%	7.3%
Central Europe (c)	44	42	7.5%	8.9%
Austria	36	36	6.6%	7.1%
Netherlands	9	9	7.8%	9.3%
Total	**2,958**	**2,867**	**6.8%**	**7.2%**

(a) Valuation of occupied office space as at December 31, 2014, based on the appraiser's allocation of value between occupied / vacant space.
(b) Annualised contracted rents (including latest indexation) net of expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs.
(c) This includes small office properties owned by mfi but does not include the investment in Zlote Tarasy offices (Lumen and Skylight).

Sensitivity
A change of +25 basis points in net initial yield would result in a downward adjustment of -€117 Mn (-3.8%) of the total office portfolio value[68] (occupied and vacant spaces, excluding assets under development or consolidated under equity method), including transfer taxes and transaction costs.

Like-for-like analysis
The value of Unibail-Rodamco's office portfolio, including transfer taxes and transaction costs, and after accounting for the impact of works and capitalised financial and leasing expenses, increased on a like-for-like basis by +€31 Mn (+1.1%) in 2014. This breaks down into a positive (+3.1%) impact from yield compression and which was partially offset by the negative (-2.0%) impact from rents and lettings.

Offices - Like for Like (LxL) change (a)				
Full year 2014	Like for Like change in € Mn	Like for Like change in %	LxL change - Rent impact	LxL change - Yield impact (b)
France	34	1.3%	-2.3%	3.6%
Nordic	2	1.0%	2.8%	-1.8%
Central Europe	- 0	-5.6%	-9.0%	3.4%
Austria	- 0	-0.9%	-8.5%	7.7%
Netherlands (c)	- 5	n.m	n.m	n.m
Total	**31**	**1.1%**	**-2.0%**	**3.1%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2013 to December 31, 2014.
(b) Yield impact calculated using the change in potential yields (to neutralise changes in vacancy rates).
(c) The value of The Netherlands like-for-like portfolio stands at €9 Mn as at December 31, 2014.

French Office Portfolio

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

French Office portfolio by sector - December 31, 2014	Valuation (including transfer taxes)	
	€ Mn	%
La Défense	1,801	49%
Neuilly-Levallois-Issy	1,022	28%
Paris CBD & others	837	23%
Total	**3,659**	**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 yield as at December 31, 2014 came to 6.8% reflecting a -33 bps decrease in yields during 2014.

68 Excluding the Majunga Tower.

Valuation of French occupied office space - December 31, 2014	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn	Net inital yield Dec. 31, 2014 (b)	Average price €/m² (c)
La Défense	1,193	1,147	7.6%	6,379
Neuilly-Levallois-Issy	765	746	6.0%	7,139
Paris CBD and others	733	715	6.3%	9,655
Total	**2,691**	**2,608**	**6.8%**	**7,261**

(a) Valuation of occupied office space as at December 31, 2014, based on the appraiser's allocation of value between occupied and vacant spaces.
(b) Annualised contracted rent (including latest indexation) net of expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs.
(c) Average price, excluding estimated transfer taxes, per square meter for occupied office space based on the appraiser's allocation of value between occupied and vacant spaces.
Average prices were restated for car parks with a basis of €30,000 per unit for Paris CBD and Neuilly-Levallois-Issy and €15,000 for other areas.

1.3. Convention & Exhibition Portfolio

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

Valuation methodology

The valuation methodology adopted by PwC for the venues is mainly based on a discounted cash flow model applied to total net income projected over the life of the concession or leasehold (net of the amounts paid for the concession or leasehold) if it exists, or otherwise over a 10-year period, with an estimate of the asset value at the end of the given time period, based either on the residual contractual value for concessions or on capitalised cash flows over the last year.

The discounted cash flow methodology has been adopted for the Pullman Montparnasse and the Cnit Hilton hotels (both operated under an operating lease agreement by 3rd party operators) as well as for the Confluence hotel as at December 31, 2014.

Evolution of the Convention & Exhibition valuation

The value of Convention & Exhibition centres and hotels, including transfer taxes and transaction costs, grew to €2,498 Mn[69] as at December 31, 2014:

Valuation 31/12/2013 (€ Mn)	2,094	(a)
Like-for-like revaluation	131	
Revaluation of non like-for-like assets	185	(b)
Capex/ Acquisitions	89	(c)
Valuation 31/12/2014 (€ Mn)	**2,498**	(d)

(a) Of which €1,819 Mn for Viparis (including Palais des Sports) and €275 Mn for hotels.
(b) This amount includes the impact of entering into a 50-year lease agreement on Porte de Versailles signed in H2-2013 and valued in 2014. This agreement replaced the previous lease agreement expiring in 2026. Pursuant to the new lease agreement, Viparis will pay the City of Paris an annual indexed rent of €16 Mn and invest €500 Mn over 10 years to renovate and expand the site and to attract more exhibitions and events. Viparis will also spend €220Mn for maintenance over the 50-year period. It also includes the revaluation of the shares in Palais des Sports (50% owned) consolidated under the equity method.
(c) Includes the acquisition of SESR company.
(d) Of which €2,227 Mn for Viparis (including Palais des Sports and SESR company) and €271 Mn for hotels.

On a like-for-like basis, net of investments, the value of Convention & Exhibition properties and hotels is up €131 Mn, +7.9% compared with December 31, 2013[70].

Convention & Exhibition - Like-for-Like change net of investment	Full year 2014	
	€ Mn	**%**
Viparis and others (a)	145	10.6%
Hotels	- 15	-5.3%
Total	**131**	**7.9%**

(a) Viparis and others include all of the Group's Convention & Exhibition centres.

Based on these valuations, the average EBITDA yield on Viparis venues as at December 31, 2014 (recurring operating profit divided by the value of assets, excluding estimated transfer taxes) decreased to 6.5% compared to 7.0% as of December 31, 2013.

1.4. Services

The services portfolio is composed of:
- Comexposium, a trade show organisation business;
- Espace Expansion, a property service company in France;
- The mfi fee business, a property service company in Germany.

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

The sum of the Group's 50% stake in Comexposium and the Espace Expansion and mfi fee businesses were valued at €649 Mn as at December 31, 2014, compared to a total of €492 Mn for just the Group's stake in Comexposium and its Espace Expansion business as at December 2013.
The growth in value as at December 31, 2014, compared to the value as at December 31, 2013, is mainly explained by development projects under management and the addition of the mfi fee business which has been fully consolidated since July 2014.

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

70 This amount excludes the impact of the long-term lease renewal on Porte de Versailles signed in H2-2013 and valued in 2014.

1.5. Group share figures for the Property Portfolio

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

	Full scope consolidation		Group share	
Asset portfolio valuation - December 31, 2014	€ Mn	%	€ Mn	%
Shopping centres	27,348	79%	24,534	80%
Offices	4,081	12%	4,077	13%
Convention & Exhibition	2,498	7%	1,486	5%
Services	649	2%	637	2%
Total	**34,576**	**100%**	**30,734**	**100%**

Asset portfolio valuation - December 31, 2013	€ Mn	%	€ Mn	%
Shopping centres	25,592	80%	23,108	80%
Offices	3,955	12%	3,948	14%
Convention & Exhibition	2,094	7%	1,282	4%
Services	492	2%	492	2%
Total	**32,134**	**100%**	**28,830**	**100%**

Like-for-like change - net of Investments - Full year 2014	€ Mn	%	€ Mn	%
Shopping centres	981	5.2%	861	5.0%
Offices	31	1.1%	31	1.1%
Convention & Exhibition	131	7.9%	64	6.1%
Services	18	3.6%	18	3.6%
Total	**1,160**	**4.9%**	**973**	**4.5%**

Like-for-like change - net of Investments - Full year 2014 - Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping centres	1.7%	3.5%	1.5%	3.5%
Offices	-2.0%	3.1%	-2.0%	3.1%

Net Initial Yield	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013
Shopping centres	4.8%	5.1%	4.9%	5.2%
Offices - occupied space	6.8%	7.2%	6.8%	7.2%

1.6. Additional Valuation parameters - IFRS 13

Unibail-Rodamco complies with the IFRS 13 fair value measurement and the position paper[71] on IFRS 13 established by EPRA.

Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the non-public rent rolls of the Group's assets, Unibail-Rodamco believes it appropriate to classify its assets under Level 3. In addition, unobservable inputs, including appraisers' assumptions on growth rates and exit yields, are used by appraisers to determine the fair value of Unibail-Rodamco's assets.

In addition to the disclosures provided above, the following tables provide a number of quantitative data in order to assess the fair valuation of the Group's assets.

[71] EPRA Position Paper on IFRS 13 - Fair value measurement and illustrative disclosures, February 2013.

Shopping Centres

All shopping centres are valued using the discounted cash flow and/or yield methodologies.

Shopping Centres - December 31, 2014		Net initial yield	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
France	Max	9.5%	918	12.0%	10.0%	9.4%
	Min	3.9%	92	5.5%	4.3%	1.3%
	Weighted average	4.4%	477	6.0%	4.5%	4.9%
Central Europe (e)	Max	9.7%	498	12.0%	9.5%	4.8%
	Min	4.8%	123	6.6%	4.6%	2.1%
	Weighted average	5.4%	334	7.3%	5.6%	3.0%
Nordic	Max	9.5%	486	9.8%	8.0%	5.7%
	Min	4.3%	117	6.8%	4.9%	1.0%
	Weighted average	4.9%	336	7.2%	5.3%	4.3%
Spain	Max	9.5%	738	13.0%	9.3%	4.0%
	Min	5.2%	96	8.0%	5.0%	1.8%
	Weighted average	5.7%	257	9.0%	5.7%	3.1%
Austria	Max	5.7%	374	8.4%	6.4%	4.0%
	Min	4.5%	328	6.5%	4.7%	2.7%
	Weighted average	4.8%	346	6.9%	5.0%	3.1%
Netherlands	Max	10.1%	469	9.1%	8.9%	3.1%
	Min	4.9%	144	6.1%	4.7%	-0.7%
	Weighted average	5.3%	269	6.5%	5.3%	2.5%

Net initial yield, discount rate and exit yield weighted by GMV.
(a) Average annual rent (minimum guaranteed rent + sales based rent) per asset per m².
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).
(e) Including certain German assets.

Offices

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

Offices - December 31, 2014		Net initial yield on occupied space	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
France	Max	12.3%	713	10.0%	8.1%	15.1%
	Min	5.9%	102	5.8%	4.8%	0.4%
	Weighted average	6.8%	402	6.4%	5.8%	3.0%
Nordic	Max	8.9%	254	9.0%	7.9%	4.3%
	Min	6.2%	86	7.0%	5.4%	2.1%
	Weighted average	7.2%	195	8.0%	6.5%	2.9%
Central Europe (e)	Max	10.9%	477	10.7%	8.8%	7.8%
	Min	5.2%	52	7.0%	4.8%	1.5%
	Weighted average	7.5%	251	8.4%	6.5%	4.3%
Netherlands	Max	17.4%	58	13.8%	10.0%	9.2%
	Min	-0.3%	8	6.7%	5.6%	n.m
	Weighted average	7.8%	25	10.2%	9.0%	7.9%
Austria	Max	6.8%	128	8.4%	7.0%	3.0%
	Min	6.4%	118	7.1%	6.5%	2.8%
	Weighted average	6.6%	123	7.6%	6.8%	2.9%

Net initial yield, discount rate and exit yield weighted by GMV. For details about Central Europe, see § 1.2. Vacant assets and assets under restructuring are not included in this table.
(a) Average annual rent (minimum guaranteed rent) per asset per m².
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalise the exit rent to determine the exit value of an asset.
(d) Compounded Annual Growth Rate of NRI determined by the appraiser (between 3 and 10 years, depending on duration of DCF model used).
(e) Including certain German assets.

2. EPRA TRIPLE NET ASSET VALUE CALCULATION

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

2.1. Consolidated shareholders' equity

As at December 31, 2014, consolidated shareholders' equity (Owners of the parent) came to €14,520 Mn.

Shareholders' equity (Owners of the parent) incorporated the net recurring profit of €1,068.1 Mn, and the positive impact of €602.4 Mn of fair value adjustments on property assets and financial instruments, as well as the capital gain on sales of properties.

2.2. Impact of rights giving access to share capital

Dilution from securities giving access to share capital as at December 31, 2014 was computed when such instruments came in the money.

The debt component of the ORAs[72], recognised in the financial statements (€0.05 Mn) was added to shareholders' equity for the calculation of the NNNAV. At the same time, all ORAs were treated as shares of common stock.

In accordance with IFRS, financial instruments and the ORNANEs[73] were recorded on Unibail-Rodamco's statement of financial position at their fair value with the impact of the change in fair value included in the income statement and thus in the consolidated shareholders' equity.

The ORNANE issued in 2012 was "in the money" as at December 31, 2014. Consequently, the fair market value was restated for an amount of €148 Mn for the NNNAV calculation and the dilution (+119,390 shares) was included accordingly in the number of fully diluted shares outstanding[74] as at December 31, 2014 (i.e. for the outperformance part of the ORNANE, the nominal amount remaining as debt).

The ORNANE issued in 2014 was not restated for the NNNAV calculation as it is "out of the money" as at December 31, 2014, and therefore had no impact on the number of shares.
The exercise of "in the money" stock-options and bonus shares with the performance criteria fulfilled as at December 31, 2014, would have led to a rise in the number of shares by 1,990,104, generating an increase in shareholders' equity of €279 Mn.

As at December 31, 2014, the fully-diluted number of shares taken into account for the NNNAV calculation was 100,177,029.

2.3. Unrealised capital gains on intangible assets

The appraisal of property service companies and of the operations ("*fonds de commerce"*) of Viparis Porte de Versailles / Paris Nord Villepinte / Palais des Congrès de Paris / Palais des Congrès de Versailles and Issy-les-Moulineaux gave rise to an unrealised capital gain of €350 Mn which was added for the NAV calculation.

2.4. Adjustment of capital gains taxes

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at December 31, 2014.
For the purpose of the EPRA NAV calculation, deferred taxes on unrealised capital gains on assets not qualifying for tax exemption (€1,244 Mn) were added back. Goodwill booked on the balance sheet as a result of deferred taxes was accordingly excluded from the NAV for a total amount of €255 Mn.

For the calculation of the EPRA NNNAV, estimated taxes actually payable should a disposal take place (€604 Mn) were deducted.

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

In accordance with IFRS, derivatives and ORNANEs were recorded on Unibail-Rodamco's statement of financial position at their fair value.
The fair value adjustment (€464 Mn) was added back for the EPRA NAV calculation and then deducted for the EPRA NNNAV calculation.

The value of the fixed-rate debt on the balance sheet of the Group is equal to the nominal value for the ex-Unibail debt and the fair value of the ex-Rodamco debt at combination date (June 30, 2007) and of the mfi debt at acquisition date (July 25, 2014). Taking fixed rate debt at its fair value would have had a negative impact of €907 Mn. This impact was taken into account in the EPRA NNNAV calculation.

The mark-to-market levels of the debt and derivatives of the Group have been impacted strongly during 2014 by the following:

- The significant decrease in interest rates down to historically low levels (e.g., 0.36% for the 5-year euro swap rate (approximately -90 bps vs. December 31, 2013) and 0.81% for the 10-year euro swap rate

[72] Bonds redeemable for shares ("Obligations Remboursables en Actions").
[73] Net share settled bonds convertible into new and/or existing shares (ORNANE) – see Financial Resources note.
[74] If the 2012 ORNANE were to be fully converted in shares, the additional number of shares would be 3,643,036 with an increased shareholders' equity of €750 Mn leading to an EPRA NNNAV of €153.10 per share and a Going Concern NAV of €167.70 per share.

(approximately -135 bps vs. December 31, 2013)), following actions by central banks across the world;

- The decrease in the Group's credit spread thanks to the improvement of secondary trading levels of Unibail-Rodamco's debt.

2.6. Restatement of transfer taxes and transaction costs

Transfer taxes and transaction costs are estimated after taking into account the disposal scenario minimising these costs: sale of the asset or of the company that owns it, provided the anticipated method is achievable (which notably depends on the net book value of the asset). This estimation is carried out on a case-by-case basis on each individual asset, according to the local tax regime.

As at December 31, 2014, 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 net adjustment of €372 Mn.

2.7. EPRA Triple Net Asset Value

Unibail-Rodamco's EPRA NNNAV (Owners of the parent) stood at €15,147 Mn or €151.20 per share (fully-diluted) as at December 31, 2014.

The EPRA NNNAV per share increased by +3.4% compared to December 31, 2013 and increased by +5.5% compared to June 30, 2014.
Value creation during 2014 amounted to €22.28 per share, partially offset by the €8.90 dividend paid in May 2014 and the negative impact of -€8.38 per share resulting from the mark-to-market of fixed-rate debt and derivatives.

The following tables show the calculation presented in compliance with EPRA best practices recommendations. A bridge from December 31, 2013 to December 31, 2014 is also presented.

3. GOING CONCERN NET ASSET VALUE

Unibail-Rodamco adds to the EPRA NNNAV per share estimated transfer taxes and effective deferred capital gain taxes resulting in a Going Concern NAV. This corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure.

Going Concern NAV stands at €166.30 per share as at December 31, 2014, an increase of +4.2% compared to December 31, 2013.

Value creation in Going Concern NAV during 2014 amounted to €23.98 per share, partially offset by the €8.90 dividend paid in May 2014 and the negative impact of -€8.38 per share resulting from the mark-to-market of fixed-rate debt and derivatives.

EPRA NNNAV calculation (All figures are Group share, in €Mn)	**December 31, 2013**		**June 30, 2014**		**December 31, 2014**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
Fully diluted number of shares		100,116,416		100,857,451		100,177,029
NAV per the financial statements	13,704		13,526		14,520	
ORA and ORNANE	0		146		148	
Effect of exercise of options	386		397		279	
Diluted NAV	14,090		14,069		14,947	
Include						
Revaluation intangible and operating assets	291		312		350	
Exclude						
Fair value of financial instruments	301		380		464	
Deferred taxes on balance sheet	1,054		1,116		1,244	
Goodwill as a result of deferred taxes	-259		-259		-255	
EPRA NAV	15,477	154.60 €	15,617	154.80 €	16,750	167.20 €
Fair value of financial instruments	-301		-380		-464	
Fair value of debt	-358		-653		-907	
Effective deferred taxes	-496		-534		-604	
Impact of transfer taxes estimation	318		400		372	
EPRA NNNAV	**14,640**	**146.20 €**	**14,450**	**143.30 €**	**15,147**	**151.20 €**
% of change over 6 months		**3.5%**		**-2.0%**		**5.5%**
% of change over 1 year		**5.6%**		**1.4%**		**3.4%**

Unibail-Rodamco also states the "going concern NAV" = EPRA NNNAV per share adding back transfer taxes and deferred capital gain taxes. It corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure - on the basis of fully diluted number of shares.

Going Concern NAV calculation (All figures are Group share, in €Mn)	**December 31, 2013**		**June 30, 2014**		**December 31, 2014**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
EPRA NNNAV	14,640		14,450		15,147	
Effective deferred capital gain taxes	496		534		604	
Estimated transfer taxes	847		864		909	
GOING CONCERN NAV	**15,983**	**159.60 €**	**15,848**	**157.10 €**	**16,660**	**166.30 €**
% of change over 6 months		**3.4%**		**-1.6%**		**5.9%**
% of change over 1 year		**5.6%**		**1.8%**		**4.2%**

Change in EPRA NNNAV and Going concern NAV between December 31, 2013 and December 31, 2014 broke down as follows:

Evolution of EPRA NNNAV and Going concern NAV		**EPRA NNNAV**	**Going concern NAV**
As at December 31, 2013, per share (fully diluted)		**146.20 €**	**159.60 €**
Revaluation of property assets *		11.28	11.28
Retail	9.92		
Offices	0.55		
Convention & Exhibition	0.82		
Revaluation of intangible assets		0.59	0.59
Capital gain on disposals		0.60	0.60
Recurring net profit		10.92	10.92
Distribution in 2014		-8.90	-8.90
Mark-to-market of debt and financial instruments		-8.38	-8.38
Variation in transfer taxes & deferred taxes adjustments		-0.30	1.40
Variation in number of shares		-0.17	-0.17
Other (including foreign exchange difference)		-0.64	-0.64
As at December 31, 2014, per share (fully diluted)		**151.20 €**	**166.30 €**

(*) Revaluation of property assets is €7.42 per share on like-for-like basis, of which €1.38 is due to rental effect and €6.04 is due to yield effect.

In 2014, the financial markets were marked by a sharp decrease in interest rates driven by evolving macro-economic developments and central bank responses thereto. In this context, Unibail-Rodamco raised €6,461 Mn of medium to long-term funds in the bond and bank markets (including €2,365 Mn of credit facilities renegotiated and extended) at attractive conditions while diversifying further its sources of funding.

The financial ratios stand at healthy levels:
- The Interest Coverage Ratio (ICR) improved and stands at 4.2x (versus 4.0x in 2013),
- The Loan to Value (LTV) ratio decreased to 37% (versus 38% as at December 31, 2013). This evolution is due mainly to significant disposals completed in 2014, partly offset by the acquisition of stakes in CentrO (consolidated under the equity method) and mfi (for €471 Mn and €1,059 Mn, respectively, including €742 Mn of mfi debt now fully consolidated while previously consolidated under the equity method) and capital expenditures on projects delivered or to be delivered in the coming years.

The average cost of debt for 2014 reached a record low level of 2.6% (vs. 2.9% in 2013 and 3.4% in 2012).

1. Debt structure as at December 31, 2014

Unibail-Rodamco's consolidated nominal financial debt as at December 31, 2014 increased to €13,652 Mn[75] (€12,354 Mn as at December 31, 2013).

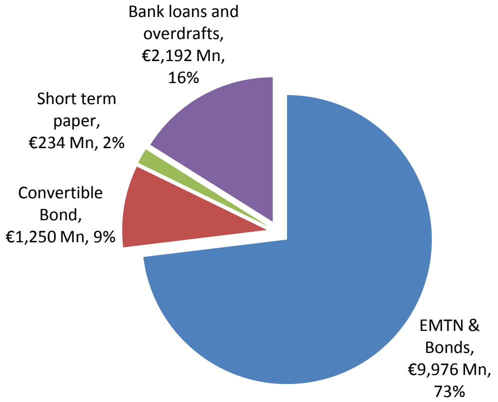
The financial debt includes €1,250 Mn of net share settled bonds convertible into new and/or existing shares of Unibail-Rodamco (ORNANE) for 100% of their nominal value issued in September 2012 and in June 2014 (see section 1.2).

1.1. Debt breakdown

Unibail-Rodamco's nominal financial debt as at December 31, 2014 breaks down as follows[76]:

- €9,976 Mn in bonds under the Euro Medium Term Notes (EMTN) programme of Unibail-Rodamco,
- €1,250 Mn in ORNANE,
- €234 Mn in commercial paper (*billets de trésorerie* and Euro Commercial Paper)[77],
- €2,192 Mn in bank loans and overdrafts, including €435 Mn in unsecured corporate loans and €1,753 Mn in mortgage loans. The amount of mortgage loans includes the €742 Mn of mfi debt now fully consolidated following the acquisition of PWREF's stake in mfi in July of 2014.

No loans are subject to prepayment clauses linked to the Group's ratings[78].



The Group's debt remains well diversified with further diversification achieved in 2014. 82% of the Group's debt is now bond financed (versus 79% in 2013).

1.2. Funds Raised

In 2014, the Group further diversified its sources of funding at attractive conditions:
- 1st Green bond issued by a real-estate company in the Euro market,
- 1st Green bond issued by a foreign corporate in the SEK market,
- 1st Ornane with a 0% coupon for a real-estate company in the Euro market,
- 1st private EMTN placement in USD for the Group.

In addition, the Group issued its longest public bond with a 12-Y maturity and completed its first bond tender offer transaction for an amount of €1 Bn.

In total, medium- to long-term financing transactions completed in 2014 amounted to €6,461 Mn and include:

- The signing of €3,470 Mn medium- to long-term credit facilities or bank loans with an average maturity of 4.9 years and an average margin[79] of 67 bps including:
  - ✓ €1,105 Mn of new or refinanced credit facilities and bank loans with maturities up to December 2020, and
  - ✓ €2,365 Mn of credit facilities renegotiated and extended up to December 2019.

- The issue of 4 public EMTN bonds for a total amount of €2,266 Mn with the following features:

[75] After impact of derivative instruments on debt raised in foreign currencies.
[76] Figures may not add up due to rounding.
[77] Short term paper is backed by committed credit lines (see 1.2).

[78] Barring exceptional circumstances (change in control).

[79] Taking into account current rating and based on current utilization of these lines.

- ✓ In February 2014: first Green bond issued by a real-estate company in the Euro market for an amount of €750 Mn with a 2.50% coupon and a 10-year maturity,
- ✓ In June 2014: longest public bond issued by the Group for an amount of €600 Mn with a 2.50% coupon and a 12-year maturity,
- ✓ In June 2014: first Green bond issued by a foreign corporate in the SEK market, for an amount of SEK1,500 Mn (equivalent to €166 Mn), with a margin of 78 bps over Stibor 3-month and a 5-year maturity,
- ✓ In October 2014: €750 Mn bond issued with a 8-year maturity and the lowest coupon achieved by the Group for a public bond with a 1.375% coupon.

▪ The issue of 3 private EMTN placements for a total equivalent amount of €225 Mn:
- Two in Euros for a total amount of €80 Mn at an average margin of 69 bps over mid-swaps and for an average duration of 14-years,
- One issued in USD and swapped back to Euro, for a total equivalent amount of €145 Mn, with a coupon of 1.6% and a 5-year maturity.

In total €2,491 Mn were raised on the bond markets in 2014 at an average margin of 67 bps over mid-swaps for an average duration of 9 years, versus 79 bps on average for an average duration of 8 years in 2013.

▪ The issue of a €500 Mn ORNANE in June 2014 with a 0% coupon, a term of 7 years and an exercise price of €288.06 at issuance corresponding to a 37.5% issue premium on the VWAP[80].

▪ The Group also completed its first tender offer in October 2014 for €1 Bn (i) encompassing 5 bonds maturing between 2016 and 2019 with coupons ranging between 2.25% and 4.625% and (ii) a corresponding hit ratio of 34%.

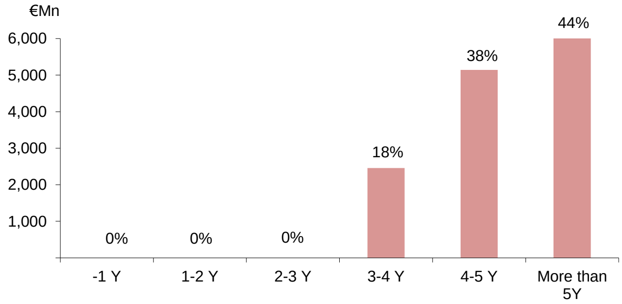
In addition, Unibail-Rodamco accessed the money market by issuing commercial paper. The average amount of commercial paper outstanding in 2014 was €804 Mn (€1,143 Mn on average in 2013) with a maturity of up to 12 months. *Billets de trésorerie* were raised in 2014 at an average margin of 5 bps above Eonia.

As at December 31, 2014, the total amount of undrawn credit lines came to €4,869 Mn and cash on-hand from proceeds of disposals completed at the end of 2014 came to €831 Mn.

[80] Volume Weighted Average Price of Unibail-Rodamco share price, at the time of the issue. The ORNANE issued in June 2014 includes a €2 dividend adjustment provision (dividend paid being adjusted for their portion above €2) and a put at the investors' hand exercisable on July 1, 2019.

1.3. Debt maturity

The following chart illustrates Unibail-Rodamco's debt as at December 31, 2014 after the allocation of the committed credit lines (including the undrawn part of the bank loans) by date of maturity and based on the residual life of its borrowings.



100% of the debt had a maturity of more than 3 years as at December 31, 2014 (after taking into account undrawn credit lines).

The average maturity of the Group's debt as at December 31, 2014, taking into account the unused credit lines improved to 5.9 years (versus 5.4 as at December 2013 and 4.9 years as at December 2012).

Liquidity needs

Unibail-Rodamco's debt repayment needs[81] for the next twelve months are fully covered by the available undrawn credit lines. The amount of bonds and bank loans outstanding as at December 31, 2014 and maturing or amortising within a year is €976 Mn (including a €635 Mn bond maturing in March 2015) compared with €4,869 Mn of undrawn committed credit lines and €831 Mn of cash on-hand as at December 31, 2014.

1.4. Average cost of Debt

Unibail-Rodamco's average cost of debt decreased to 2.6% for 2014 compared to 2.9% for 2013. This record low average cost of debt results from low coupon levels the Group achieved during the last 3 years on its fixed rate debt, the level of margins on existing borrowings, the Group's hedging policy, the cost of carry of the undrawn credit lines and, to a lesser extent, the low interest rate environment and the tender offer transaction realised in October 2014.

2. Ratings

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

Standard & Poor's confirmed its long-term rating "A" and its short-term rating "A1" on May 14, 2014 and maintained its stable outlook.

[81] Excluding Commercial Paper amounting to €234 Mn.

On June 10, 2014, Fitch confirmed the "A" long term rating of the Group with a stable outlook. Fitch also rates the short-term issuances of the Group as "F1".

3. Market risk management

Market risks can generate losses resulting from fluctuations in interest rates, exchange rates, raw material prices and share prices. Unibail-Rodamco's risk is limited to interest rate fluctuations on the loans it has taken out to finance its investments and maintain the cash position it requires, and exchange rate fluctuations due to the Group's activities in countries outside the Euro-zone. The Group's exposure to equity risk is immaterial.

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

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

Due to its use of derivatives to minimise its interest rate and currency risks, 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.

3.1 Interest rate risk management

Interest rate hedging transactions

During 2014, interest rates came down significantly to record low levels at year end on the back of the announcements and decisions of the ECB in particular on deposit and refinancing rates and market concerns about the Eurozone's economic prospects.

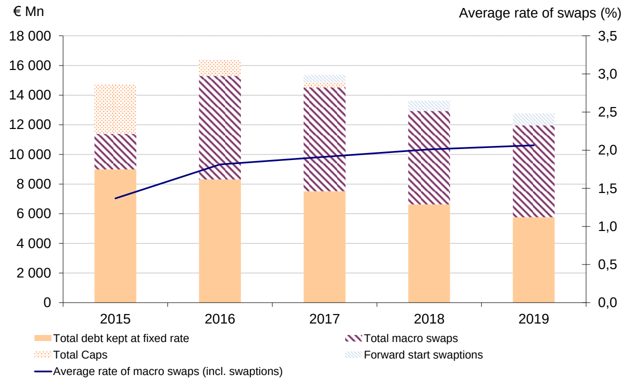
The Group took advantage of the low interest rate environment and has increased its hedging position through:

- €2.7 Bn of debt raised in 2014 and kept at a fixed rate,
- The extension or restructuring of existing swaps/options on swaps for €2.0 Bn in H1-2014[82] and €4.5 Bn in H2-2014,
- The implementation of caps for €2.3 Bn on short maturities in early 2015.

Unibail-Rodamco also adjusted its hedging position taking into account debt raised at fixed rate and significant disposals completed in 2014 through partial cancellation of swaps and floors (mainly covering 2014 and 2015 through part of 2019).

The debt the Group expects to raise over the next three years is almost fully hedged.

Annual projection of average hedging amounts and fixed rate debt up to 2019 (€ Mn – as at December 31, 2014)



The graph above shows:

- The part of the debt which is kept at a fixed rate,
- The hedging instruments used to hedge the variable rate loans and fixed rate debt immediately converted into variable rate debt through the Group's macro hedging policy.

Unibail-Rodamco in general does not classify in its consolidated financial statements its financial hedging instruments as a cash flow hedge. As a result, any fair value changes in these instruments are recognised in the Group's income statement.
A cash flow hedge accounting policy according to IFRS is only applied for its derivative instrument on the Täby Centrum loan raised in DKK and swapped into SEK.

Measuring interest rate exposure

As at December 31, 2014, net financial debt stood at €12,821 Mn (vs. €12,250 as at December 31, 2013), excluding partners' current accounts and after taking cash surpluses into account (€831 Mn).

The outstanding debt was fully hedged against an increase in variable rates, based on debt outstanding as at December 31, 2014 through both:

- Debt kept at fixed rate,
- Hedging in place as part of Unibail-Rodamco's macro hedging policy.

[82] On top of the implementation of caps for €2.5 Bn on short maturities early 2014 already disclosed in 2013 full-year results.

Based on the estimated average debt position of Unibail-Rodamco in 2015, if interest rates (Euribor, Stibor or Pribor) were to rise by an average of 0.5%[83] (50 basis points) during 2015, the resulting estimated impact on financial expenses would be a €2.9 Mn saving on the 2015 recurring net profit. A further rise of 0.5% would have an additional positive impact of €4.5 Mn. A 0.5% (50 basis points) drop in interest rates (leading to negative interest rates) would have an estimated €6.8 Mn positive impact on financial expenses and would impact 2015 recurring net profit by an equivalent amount.

3.2 Managing and measuring currency risk exposure

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

Measuring currency exposure

Main foreign currency positions (in €Mn)

(in € Mn) Currency	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
CHF	0	-109	-109	109	0
CZK	5	-138	-132	0	-132
DKK	373	-226	147	136	283
HKD	0	-165	-165	165	0
HUF	8	0	8	0	8
PLN	274	-1	274	0	274
SEK	2,385	-720	1,665	-133	1,532
USD	0	-145	-145	145	0
Total	**3,045**	**-1,503**	**1,542**	**422**	**1,964**

The main exposure kept is in Swedish Krona:
- A decrease of 10% in the SEK/EUR exchange rate would have a €139 Mn negative impact on shareholders' equity,
- The sensitivity of the 2015 recurring result[84] to a 10% depreciation in the SEK/EUR exchange rate is limited to €7.1 Mn,
- The SEK 1,750 Mn credit line signed in April 2012 is undrawn as at December 31, 2014.

[83] The eventual impact on exchange rates due to this theoretical increase of 0.5% in interest rates is not taken into account; theoretical impacts of rise or decrease in interest rates are calculated above the 3-month Euribor as of December 31, 2014 of 0.078%.

[84] The sensitivity is measured by applying a change in exchange rate to the net revenues in SEK (net rents - administrative and financial expenses - taxes), based on an EUR/SEK exchange rate of 9.266.

4. Financial structure

As at December 31, 2014, the portfolio valuation (including transfer taxes) of Unibail-Rodamco amounted to €34,576 Mn.

Debt ratio
As at December 31, 2014, the Loan-to-Value ratio (LTV) ratio calculated for Unibail-Rodamco amounted to 37%, compared to 38% as at December 31, 2013.

Interest coverage ratio

The Interest Coverage Ratio (ICR) ratio for Unibail-Rodamco improved to 4.2x for 2014 as a result of strong net rental income with the full-year impact of assets delivered in 2013 and the lower cost of debt. It is in line with the solid levels achieved in recent years and increased from 4.0x in 2013.

Financial ratios	Dec. 31, 2014	Dec. 31, 2013
LTV[85]	37%	38%
ICR[86]	4.2x	4.0x

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

As at December 31, 2014, 100% of the Group's credit facilities and bank loans allowed indebtedness up to 60% of the Group's total asset value or of the value of the asset of the borrowing entity, as the case may be.

There are no financial covenants (such as LTV or ICR) in the EMTN and the CP programs.

[85] Loan-to-Value (LTV) = Net financial debt / Total portfolio valuation including transfer taxes. Total Portfolio valuation includes consolidated portfolio valuation (€34,576 Mn as at December 31, 2014 versus €32,134 Mn as at December 31, 2013) + a €60 Mn bond issued by the owner of a shopping centre in France. 2013 portfolio valuation also included value of SFL shares sold in H1-2014.

[86] 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.

EPRA PERFORMANCE MEASURES

In compliance with the EPRA[87] Best Practices Recommendations[88], Unibail-Rodamco summarises below the Key Performance Measures over 2014.

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.

		2014	2013	2012
EPRA Earnings	€ Mn	1,068.1	985.8	886.3
EPRA Earnings / share	€ / share	10.92	10.22	9.60
Growth EPRA Earnings / share	%	6.8%	6.5%	6.7%

Please find below the bridge between Earnings per IFRS Income Statement and EPRA Earnings:

In M€	2014	2013	2012 Restated
Earnings per IFRS income statement (group share)	**1,670.5**	**1,290.6**	**1,458.6**
Adjustments to calculate EPRA Earnings, exclude:			
(i) Changes in value of investment properties, development properties held for investment and other interests	1,314.2	518.1	1,155.5
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	82.6	7.3	17.9
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	-	-	-
(iv) Tax on profits or losses on disposals	-	-	-
(v) Negative goodwill / goodwill impairment	11.3	-	-
(vi) Changes in fair value of financial instruments and associated close-out costs	-446.9	-42.8	-448.3
(vii) Acquisition costs on share deals and non-controlling joint venture interests	0.1	-6.1	-2.1
(viii) Deferred tax in respect of EPRA adjustments	-176.8	-27.8	-116.0
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under joint operation)	14.5	3.9	93.4
(x) Non-controlling interests in respect of the above	196.6	147.8	128.1
EPRA Earnings	**1,068.1**	**985.8**	**886.3**
Average number of shares	97,824,119	96,468,709	92,368,457
EPRA Earnings per Share (EPS)	**10.92 €**	**10.22 €**	**9.60 €**
EPRA Earnings per Share growth	**6.8%**	**6.5%**	**6.7%**

[87] EPRA: European Public Real estate Association.
[88] Best Practices Recommendations. See www.epra.com

2. EPRA Net Asset Value and EPRA NNNAV

For a detailed description of the EPRA NAV and triple NAV, please see the Net Asset Value section.

		Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012
EPRA NAV	€ / share	167.20	154.60	149.50
EPRA NNNAV	€ / share	151.20	146.20	138.40
% change over 1 year	%	3.4%	5.6%	5.9%

3. EPRA Net Initial Yield and "topped-up" NIY

The following table provides the Group yields according to the EPRA Net Initial Yield definitions per sector and with a bridge from Unibail-Rodamco's Net Initial Yield:

	Dec. 31, 2014		Dec. 31, 2013	
	Retail (3)	Offices (3)	Retail (3)	Offices (3)
Unibail-Rodamco yields	**4.8%**	**6.8%**	**5.1%**	**7.2%**
Effect of vacant units	0.0%	-0.5%	0.0%	-1.0%
Effect of EPRA adjustments on NRI	0.1%	0.0%	0.1%	0.0%
Effect of estimated transfer taxes and transaction costs	-0.2%	-0.2%	-0.2%	-0.2%
EPRA topped-up yields (1)	**4.7%**	**6.1%**	**5.0%**	**6.0%**
Effect of lease incentives	-0.2%	-1.4%	-0.2%	-0.8%
EPRA Net Initial Yields (2)	**4.6%**	**4.7%**	**4.8%**	**5.2%**

Notes:
1) EPRA topped-up yield: EPRA Net Initial Yield adjusted in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents).
2) EPRA Net Initial Yield: annualised rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the portfolio.
3) Assets under development or held by companies consolidated under equity method are not included in the calculation. Office excludes Tour Majunga.

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).

	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2012 Restated
Retail			
France	2.2%	2.6%	2.2%
Spain	1.5%	2.2%	2.1%
Central Europe	1.7%	1.1%	0.3%
Austria	2.4%	2.1%	2.3%
Nordic	3.1%	3.1%	3.1%
Netherlands	3.3%	4.1%	2.5%
Total Retail	**2.2%**	**2.5%**	**2.1%**
Offices			
France	14.6%	9.1%	10.4%
Total Offices	**14.4%**	**10.3%**	**10.9%**

5. EPRA Cost Ratios

		31/12/2014	31/12/2013	2012 Restated
	Include:			
(i-1)	General expenses	- 89.3	- 82.7	-84.5
(i-2)	Development expenses	- 4.1	- 4.0	-4.5
(i-3)	Operating expenses	- 112.7	- 112.7	-100.7
(ii)	Net service charge costs/fees	- 24.5	- 25.2	-20.1
(iii)	Management fees less actual/estimated profit element			
(iv)	Other operating income/recharges intended to cover overhead expenses			
(v)	Share of Joint Ventures expenses	- 14.9	- 16.9	-13.1
	Exclude (if part of the above):			
(vi)	Investment Property Depreciation			
(vii)	Ground rents costs			
(viii)	Service charge costs recovered through rents but not separately invoiced	28.5	25.9	23.7
	EPRA Costs (including direct vacancy costs) (A)	**- 217.0**	**- 215.6**	**-199.2**
(ix)	Direct vacancy costs	- 24.5	- 25.2	-20.1
	EPRA Costs (excluding direct vacancy costs) (B)	**- 192.5**	**- 190.4**	**-179.1**
(x)	Gross Rental Income (GRI) less ground rents	1,517.4	1,409.2	1,309.9
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	- 28.5	- 25.9	-23.7
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	123.9	110.7	79.2
	Gross Rental Income (C)	**1,612.9**	**1,494.0**	**1,365.4**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**13.5%**	**14.4%**	**14.6%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**11.9%**	**12.7%**	**13.1%**

Note:
The calculation is based on the EPRA recommendations and is applied on shopping centres and offices sectors.

6. Capital expenditure

in € Mn	2014		2013		2012 restated	
	100%	Group Share	100%	Group Share	100%	Group Share
Acquisitions (1)	412.7	273.4	52.2	52.1	102.5	95.2
Development (2)	350.6	304.8	502.3	390.9	274.3	272.2
Like-for-like portfolio (3)	610.8	529.0	924.7	875.2	803.7	772.2
Other (4)	155.1	129.7	174.0	151.2	188.3	174.4
Capital Expenditure	**1,529.2**	**1,236.9**	**1,653.2**	**1,469.4**	**1,368.8**	**1,314.0**

Notes:
1) Includes mainly the acquisitions of land and assets related to Forum des Halles (Paris) and Leidsenhage projects and the capitalisation of the new lease contract for Porte de Versailles (Viparis). Does not include the €788 Mn acquisition of shares in CentrO and mfi, nor the accounting treatment of the PWREF stake in mfi as the acquisition of 91.15% of the mfi equity.
2) Includes the capital expenditures related to investments in brownfield projects, mainly the Majunga and Trinity towers as well as So Ouest Plaza, Mall of Scandinavia (Stockholm), Val Tolosa (Toulouse region) and Polygone Riviera (Cagnes-sur-Mer).
3) Includes the capital expenditures related to mainly the Täby Centrum, Parly 2, Glories and Euralille extension and renovation projects.
4) Includes eviction costs and tenant incentives, capitalised interest relating to projects referenced above, letting fees and other capitalised expenses of €58.9 Mn, €33.5 Mn, €27.3 Mn and €10.0 Mn, respectively (amounts in group share). The capital expenditure and acquisition as per NAV note amounted to €2,745 Mn in 2014, which does not include the capitalisation of the new lease contract in Porte de Versailles (Viparis).