Paris, Amsterdam, July 23, 2014

Press Release

HALF-YEAR RESULTS 2014

Innovation and expansion driving growth
"As a result of the excellent work of our teams, the Group's H1-2014 recurring net result was up by +8.0%, driven by strong rental growth, operating efficiencies and an even lower cost of debt than last year. The first half of 2014 was also characterized by a number of exciting developments such as the acquisition of a stake in Germany's best shopping centre, CentrO, the introduction of a number of UR Lab's innovations and the award to the Unibail-Rodamco-led consortium to develop the NEO 1 project, including the "Mall of Europe", in Brussels."
Christophe Cuvillier, CEO and Chairman of the Management Board.

Recurring EPS at €5.52, up +6.0%, ahead of guidance
Strong like-for-like growth in shopping centres and offices, the impact of the successful deliveries of 2013, and a cost of debt further decreasing to 2.7%, resulted in a +8.0% growth of the Group's recurring net result to €539 Mn, up from €499 Mn in H1-2013.

Strong operating performance delivers results
As preliminary signs of recovery start to appear in Continental Europe, Unibail-Rodamco's tenant sales(1) were up +3.6% through May and by +3.9% in the Group's large malls(2), outperforming national sales indices by +290 bps and +320 bps, respectively. Through May, footfall was strong at +3.1% after a stable year in 2013 at +0.2%.

Like-for-like Net Rental Income (NRI) growth was +2.6% compared to H1-2013, +170 bps above indexation, driven by the +3.7% growth in the Group's large malls. The Group's NRI growth however was impacted by lower indexation (+0.9% vs. +2.1% in H1-2013) and the performance of its smaller malls.

The Group signed 728 renewals and relettings on standing assets, and achieved rental uplifts of +23.1% compared to +13.7% for the same period last year. Unibail-Rodamco signed 83 leases with international premium retailers, up from 78 in H1-2013. Vacancy was unchanged at 2.5%, including 0.3% in strategic vacancy created by the Group to prepare for major restructuring projects.

The Paris region office market is showing signs of recovery with an increase of +24% in take-up for the first half. During H1-2014, the Group continued its strong leasing activity in Paris with 12 leases for a total take-up of 28,020 m². The French office like-for-like NRI increased by +5.0% compared to a decline of -0.8% during the same period last year. The office like-for-like NRI for the Group increased by +4.0%.
Convention & Exhibition recurring result was down by -0.6% in H1-2014 compared to H1-2013, and, pro-forma for the impact of the timing of a number of shows(3), up by +0.7% over the same period in 2012.

Unparalleled skillset drives performance
During the first six months of 2014, "UR Lab" launched several new initiatives and further refined and expanded a number of others, all of which are aimed at strengthening the Group's leading position in terms of asset quality, premium services and differentiated customer experience, in turn driving additional footfall:

- Fresh!: the latest "UR Lab" innovation will further strengthen the food offer across the Group's shopping centres. Inspired by the best of downtown markets, it aims to create an exceptional gourmet hall for the most demanding customers encompassing a high quality, diversified and regularly renewed offer. "El Mercat de Glòries" in Glòries (Barcelona) will be the 1st "Fresh!" concept to open (September 2014);
- Digital marketing: the Group expanded its drive to connect more closely with its shopping centres' visitors. Year-on-year:
  - iPhone and Android apps downloads increased by +60% to 3.0 million;
  - Facebook fans of the Group's shopping centres increased by +50% to 4.9 million;
  - Mobile website visits increased by +35% to 4.7 million; and
  - Website visits increased by +13% to 16.9 million;

  In addition, the Group signed an exclusive partnership with Niantic Labs, a division of Google. This initiative enables "Ingress" gamers (Google's near-real time augmented reality game) to expand their playground to shopping centres for the first time ever in Continental Europe;

- 4 Star label: the Group's quality referential, has now been awarded to 17 shopping centres with the addition of the CNIT (Paris region) and Pasing Arcaden (Munich) in H1-2014. Pasing Arcaden is the first shopping centre in Germany to receive this demanding label;
- The Dining Experience™: The Group's initiative aims to increase the space dedicated to dining as well as the quality of the dining offer with differentiating food concepts and unique gastronomy events and services. Les Quatre Temps (Paris region) will be equipped with a full Dining Experience™ concept after the successful launches in La Maquinista (Barcelona), Confluence (Lyon), Galeria Mokotow (Warsaw) and Aéroville (Paris region).

These innovations have widened the Group's lead in Continental Europe.

Focusing on prime assets

During H1-2014, the Group resumed its disposal programme generating €384 Mn in proceeds, including its 7.25% stake in Société Foncière Lyonnaise and small retail and office assets, realizing an aggregate 9.3% premium. The Group also continued its expansion with the acquisition of a stake in CentrO. Located in Oberhausen in the heart of the densely populated Ruhr region, the 232,000 m² GLA shopping centre complex is one of Germany's largest and most successful. On July 1, 2014, Perella Weinberg Real Estate Fund I (PWREF I) exercised its put for its remaining interest in mfi. Unibail-Rodamco will pay PWREF €317 Mn upon closing, and bring its total ownership in mfi to 91.15%.

Average cost of debt decreasing again yet maturities extend with record issuances

During the first 6 months of 2014, Unibail-Rodamco raised €2,866 Mn of medium to long-term funds in the debt capital and bank markets and increased the average debt maturity to 5.7 years as at June 2014. The average cost of debt for the Group decreased to a historical low of 2.7% compared to 2.9% for the full year 2013. The Group also applied its innovative approach to its fund raising with two firsts for a European real estate company: a €750 Mn 10-year "Green bond" with a 2.5% coupon, and a €500 Mn 0% coupon, 7-year ORNANE. Financial ratios remained strong: Loan-to-Value stands at 40% and the interest cover ratio at 4.2x. The Group has ample liquidity with €4.8 Bn of undrawn bank lines.

The portfolio value increases, Spain and Paris offices values stabilize

The Gross Market Value (GMV) of the Group's portfolio as of June 30, 2014 amounted to €33.6 Bn, up from €32.1 Bn on December 31, 2013. The shopping centre GMV was up +1.2% like-for-like to €26.8 Bn. Paris offices stabilized with a moderate -0.3% portfolio revaluation, compared to -6.4% at year-end 2013 driven by a strong rental effect of +0.9% due to very active leasing. The average net initial yield of the retail portfolio was 5.0%, down from 5.1% in December 2013.

The Group created €9.73 of value per share, which was offset by the -€8.90 per share dividend paid in May 2014 and the mark-to-market of the debt and derivatives of -€3.33 per share. Considering these two effects, the Going Concern Net Asset Value per share was €157.10, down -1.6% from €159.60 in December 2013. The EPRA triple Net Asset Value per share was €143.30, down -2.0% from €146.20 as at December 31, 2013.

€7.3 Bn development pipeline: a strong foundation to build upon

After a very active 2013 in terms of deliveries, Unibail-Rodamco's development teams focused during H1-2014 on extension projects in a number of important standing assets. Projects were launched in Euralille (Lille) and Parly 2 (Paris region). An agreement with the city of Leidschendam-Voorburg (The Netherlands) was reached for an extension and complete redevelopment of Leidsenhage (renamed: The Spring), and the Group acquired full control of the Val Tolosa project (Toulouse region). The estimated total investment cost (TIC) of the consolidated development pipeline as at June 30, 2014 amounts to €7.3 Bn compared to €6.9 Bn as at December 31, 2013.

In April 2014, the Group was awarded the NEO 1 tender for the complete redevelopment of the Heysel plateau in Brussels, including a 114,000 m² GLA shopping centre. An appeal was lodged against this award, which was subsequently suspended by the Belgian Council of State. This project was therefore not included in the Group's pipeline as at June 30. On July 10, 2014, the City of Brussels revised its decision, in order to comply with the Council of State ruling, and confirmed the award of the NEO 1 project to Unibail-Rodamco and its partners. On July 7, 2014, the Group delivered Majunga, a 65,737 m² office tower in La Défense. Pro-forma for these two projects, the Group's development pipeline amounts to €7.4 Bn.

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Outlook

The Group confirms its recurring EPS growth target of at least +5.5% for 2014, as a result of the solid operating fundamentals (tenant sales growth, low vacancy, good rental spreads), the contribution of the acquisition of the stake in CentrO and deliveries of extensions and brownfield projects in 2013. In addition, the cost of debt is secured at low levels.

	H1-2014	H1-2013	Growth	Like-for-like growth
Net Rental Income (in € Mn)	**719**	**657**	**+9.4%**	**+2.5%**
- Shopping centres	590	532	+11.0%	+2.6%
- Offices	83	80	+4.0%	+4.0%
- Conventions & Exhibitions	46	46	-0.5%	-0.5%
Recurring net result (in € Mn)	**539**	**499**	**+8.0%**	
Recurring EPS (in € per share)	**5.52**	**5.21**	**+6.0%**	
	June 30, 2014	Dec. 31, 2013		
Total portfolio valuation (in € Mn)	**33,587**	**32,134**		**+1.0%**
Going Concern Net Asset Value (in € per share)	**157.10**	**159.60**	**-1.6%**	
EPRA triple Net Asset Value (in € per share)	**143.30**	**146.20**	**-2.0%**	

Figures may not add up due to rounding.

The appendix to the press release and the half-year 2014 results presentation are available on the Group's website www.unibail-rodamco.com
Review procedures completed, statutory auditors' report issued today

(1) Based on latest national sales indices. Excludes the sales of four Virgin stores in 2012 and 2013 due to the bankruptcy of the retailer in June 2013. Including sales of these stores, the Group's tenant sales through November grew by +3.3% outperforming national sales indices by +260 bps.
(2) Large shopping centres: assets driving 6Mn visits per year and above.
(3) Excluding the impact of the Intermat show in H1-2012, the movement of two shows to odd years and the shift of the timing of one show from H1 to H2-2014.

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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 €33.6 billion as of June 30, 2014. As an integrated operator, investor and developer, the Group covers the whole of the real estate value creation chain. With the support of its 1,550 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

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APPENDIX TO THE PRESS RELEASE
July 23, 2014

Review procedures completed, statutory auditors' report issued today.

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)			H1-2014			H1-2013			2013		
			Recurring activities	Non-recurring activities [1]	Result	Recurring activities	Non-recurring activities [1]	Result	Recurring activities	Non-recurring activities [1]	Result
SHOPPING CENTRES	France	Gross rental income	350.5	-	350.5	297.2	-	297.2	635.7	-	635.7
		Operating expenses & net service charges	- 31.3	-	- 31.3	- 26.3	-	- 26.3	- 67.0	-	- 67.0
		Net rental income	**319.2**	**-**	**319.2**	**271.0**	**-**	**271.0**	**568.7**	**-**	**568.7**
		Contribution of affiliates	6.8	1.5	8.3	17.9	4.7	22.6	26.3	6.9	33.3
		Gains/losses on sales of properties	-	13.4	13.4	-	-	-	-	7.4	7.4
		Valuation movements	-	148.5	148.5	-	168.1	168.1	-	391.0	391.0
		Result Shopping Centres France	**325.9**	**163.4**	**489.4**	**288.9**	**172.7**	**461.6**	**595.1**	**405.3**	**1,000.4**
	Spain	Gross rental income	81.9	-	81.9	82.0	-	82.0	165.9	-	165.9
		Operating expenses & net service charges	- 10.3	-	- 10.3	- 11.4	-	- 11.4	- 23.1	-	- 23.1
		Net rental income	**71.6**	**-**	**71.6**	**70.6**	**-**	**70.6**	**142.8**	**-**	**142.8**
		Contribution of affiliates	0.7	- 0.6	0.1	0.7	- 1.1	- 0.3	1.5	- 5.2	- 3.7
		Gains/losses on sales of properties	-	-	-	-	-	-	-	- 0.1	- 0.1
		Valuation movements	-	- 1.5	- 1.5	-	- 7.5	- 7.5	-	- 71.4	- 71.4
		Result Shopping Centres Spain	**72.3**	**- 2.1**	**70.2**	**71.3**	**- 8.5**	**62.8**	**144.3**	**- 76.6**	**67.6**
	Central Europe	Gross rental income	60.7	-	60.7	56.8	-	56.8	116.3	-	116.3
		Operating expenses & net service charges	0.4	-	0.4	- 2.3	-	- 2.3	- 3.6	-	- 3.6
		Net rental income	**61.1**	**-**	**61.1**	**54.5**	**-**	**54.5**	**112.7**	**-**	**112.7**
		Contribution of affiliates	**30.4**	0.4	30.8	23.9	6.9	30.8	48.9	- 5.0	43.9
		Gains/losses on sales of properties	-	- 0.2	- 0.2	-	-	-	-	-	-
		Valuation movements	-	62.0	62.0	-	24.8	24.8	-	82.8	82.8
		Result Shopping Centres Central Europe	**91.5**	**62.3**	**153.8**	**78.4**	**31.8**	**110.2**	**161.6**	**77.8**	**239.4**
	Austria	Gross rental income	56.0	-	56.0	55.3	-	55.3	111.0	-	111.0
		Operating expenses & net service charges	- 2.3	-	- 2.3	- 2.5	-	- 2.5	- 6.4	-	- 6.4
		Net rental income	**53.8**	**-**	**53.8**	**52.8**	**-**	**52.8**	**104.6**	**-**	**104.6**
		Valuation movements	-	25.6	25.6	-	35.7	35.7	-	26.2	26.2
		Result Shopping Centres Austria	**53.8**	**25.6**	**79.4**	**52.8**	**35.7**	**88.5**	**104.6**	**26.2**	**130.8**
	Nordic	Gross rental income	57.5	-	57.5	55.2	-	55.2	112.8	-	112.8
		Operating expenses & net service charges	- 9.0	-	- 9.0	- 8.8	-	- 8.8	- 18.6	-	- 18.6
		Net rental income	**48.5**	**-**	**48.5**	**46.4**	**-**	**46.4**	**94.1**	**-**	**94.1**
		Gains/losses on sales of properties	-	- 0.0	- 0.0	-	-	-	-	- 0.1	- 0.1
		Valuation movements	-	73.5	73.5	-	43.8	43.8	-	61.1	61.1
		Result Shopping Centres Nordic	**48.5**	**73.5**	**121.9**	**46.4**	**43.8**	**90.2**	**94.1**	**61.0**	**155.1**
	The Netherlands	Gross rental income	39.6	-	39.6	40.2	-	40.2	82.2	-	82.2
		Operating expenses & net service charges	- 3.4	-	- 3.4	- 3.8	-	- 3.8	- 8.3	-	- 8.3
		Net rental income	**36.3**	**-**	**36.3**	**36.4**	**-**	**36.4**	**73.8**	**-**	**73.8**
		Gains/losses on sales of properties	-	- 0.4	- 0.4	-	0.1	0.1	-	0.0	0.0
		Valuation movements	-	- 2.9	- 2.9	-	23.3	23.3	-	30.3	30.3
		Result Shopping Centres The Netherlands	**36.3**	**- 3.3**	**32.9**	**36.4**	**23.4**	**59.8**	**73.8**	**30.4**	**104.2**
	TOTAL RESULT SHOPPING CENTRES		**628.2**	**319.4**	**947.6**	**574.2**	**298.9**	**873.1**	**1,173.6**	**524.0**	**1,697.6**
OFFICES	France	Gross rental income	74.0	-	74.0	69.9	-	69.9	140.6	-	140.6
		Operating expenses & net service charges	- 2.6	-	- 2.6	- 2.8	-	- 2.8	- 6.7	-	- 6.7
		Net rental income	**71.4**	-	**71.4**	**67.1**	-	**67.1**	**133.9**	-	**133.9**
		Gains on sales of properties	-	- 0.3	- 0.3	-	-	-	-	0.0	0.0
		Valuation movements	-	- 1.7	- 1.7	-	17.2	17.2	-	- 69.8	- 69.8
		Result Offices France	**71.4**	**- 2.0**	**69.3**	**67.1**	**17.2**	**84.3**	**133.9**	**- 69.8**	**64.2**
	Other countries	Gross rental income	14.2	-	14.2	15.6	-	15.6	30.6	-	30.6
		Operating expenses & net service charges	- 2.7	-	- 2.7	- 3.0	-	- 3.0	- 4.8	-	- 4.8
		Net rental income	**11.5**	-	**11.5**	**12.6**	-	**12.6**	**25.8**	-	**25.8**
		Gains/losses on sales of properties	-	1.3	1.3	-	-	-	-	- 0.0	- 0.0
		Valuation movements	-	- 10.0	- 10.0	-	- 16.5	- 16.5	-	- 42.1	- 42.1
		Result Offices other countries	**11.5**	**- 8.7**	**2.8**	**12.6**	**- 16.5**	**- 3.9**	**25.8**	**- 42.1**	**- 16.3**
	TOTAL RESULT OFFICES		**82.9**	**- 10.8**	**72.1**	**79.7**	**0.7**	**80.3**	**159.7**	**- 111.8**	**47.9**
CONVENTION & EXHIBITION	France	Gross rental income	84.7	-	84.7	89.5	-	89.5	171.7	-	171.7
		Operating expenses & net service charges	- 45.8	-	- 45.8	- 49.0	-	- 49.0	- 90.9	-	- 90.9
		Net rental income	**38.9**	-	**38.9**	**40.5**	-	**40.5**	**80.8**	-	**80.8**
		Contribution of affiliates	**0.1**	- 0.2	- 0.0	- 0.1	- 0.2	- 0.3	0.1	- 0.1	- 0.0
		On site property services	**18.3**	-	**18.3**	**18.8**	-	**18.8**	**39.7**	-	**39.7**
		Hotels net rental income	**7.0**		**7.0**	**5.6**	-	**5.6**	**14.8**	-	**14.8**
		Exhibitions organising	**4.8**	**- 0.1**	**4.7**	**5.7**	**7.0**	**12.7**	**9.7**	**7.3**	**17.0**
		Valuation movements, depreciation and capital gains	- 5.2	149.9	144.7	- 6.1	67.0	60.9	- 12.6	110.0	97.4
	TOTAL RESULT CONVENTION & EXHIBITION		**64.0**	**149.6**	**213.6**	**64.4**	**73.8**	**138.2**	**132.5**	**117.1**	**249.6**
		Other property services net operating result	14.1	-	14.1	14.2	-	14.2	27.1	-	27.1
		Other net income	4.8	28.3	33.1	4.9	-	4.9	7.3	-	7.3
TOTAL OPERATING RESULT AND OTHER INCOME			**793.9**	**486.5**	**1,280.4**	**737.4**	**373.3**	**1,110.8**	**1,500.3**	**529.3**	**2,029.6**
		General expenses	- 40.9	- 1.0	- 41.9	- 39.1	- 5.3	- 44.4	- 82.7	- 6.1	- 88.8
		Development expenses	- 1.0	5.0	4.0	- 1.2	-	- 1.2	- 4.0	-	- 4.0
		Financing result	- 161.4	- 215.3	- 376.8	- 152.4	60.5	- 91.9	- 315.4	- 42.8	- 358.2
RESULT BEFORE TAX			**590.6**	**275.1**	**865.7**	**544.7**	**428.5**	**973.2**	**1,098.1**	**480.4**	**1,578.5**
		Income tax expenses	14.0	- 75.0	- 61.0	- 4.4	15.6	11.2	- 8.2	- 27.8	- 36.0
NET RESULT FOR THE PERIOD			**604.5**	**200.1**	**804.6**	**540.4**	**444.1**	**984.5**	**1,089.9**	**452.6**	**1,542.5**
		Non-controlling interests	65.9	86.8	152.7	41.6	103.7	145.3	104.1	147.8	251.9
NET RESULT-OWNERS OF THE PARENT			**538.7**	**113.3**	**651.9**	**498.7**	**340.5**	**839.2**	**985.8**	**304.8**	**1,290.6**

(1) Non-recurring activities include valuation movements, disposals, mark-to-market and terminal 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.

	H1-2014	H1-2013	2013
Average number of shares and ORA	97,592,454	95,670,368	96,468,709
Recurring earnings per share	**5.52 €**	**5.21 €**	**10.22 €**
Recurring earnings per share growth	**6.0%**	**5.5%**	**6.5%**

STATEMENT OF COMPREHENSIVE INCOME Presented under EPRA format (€ Mn)	H1-2014	H1-2013	2013
Gross rental income	828.0	768.6	1,584.3
Ground rents paid	(5.8)	(9.1)	(12.7)
Net service charge expenses	(11.2)	(11.3)	(25.2)
Property operating expenses	(91.9)	(90.8)	(194.3)
Net rental income	**719.1**	**657.4**	**1,352.1**
Corporate expenses	(39.8)	(38.1)	(80.5)
Development expenses	(1.0)	(1.2)	(4.0)
Depreciation of other tangible assets	(1.1)	(1.0)	(2.2)
Administrative expenses	**(41.9)**	**(40.3)**	**(86.7)**
Acquisition and related costs	**4.0**	**(5.3)**	**(6.1)**
Revenues from other activities	80.0	90.2	182.0
Other expenses	(52.8)	(63.3)	(127.7)
Net other income	**27.2**	**26.9**	**54.3**
Proceeds from disposal of investment properties	245.8	0.7	50.8
Carrying value of investment properties sold	(232.1)	(0.6)	(43.5)
Result on disposal of investment properties	**13.7**	**0.1**	**7.3**
Proceeds from disposal of shares	136.9	135.3	148.3
Carrying value of disposed shares	(108.7)	(135.3)	(148.3)
Result on disposal of shares	**28.3**	**-**	**-**
Valuation gains on assets	632.4	497.6	1,013.7
Valuation losses on assets	(200.2)	(141.7)	(495.6)
Valuation movements on assets	**432.2**	**355.9**	**518.1**
Impairment of goodwill / Negative goodwill	**11.3**	**-**	**-**
NET OPERATING RESULT BEFORE FINANCING COST	**1,193.8**	**994.8**	**1,839.0**
Result from non-consolidated companies	4.8	4.9	7.3
Financial income	*51.5*	*47.3*	*95.5*
Financial expenses	*(212.9)*	*(199.7)*	*(410.9)*
Net financing costs	(161.4)	(152.4)	(315.4)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	(42.6)	(35.4)	(62.5)
Fair value adjustments of derivatives and debt	(171.6)	97.0	22.0
Debt discounting	(1.2)	(1.1)	(2.3)
Share of the result of companies consolidated under the equity method	33.2	56.3	70.3
Income on financial assets	10.6	9.2	20.1
RESULT BEFORE TAX	**865.7**	**973.2**	**1,578.5**
Income tax expenses	(61.0)	11.2	(36.0)
NET RESULT FOR THE PERIOD	**804.6**	**984.5**	**1,542.5**
Non-controlling interests	152.7	145.3	251.9
NET RESULT (Owners of the parent)	**651.9**	**839.2**	**1,290.6**

Average number of shares (undiluted)	97,582,694	95,660,594	96,458,943
Net result for the period (Owners of the parent)	651.9	839.2	1,290.6
Net result for the period per share (Owners of the parent) (€)	**6.7**	**8.8**	**13.4**
Net result for the period restated (Owners of the parent) (1)	651.2	839.2	1,290.6
Average number of shares (diluted)	99,864,106	96,303,167	97,161,396
Diluted net result per share - Owners of the parent (€)	**6.5**	**8.7**	**13.3**

NET COMPREHENSIVE INCOME (in €Mn)			
NET RESULT FOR THE PERIOD	**804.6**	**984.5**	**1,542.5**
Foreign currency differences on translation of financial statements of subsidiaries	(6.7)	1.8	(8.5)
Gain/loss on net investment hedge	(20.4)	7.1	(23.9)
Cash flow hedge	0.4	(0.4)	0.1
Revaluation of shares available for sale		13.4	10.4
Other comprehensive income which can be reclassified to profit or loss	**(26.7)**	**22.0**	**(22.0)**
Other comprehensive income reclassified to profit or loss	**(19.8)**	**-**	**-**
Employee benefits - will not be reclassified into profit or loss	**-**	**-**	**6.4**
OTHER COMPREHENSIVE INCOME	**(46.5)**	**22.0**	**(15.6)**
NET COMPREHENSIVE INCOME	**758.1**	**1,006.5**	**1,527.0**
Non-controlling interests	152.7	145.3	252.0
NET COMPREHENSIVE INCOME (OWNERS OF THE PARENT)	**605.4**	**861.2**	**1,275.0**

(1) The impact of the fair value of the ORNANE is restated from the net result of the period if it has a dilutive impact.

Consolidated Statement of financial position (€ Mn)	30/06/2014	31/12/2013
NON CURRENT ASSETS	**31,458.7**	**31,159.5**
Investment properties	**28,622.8**	**28,552.6**
Investment properties at fair value	*27,948.2*	*27,613.5*
Investment properties at cost	*674.6*	*939.1*
Other tangible assets	205.8	203.1
Goodwill	269.4	269.4
Intangible assets	220.6	217.5
Loans and receivables	42.6	39.6
Financial assets	71.6	71.4
Available-for-sale financial assets	-	128.5
Deferred tax assets	15.1	8.7
Derivatives at fair value	181.3	112.1
Shares and investments in companies consolidated under the equity method	1,829.6	1,556.7
CURRENT ASSETS	**3,041.3**	**1,185.0**
Properties or shares held for sale	**1,365.1**	**188.6**
Trade receivables from activity	**313.7**	**344.2**
Property portfolio	272.2	303.9
Other activities	41.5	40.3
Other trade receivables	**542.7**	**548.5**
Tax receivables	181.3	231.5
Other receivables	283.8	259.8
Prepaid expenses	77.6	57.2
Cash and cash equivalents	**819.8**	**103.7**
Available for sale investments	512.4	9.8
Cash	307.4	93.9
TOTAL ASSETS	**34,500.0**	**32,344.5**
Shareholders' equity (Owners of the parent)	**13,526.0**	**13,703.9**
Share capital	490.0	486.4
Additional paid-in capital	6,222.3	6,139.8
Bonds redeemable for shares	1.4	1.4
Consolidated reserves	6,201.7	5,800.4
Hedging and foreign currency translation reserves	(41.3)	(14.7)
Consolidated result	651.9	1,290.6
Non-controlling interests	**2,269.0**	**2,179.8**
TOTAL SHAREHOLDERS' EQUITY	**15,795.0**	**15,883.7**
NON CURRENT LIABILITIES	**15,693.5**	**13,555.0**
Long term commitment to purchase non-controlling interests	61.2	61.2
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,395.3	857.1
Long term bonds and borrowings	11,887.4	10,733.6
Long term financial leases	363.5	117.6
Derivatives at fair value	572.3	426.3
Deferred tax liabilities	1,073.7	1,013.1
Long term provisions	30.3	31.5
Employee benefits	13.9	13.9
Guarantee deposits	211.5	210.4
Tax liabilities	15.5	17.8
Amounts due on investments	69.1	72.5
CURRENT LIABILITIES	**3,011.5**	**2,905.8**
Amounts due to suppliers and other current debt	**834.1**	**1,052.6**
Amounts due to suppliers	96.8	122.7
Amounts owed to shareholders	0.3	-
Amounts due on investments	305.8	448.4
Sundry creditors	233.1	304.5
Other liabilities	198.1	177.0
Current borrowings and amounts due to credit institutions	**2,007.9**	**1,683.7**
Current financial leases	**10.9**	**3.7**
Tax and social security liabilities	**139.9**	**145.4**
Short term provisions	**18.8**	**20.5**
TOTAL LIABILITIES AND EQUITY	**34,500.0**	**32,344.5**

Consolidated statement of cash flows (in €Mn)	H1-2014	H1-2013	2013
Operating activities			
Net result	**804.6**	**984.5**	**1,542.5**
Depreciation & provisions	9.2	6.0	18.8
Impairment of goodwill/Negative goodwill	-11.3	-	-
Changes in value of property assets	-432.2	-355.9	-518.1
Changes in value of financial instruments	214.2	-61.5	40.5
Discounting income/charges	1.2	1.1	2.3
Charges and income relating to stock options and similar items	3.0	2.8	7.1
Other income and expenses	-5.0	-	-
Net capital gains/losses on disposal of shares	-28.3	-	-
Net capital gains/losses on sales of properties (1)	-13.7	-0.1	-8.0
Income from companies consolidated under the equity method	-33.2	-56.3	-70.3
Income on financial assets	-10.6	-9.2	-20.1
Dividend income from non-consolidated companies	-4.8	-4.8	-7.2
Net financing costs	161.4	152.4	315.4
Income tax charge	61.0	-11.2	36.0
Cash flow before net financing costs and tax	**715.4**	**647.7**	**1,338.8**
Income on financial assets	10.6	9.2	20.1
Dividend income and result from companies under equity method or non consolidated	16.2	29.2	28.7
Income tax paid	-26.7	-9.5	-19.3
Change in working capital requirement	-58.2	-44.1	-78.2
Total cash flow from operating activities	**657.3**	**632.5**	**1,290.2**
Investment activities			
Property activities	**-820.9**	**-753.2**	**-1,429.0**
Acquisition of consolidated shares	-542.9	-133.6	-130.9
Amounts paid for works and acquisition of property assets	-659.1	-734.5	-1,520.3
Exit tax payment	-	-	-8.1
Repayment of property financing	2.8	-	8.0
Increase of property financing	-5.1	-24.0	-5.2
Disposal of shares/consolidated subsidiaries	137.7	138.2	176.7
Disposal of investment properties	245.8	0.7	50.8
Repayment of finance leasing	**0.2**	**0.1**	**0.1**
Financial activities	**-3.1**	**-0.6**	**-0.0**
Acquisition of financial assets	-3.8	-1.6	-2.0
Disposal of financial assets	0.3	0.9	1.9
Change in financial assets	0.3	-	0.1
Total cash flow from investment activities	**-823.8**	**-753.7**	**-1,429.0**
Financing activities			
Capital increase of parent company	86.1	109.1	117.5
Change in capital from company with non controlling shareholders	0.2	-80.7	-80.7
Distribution paid to parent company shareholders	-871.4	-610.5	-610.5
Dividends paid to non-controlling shareholders of consolidated companies	0.5	-54.1	-56.8
New borrowings and financial liabilities	2,422.1	2,017.0	3,264.0
Repayment of borrowings and financial liabilities	-529.4	-1,086.1	-2,053.7
Financial income	38.7	36.8	87.7
Financial expenses	-195.5	-178.1	-390.0
Other financing activities	-60.8	-29.1	-81.7
Total cash flow from financing activities	**890.5**	**124.4**	**196.0**
Change in cash and cash equivalents during the period	**723.9**	**3.1**	**57.2**
Cash at the beginning of the year	**94.8**	**38.2**	**38.2**
Effect of exchange rate fluctuations on cash held	**-6.8**	**-2.9**	**-0.6**
Cash at period-end (2)	**811.9**	**38.4**	**94.8**

(1) This item includes capital gains/losses on property sales, disposal of short term investment properties, disposals of financing leasing and disposals of operating assets.

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

I. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

Accounting principles

Unibail-Rodamco's consolidated financial statements as at June 30, 2014 were prepared in accordance with IAS 34 "Interim financial reporting" and with International Financial Reporting Standards ("IFRS") as applicable in the European Union as at June 30, 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:

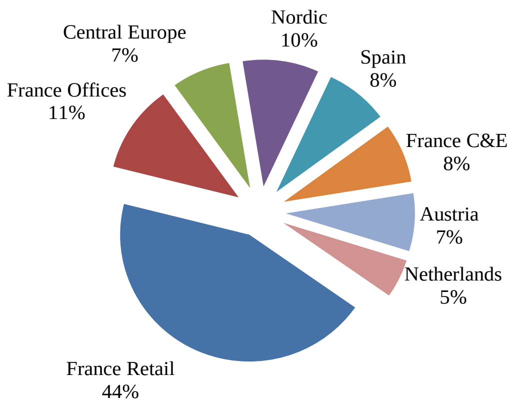
- On May 14, 2014, Unibail-Rodamco acquired a stake in CentrO, a leading shopping centre located in Oberhausen (Germany). Following this acquisition and based on the governance analysis, the acquired companies are consolidated under the equity method;
- Following a change in control, the Val Tolosa development project located in Toulouse (France) is now fully consolidated, instead of consolidated under the equity method as at December 31, 2013;
- During H1-2014, the Group has sold different assets, mainly the shopping centre Vier Meren, located in The Netherlands, and 34-36 Louvre and 23 Courcelles, located in Paris as well as its 7.25% stake in Société Foncière Lyonnaise (SFL).

As at June 30, 2014, 264 companies were fully consolidated, 6 companies were consolidated proportionally (corresponding to entities 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, 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 June 30, 2014, excluding assets consolidated under the equity method[2].



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

[2] Mainly the Comexposium subsidiaries (trade show organisation business), Cité Europe and Rosny 2 shopping centres in France, Pankrac shopping centre in the Czech Republic, the Zlote Tarasy complex in Poland, mfi AG, Ring-Center, Ruhr-Park and CentrO shopping centres in Germany.

II. BUSINESS REVIEW BY SEGMENT

1. Shopping centres

1.1 Shopping centre market in H1-2014

The first half of 2014 was characterized by a moderate though slow recovery in the EU economy[3]. However, unemployment remained high with reported levels of 10.5% in the EU and 11.8% in the euro-zone in March 2014, stable since December 2013[4]. High unemployment and measured consumer confidence continue to restrain domestic demand and private consumption. Current forecasts call for moderate GDP growth in the EU in 2014 and 2015 of +1.6% and +2.0%[3], respectively.

2014 GDP growth estimates[3] for Spain, The Netherlands and the Czech Republic are +1.1%, +1.2% and +2.0%, respectively. All three countries saw negative GDP growth through the end of 2013. GDP growth in France[3] is expected to reach +1.0% in 2014 vs. flat growth in 2013, while Austria and Slovakia show a stronger projected GDP growth of +1.6% and +2.2%, respectively. Sweden and Poland are amongst the EU's best performers[3] with forecasted GDP growth for 2014 of +2.8% and +3.2%, respectively.

The improving outlook is expected to support retailers' plans to target European countries for expansion and store openings. Eight of the countries in which the Group operates are listed among the top 15 destinations[5] for expansion by retailers. The priority for retailers remains the capital cities and other large and wealthy metropolitan areas.

While the macro economic outlook improved, inflation decreased significantly and consumer confidence in the Eurozone during the first half of 2014 remained subdued[3]. 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 drive 6 Mn visits per year and above 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.

Tenant sales in the Group's shopping centres grew by +2.8%[6] during the first six months of 2014 compared to the first six months of 2013. Footfall similarly grew strongly, +1.7% through June 2014 compared to the same period in 2013. During the first five months of 2014, tenant sales[6] in the Group's shopping centres grew by +3.6% outperforming the national sales indices[7] by +290 bps. Tenants in the French shopping centres outperformed the national sales index by +240 bps, with sales growth[8] of +3.4% compared to the same period in 2013. In Austria[9], tenant sales increased by +3.4%, outperforming the national sales index by +240 bps. The recently refurbished Shopping City Süd (Vienna) saw tenant sales growth of +8.1% over the same period. In Central Europe, tenant sales grew by +7.9% mainly driven by the strong performance of the extended Centrum Černý Most (Prague) (+27.6% through May 2014). Spanish shopping centres also showed a strong increase with +4.9% tenant sales growth for the first 5 months of 2014, outperforming the national sales index by +420 bps. This performance was led primarily by large shopping centres such as La Maquinista (Barcelona) (+5.2%), Parquesur (Madrid) (+4.3%), La Vaguada (Madrid) (+5.8%) and Splau, the Barcelona shopping centre refurbished and restructured in 2012, which

[3] Source: European Economic Forecast, Spring 2014. http://ec.europa.eu/economy_finance/publications/european_economy/2014/pdf/ee3_en.pdf

[4] Source: Eurostat, May 2, 2014. http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-02052014-AP/EN/3-02052014-AP-EN.PDF

[5] How active are retailers globally? /2014 edition – CBRE.

[6] 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-Q published April 28, 2014, pages 26 and 29). Primark sales are not available. Excludes the sales of the 4 Virgin stores in the Group's shopping centres in France, due to bankruptcy. Tenant sales growth through May 31, 2014, including sales of these 4 stores is +3.3% and +2.6% through June 30, 2014

[7] Based on latest national indices available (year-on-year evolution) as of May 2014: France: Institut Français du Libre Service; Spain: Instituto Nacional de Estadistica; Central Europe: Česky statisticky urad (Czech Republic), Polska Rada Centrow Handlowych (Poland, as of April 2014); Austria: Eurostat (Austria and Slovakia); Nordic: HUI Research (Sweden), Denmark's Statistik (Denmark), Eurostat (Finland). Tenants sales outperformance of national sales index including Virgin of +260 bps for the Group and +190 bps for France.

[8] Excludes the sales of the 4 Virgin stores in the Group's shopping centres in France, due to bankruptcy. Tenant sales growth through May 31, 2014, including sales of these 4 stores is +2.9%.

[9] Excluding Slovakia due to ongoing refurbishment works in Aupark.

continued to attract more and more customers with a +21.0% increase in footfall and +28.3% increase in tenant sales through May 2014. Collectively, the Group's six largest shopping centres in Spain[10] saw tenant sales increase by 7.6%. In the Nordics, tenant sales through May 2014 were flat 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 +13.0% and +15.6%, respectively, thanks to the opening of the South extension in July 2013 and partial delivery of the North extension in May 2014.

During the first six months of 2014, "UR Lab" launched several new initiatives and further refined and expanded a number of concepts launched previously, all of which are aimed at strengthening the Group's leading position in terms of asset quality, premium services and differentiated customer experience, in turn driving additional footfall:

- Fresh!: the latest "UR Lab" innovation will further strengthen the food offer across the Group's shopping centres. Inspired by the best of downtown markets, it aims to create an exceptional gourmet hall for the most demanding customers encompassing a high quality, diversified and regularly renewed offer. "El Mercat de Glòries" in Glòries (Barcelona) will be the 1st "Fresh!" concept to open (September 2014). The concept will span over 3,200 m² and include "La Cuina" ("The Kitchen"), a dedicated area for food related events, and host more than over 50 tailor-made events a year;

- Digital marketing: the Group signed an exclusive partnership with Niantic Labs, a division of Google. This initiative enables "Ingress" gamers (Google's near-real time augmented reality game) to expand their playground to shopping centres for the first time in Continental Europe. In addition, the Group expanded its drive to connect more closely with its shopping centres' visitors. Year-on-year iPhone and Android app downloads increased by +60% (to 3.0 Mn), website visits grew by +13% (to 16.9 Mn) and mobile website visits by +35% (to 4.7 Mn). The number of Facebook fans of the Group's shopping centres continued its strong growth in H1-2014 with 4.9 Mn fans at the end of the first half, compared to 3.3 Mn as of June 30, 2013, a +50% increase;

- 4 Star label[11]: since its launch in 2012, the Group's quality referential, has been awarded to 17 shopping centres. The CNIT (Paris region) and Pasing Arcaden (Munich) were awarded the label in H1-2014, following a comprehensive quality audit performed by SGS, the worldwide leader in service certification. Pasing Arcaden is the first shopping centre in Germany to receive this demanding label. This process will continue in 2014 and 2015; Täby Centrum (Stockholm) and Fisketorvet (Copenhagen) successfully passed the 4 Star audit and will be labelled in H2-2014;

- The Dining Experience™: The Group's initiative aims to increase the space dedicated to dining as well as the quality of the dining offer with differentiating food concepts and unique gastronomy events and services. Les Quatre Temps (Paris region) will be equipped with a full Dining Experience™ concept after the successful launches in La Maquinista (Barcelona), Confluence (Lyon), Galeria Mokotow (Warsaw) and Aéroville (Paris region).

Leasing activity was strong in H1-2014 with 728 leases signed with a Minimum Guaranteed Rent (MGR) uplift[12] of +23.1% on renewals and re-lettings. The Group's rotation rate[13] stood at 6.3% in H1-2014, in line with its objective to rotate at least 10% of its tenants each year and driven primarily by tenant rotation in its large malls. With a strong focus on differentiating and exclusive retail concepts, generating traffic and customer preference, 83 leases were signed with international premium[14] retailers in H1-2014, compared to 78 in H1-2013. Unibail-Rodamco teams signed a number of aspirational brands, including the 1st Tesla Motors store in a shopping centre in Continental Europe in Täby Centrum (Stockholm), the 1st Disney store in Sweden in Mall of Scandinavia (Stockholm), the 1st Kusmi Tea in Sweden in Täby Centrum (Stockholm), the 1st two Le Pain Quotidien stores in a shopping centre in France in Forum des Halles (Paris) and Polygone Riviera

[10] Assets above 6 Mn visits per annum located in Spain's 3 largest cities: Madrid, Barcelona and Valencia.

[11] The "4 Star label" for a shopping centre is based on a 725 point quality referential and audited by SGS, the world leader in service certification.

[12] Minimum Guaranteed Rent uplift: difference between new and old rents. This indicator is calculated on renewals and relettings.

[13] Rotation rate = (number of relettings + number of assignments + number of renewals with new concepts) / number of stores.

[14] Retailer that has strong and international brand recognition, with a differentiating store design and product approach, which may increase the appeal of the shopping centres.

(Cagnes-sur-Mer), and the 1st Rituals in France in Forum des Halles (Paris). In addition, the 1st Abercrombie & Fitch store in a shopping centre in Europe will open in CentrO (Oberhausen). Lastly, the Group continued the development of differentiating retailers such as Nespresso in the Czech Republic (1 new store), Costa Coffee in France and Poland (5 new stores), Forever 21 in France and Germany (6 new stores), the latest Adidas concept "Neo" in Poland, the Czech Republic and Germany (3 new stores), Mauboussin, in France (4 new stores), and JD Sports in Germany (4 new stores).

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) celebrated in March 2014 the opening of its new food court and the refurbishment of the entire level 2. The Group is currently refurbishing the Arkadia (Warsaw) food court to be delivered by year end. In Täby Centrum (Stockholm), 3 out of the 4 major stores in the North extension were delivered in May 2014. Full delivery is planned in May 2015. In Spain, the Garbera (San Sebastian) interior refurbishment will be delivered in H2-2014 and the opening of the full redevelopment project of Glòries (Barcelona) is scheduled for 2016. Other major extension and renovation works are on-going in Forum des Halles (Paris) and in Chodov (Czech Republic) and will be delivered in the coming years. In addition, the Group will deliver in 2015 two major brownfield projects, Mall of Scandinavia (Stockholm) and Polygone Riviera (Cagnes-sur-Mer).

In April of this year, the City of Brussels selected Unibail-Rodamco with its partners BESIX and CFE, as the co-developer of the NEO 1 project. This mixed-use project encompasses 590 housing units, 2 day nurseries, 3,500 m² of offices, a retirement home and a 114,000 m² area dedicated to leisure, restaurants and retail: "Mall of Europe". Unibail-Rodamco will develop and operate the "Mall of Europe", representing a €548 Mn investment, while BESIX / 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, one of Europe's largest theme park operators, at the heart of a 15,000 m² leisure centre. The "Mall of Europe" will be the Group's first shopping centre in Belgium[15].

The Group also continued its expansion with the acquisition of a stake in CentrO. 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 [16], 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, Superdry, Tommy Hilfiger, Peek & Cloppenburg, Lego and Napapijri. Located in a catchment area[17] of 3 Mn inhabitants, the mall attracts approximately 25 Mn visits per year, including shoppers from as far as The Netherlands.

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

The Group owns 102 retail assets, including 83 shopping centres out of which 56 host 6 million and above visits per annum. These 56 centres represent 90% of the Group's retail portfolio in Gross Market Value.

Total consolidated Net Rental Income (NRI) of the shopping centre portfolio amounted to €590.3 Mn in H1-2014.

Region	Net Rental Income (€Mn)		
	H1-2014	H1-2013	%
France	319.2	271.0	17.8%
Spain	71.6	70.6	1.4%
Central Europe	61.1	54.5	12.2%
Austria	53.8	52.8	1.8%
Nordic	48.5	46.4	4.4%
Netherlands	36.3	36.4	-0.3%
TOTAL NRI	**590.3**	**531.7**	**11.0%**

[15] Following an appeal lodged against the award, the Belgian Council of State suspended on June 19, 2014 the decision by the City of Brussels to award the project to Unibail-Rodamco and its partners for failure to properly describe the rationale for the award.
On July 10, 2014, the City of Brussels revised its decision to comply with the Council of State ruling and confirmed the award of the project to Unibail-Rodamco and its partners.

[16] Including a 6,800 m² GLA C&A shop.

[17] Less than 30 minutes from the shopping centre.

The total net growth in NRI amounted to +€58.6 Mn (+11.0%) compared to H1-2013 due to:

- +€27.7 Mn from change of consolidation method 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 under full consolidation method in H1-2014;
  - ✓ Acquisition of additional units in the Villabé shopping centre in France.

- +€20.4 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 in Prague and smaller projects in France, Spain and Austria.

- +€6.6 Mn due to assets in the pipeline, mainly in the Nordics with Täby Centrum, in France with Forum des Halles and Galerie Gaité and in The Netherlands with Leidsenhage.

- -€6.8 Mn due to disposals of smaller assets:
  - ✓ -€3.8 Mn in France, mainly due to the disposal of 40 Suffren (Paris region) in September 2013;
  - ✓ -€3.0 Mn in The Netherlands further to the divestment of Vier Meren in January 2014.

- -€1.3 Mn from other minor effects, including negative currency translation effect with SEK.

- The like-for-like NRI[18] growth amounted to +€12.0 Mn, up +2.6%, 170 bps above indexation, driven by the +3.7% growth in large malls.

Region	Net Rental Income (€Mn) Like-for-like		
	H1-2014	H1-2013	%
France	245.0	239.9	2.1%
Spain	65.4	63.5	3.0%
Central Europe	55.0	50.8	8.1%
Austria	50.4	50.1	0.6%
Nordic	36.1	36.4	-0.9%
Netherlands	29.1	28.0	4.0%
TOTAL NRI Lfl	**480.9**	**468.8**	**2.6%**

[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.

Region	Net Rental Income Like-for-like evolution (%)			
	Indexation	Renewals, relettings net of departure	Other	Total
France	0.6%	1.0%	0.5%	2.1%
Spain	0.2%	-2.0%	4.8%	3.0%
Central Europe	1.1%	4.6%	2.4%	8.1%
Austria	1.9%	3.0%	-4.3%	0.6%
Nordic	1.4%	-1.2%	-1.0%	-0.9%
Netherlands	1.1%	4.6%	-1.7%	4.0%
TOTAL	**0.9%**	**1.2%**	**0.5%**	**2.6%**

The performance of the large malls in most regions was strong with year-over-year like-for-like NRI up by +3.2% in France and +8.1% in Spain[19]. The +2.6% like-for-like NRI growth for the Group reflects the impact of low indexation (+0.9% vs. +2.1% in H1-2013), other income (+0.5% vs. +0.8%) and the weaker performance of smaller malls.

Across the whole portfolio, Sales Based Rents (SBR) represented 1.9% (€11.3 Mn) of total Net Rental Income in H1-2014.

1.3. Contribution of affiliates

The total Contribution of affiliates[20] for the shopping centre portfolio amounted to €37.9 Mn in H1-2014, compared to €42.5 Mn in H1-2013.

Region	Contribution of affiliates (€Mn)		
	H1-2014 Recurring activities	H1-2013 Recurring activities	Change
France	6.8	17.9	- 11.1
Spain	0.7	0.7	-
Central Europe	30.4	23.9	6.5
Other countries	-	-	-
TOTAL	**37.9**	**42.5**	**- 4.6**

The total net decrease of -€4.6 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 consolidated under the full consolidation method, instead of the equity method as at June 30, 2013 and;

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

[20] Contribution of affiliates represents Unibail-Rodamco's share of the Net 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.

- The positive impact of the acquisition, in May 2014, of a stake in the CentrO shopping centre (Oberhausen) and the increase in the contribution of affiliates coming from mfi, Ruhr-Park (Bochum) and Zlote Tarasy (Warsaw).

On a pro-forma basis excluding the change of method and acquisitions, the total Contribution of affiliates grew by +€1.4 Mn (+6.2%), mainly from mfi and Ruhr-Park (Bochum). In Germany, like-for-like NRI growth of mfi's fully consolidated assets[21] was +6.3%. The Group signed 74 leases[22], generating an MGR uplift of +12.6%.

1.4. Leasing activity in H1-2014

The Group signed 728 leases in H1-2014 on consolidated standing assets (vs. 634 in H1-2013) for €84.7 Mn of MGR. The average MGR uplift[23] was +23.1% on renewals and relettings (+15.3% in full-year 2013), including a +26.7% uplift in large shopping centres, partially offset by lower uplifts in small shopping centres (less than 6 million visits per annum) at +2.6%. The MGR uplift of +23.1% is the highest uplift achieved during the last 5 years and is well ahead of the +19.1% average uplift over such period. The MGR uplift in large French and Spanish shopping centres[24] in the period was +36.1% and +16.3%, respectively.

Region	Lettings / re-lettings / renewals excl. Pipeline				
	nb of leases signed	m²	MGR (€ Mn)	MGR uplift Like-for-like	
				€ Mn	%
France	235	55,543	37.2	7.7	31.5%
Spain	182	33,209	13.5	1.0	9.9%
Central Europe	111	23,871	12.4	2.3	32.7%
Austria	65	11,691	6.3	1.1	34.3%
Nordic	86	23,193	9.0	0.4	7.3%
Netherlands	49	27,127	6.4	0.3	5.8%
TOTAL	**728**	**174,634**	**84.7**	**12.9**	**23.1%**

MGR: Minimum Guaranteed Rent

[21] mfi like-for-like fully consolidated assets are Pasing Arcaden (Munich), Höfe Am Bruhl (Leipzig) and Gera Arcaden (Gera).

[22] On mfi fully consolidated assets and development projects Minto (Monchengladbach) and Palais Vest (Reklinghausen).

[23] MGR uplift: the difference between old and new rents. This indicator is calculated only on renewals and relettings.

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

1.5. Vacancy and Lease expiry schedule

As at June 30, 2014, the total annualised MGR from Unibail-Rodamco's shopping centre portfolio has remained stable at €1,170.4 Mn (€1,170.5 Mn as at December 31, 2013).

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	50.0	4.3%	45.6	3.9%
2014	61.3	5.2%	48.3	4.1%
2015	263.5	22.5%	91.5	7.8%
2016	215.6	18.4%	78.4	6.7%
2017	226.5	19.4%	86.4	7.4%
2018	103.8	8.9%	110.3	9.4%
2019	83.4	7.1%	100.7	8.6%
2020	39.5	3.4%	81.7	7.0%
2021	25.7	2.2%	92.0	7.9%
2022	18.5	1.6%	121.7	10.4%
2023	19.2	1.6%	109.5	9.4%
2024	10.8	0.9%	49.4	4.2%
Beyond	52.5	4.5%	154.9	13.2%
TOTAL	**1,170.4**	**100%**	**1,170.4**	**100%**

Estimated Rental Values (ERV) of vacant space in operation on the total portfolio was stable at €34.6 Mn as at June 30, 2014.

The EPRA vacancy rate[25] as at June 30, 2014 was stable at 2.5% 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 Aéroville (Paris region) which is now fully let. In Spain, the decrease in vacancy is mainly due to good leasing activity in Parquesur (Madrid), Vallsur (Valladolid) and La Maquinista (Barcelona). In Central Europe, vacancy decreases mainly due to leasing activity in Wilenska and Galeria Mokotow (Warsaw). In Austria, the increase in vacancy is due mostly to strategic vacancy in Shopping City Süd (Vienna) and Aupark (Bratislava). In the Nordics, the increase in vacancy comes mainly from Fisketorvet (Copenhagen) and Nova Lund (Lund). In The Netherlands, the decrease in vacancy came primarily from Amstelveen and Almere.

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

Region	Vacancy (June 30, 2014)		Dec. 31, 2013
	€Mn	%	
France	19.0	2.5%	2.6%
Spain	3.4	1.8%	2.2%
Central Europe	1.1	0.8%	1.1%
Austria	3.8	3.1%	2.1%
Nordic	4.8	3.7%	3.1%
Netherlands	2.5	3.8%	4.1%
TOTAL	**34.6**	**2.5%**	**2.5%**

The occupancy cost ratio[26] (OCR) on average stood at 13.9% compared to 13.7% as at December 31, 2013. It increased slightly in France to 14.1% (13.9% in December 2013) and decreased significantly in Spain to 12.9% (13.6%) primarily due to the recovery of sales in the largest shopping centres resulting in an OCR of 12.4%[27] for these shopping centres. In Central Europe, the OCR increased from 13.8% in December 2013 to 15.1% in June 2014, due to the integration of Centrum Černý Most. OCR increased in Austria to 16.0% (vs. 15.7% in December 2013) and in the Nordics to 11.6% (vs. 11.3%). These changes were attributable to the Group's leasing activities and tenant sales evolution, in particular on assets undergoing restructuring.

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 represents a net initial yield of 4.4% and an average price of €7,800/m².

The asset offers significant growth potential through the introduction of the Group's latest operating initiatives (e.g., The Dining Experience™, 4 Star label and services) and extension/renovation possibilities.

The acquisition of CentrO represents 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 AG, Germany's 2nd largest shopping centre owner, developer and operator, and in Ruhr-Park, one of Germany's largest malls. The Group's German platform now includes 1.4 Mn m² and 27 malls, of which 20 are managed for third parties by mfi. Furthermore, mfi plans to deliver developments in Recklinghausen (Palais Vest) and Mönchengladbach (Minto) in September 2014 and H1-2015, for a combined additional 84,908 m² of GLA.

In addition, Unibail-Rodamco invested a further €402 Mn[28] in its shopping centre portfolio in H1-2014:

- New acquisitions amounted to €111 Mn:
  - ✓ In The Netherlands, a number of retail units and other minor assets were acquired during H1-2014, mainly in Leidsenhage (Leidschendam-Voorburg), for a total acquisition cost of €71 Mn;
  - ✓ In France, this includes the acquisition of a plot of land for the Val Tolosa project (Toulouse region). Additional plots were also acquired in Forum des Halles (Paris) and Côté Seine (Paris region) and additional land was acquired for Polygone Riviera (Cagnes-sur-Mer). These acquisitions represent a total amount of €32 Mn;
  - ✓ In Spain, additional plots were acquired in Parquesur (Madrid) and Los Arcos (Sevilla) for €5 Mn;
  - ✓ In Central Europe, a change of consolidation of a minor asset accounted for €3 Mn.

- €242 Mn were 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 costs, eviction costs and other costs were capitalised in H1-2014 for €9 Mn, €25 Mn and €15 Mn, respectively.

[26] 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-Q published April 28, 2014, pages 26 and 29). Primark sales are not available.

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

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

During H1-2014, the Group disposed of two assets in its shopping centre segment, Vier Meren in The Netherlands and 23 Courcelles in France, for total net proceeds of €183.3 Mn, reflecting a premium of 9.1% over the last unaffected appraisal.

The Group continues its disciplined approach to acquisitions and disposals and will continue to critically evaluate opportunities. The Group expects to dispose between €1.5 Bn and €2.0 Bn worth of shopping centre assets by December 2018 and is currently engaged in discussions with potential buyers of certain of its assets.

2. Offices

1.1. Office property market in H1-2014

Take-up

Take-up in the Paris region improved in H1-2014 with 1.1 million m² rented[29], an increase of +24% vs. the same period in 2013. Forecasts for take-up in 2014 for the Paris region exceed 2 million m²[30] rented at year end vs. an actual take-up of 1.8 million m² in 2013[31]. The take-up in the overall office market in the Greater Paris area grew strongly, especially in Paris Central Business District (CBD) where take-up was up by +32%[32], and in La Défense, where, after historically low activity in the first quarter[31], 86,612 m² were signed in the second quarter, showing the best quarterly performance since 2009.

This good performance is closely linked to the high number of transactions above 5,000 m², both in terms of number and volume. In this segment, 34 transactions were recorded[30] totaling 507,000 m² by the end of the first half, a +51% increase in volume year-on-year.

For the first time since 2012, large transactions above 40,000 m² were recorded with 3 signings[30]: 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

Rental values for the first half are in line with 2013, especially on prime buildings.
In Paris CBD prime rents stand at €735[33] /m². The "1-3 rue d'Astorg" (8th arrondissement) was rented to Clifford Chance (9,700 m²) for €750 /m² whilst the "Cézanne" (8th arrondissement) was rented to Apax partners for €730 /m². No significant transactions in new or refurbished buildings were recorded in the Paris CBD for the first half of 2014.

Prime rental values in La Défense are down to € 505 /m² due to low activity on new or refurbished as new buildings. Highest rents signed range from €500 /m² to €550 /m², as evidenced by the transactions of Thales in "Carpe Diem" (10,000 m²) for a face rent of €520 /m² and EY in "First" (7,000 m²) for a face rent of €550 /m².

In the current economic environment, companies remain cautious but want to be opportunistic in their real estate decisions. The wait-and-see attitude that was common practice in 2013 seems to be fading away and a number of significant lease negotiations for delivery in 2015 and 2016 are well underway and are expected to be finalized during the course of the year.

Supply

The immediate supply[30] is down by -1% compared to the end of 2013 at 3.9 million m² and the vacancy rate stands at 7.4% in the Paris region[29]. This evolution varies from sector to sector, with the immediate supply decreasing[30] by -10% in La Défense after the transactions of KPMG on "Eqho", Thales on "Carpe Diem" and EY on "First".

More than 200,000 m² of new or heavily refurbished buildings were delivered in the first half of 2014 in the Paris region.

18% of the total immediate supply consists of new or refurbished as new buildings[30] in the Paris region at June 30, 2014.

Paris CBD remains a relatively closed market with limited supply and no deliveries in the first half.

Investment market

The total amount of investments for the first half[31] (€5.1 Bn) increased significantly compared to the same period in 2013 (€4.4 Bn). This increase is the reflection of a global trend with a renewed interest of investors for this type of assets in a low interest rate environment.

[29] BNP Paribas – Les bureaux en Ile de France T2-2014.
[30] CBRE – Market view – Bureaux Ile de France T2-2014.
[31] Immostat - http://www.webimm.com
[32] DTZ – Property Times Paris CBD H2-2014.
[33] JLL – Panorama Bureaux Ile de France T2-2014.

Several large transactions were recorded in the period: Coeur Défense (La Défense) was sold by the liquidators of the asset to the American real estate fund Lone Star for €1.2 Bn, reflecting a price of approximately €7,100 /m². The SFR Campus in Saint-Denis (Northern Inner rim) was sold by SFR/Vinci to Predica and Aviva for a total amount of €680 Mn (€5,075 /m²) and Risanamento sold its portfolio to Chesfield for a total amount of €1.3 Bn.

The evolution of yields reflects investors' appetite for prime assets, especially in the CBD with the disposal of the « Louvre Saint-Honoré » (1st arrondissement) to CBRE Global Investors, and the disposal of the « Rossini » (9th arrondissement) from Inovalis to Aviva at yields below 4.25%.

Yields on prime assets in Paris CBD[34] ranged from 4.0% to 4.5% (4.25% at year-end 2013). Prime yields stood at 5.5% in La Défense in a more active market, including transactions on Cœur Défense and Prisma as well as Tour Blanche, which is currently in a disposal process with a NIY expected at less than 5.5%.

2.2. Office division H1-2014 activity

Unibail-Rodamco's consolidated NRI from the offices portfolio came to €82.9 Mn in H1-2014, an increase of 4.0% year-on-year.

Region	Net Rental Income (€Mn)		
	H1-2014	H1-2013	%
France	71.4	67.1	6.3%
Nordic	6.3	7.1	-11.1%
Netherlands	3.6	3.9	-5.8%
Other countries	1.6	1.6	-0.9%
TOTAL NRI	**82.9**	**79.7**	**4.0%**

The increase of €3.2 Mn from H1-2013 to H1-2014 is explained as follows:

- +€2.3 Mn due to transfer from pipeline, mainly due to So Ouest in France;
- -€1.0 Mn due to the disposal of 34-36 Louvre (Paris) in February 2014;
- -€1.2 Mn due to other effects in the Nordics (-€0.6 Mn) and France (-€0.6 Mn).
- Like-for-like NRI[35] increased by +€3.1 Mn, a +4.0% increase, mainly due to relettings in France in Issy Guynemer and Wilson (Paris region).

Region	Net Rental Income (€Mn) Like-for-like		
	H1-2014	H1-2013	%
France	69.5	66.2	5.0%
Nordic	6.6	6.7	-2.0%
Netherlands	3.0	3.1	-2.1%
Other countries	1.6	1.6	-0.9%
TOTAL NRI Lfl	**80.7**	**77.6**	**4.0%**

35 leases were signed in the office sector in H1-2014 covering 32,525 m², including 28,020 m² for 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.

The expiry schedule of the leases of the office portfolio (termination option and expiry date) is shown in the following table.

Office	Lease expiry schedule			
	MGR (€Mn) at date of next break option	As a % of total	MGR (€Mn) at expiry date	As a % of total
Expired	1.1	0.5%	1.0	0.5%
2014	13.2	6.4%	9.2	4.5%
2015	31.3	15.2%	19.2	9.3%
2016	42.3	20.5%	16.3	7.9%
2017	10.5	5.1%	11.9	5.8%
2018	25.2	12.2%	22.4	10.9%
2019	37.0	18.0%	57.3	27.8%
2020	6.0	2.9%	6.1	3.0%
2021	11.0	5.3%	16.7	8.1%
2022	6.6	3.2%	10.6	5.2%
2023	4.8	2.3%	17.0	8.2%
2024	-	0.0%	0.1	0.1%
Beyond	17.1	8.3%	18.3	8.9%
TOTAL	**206.1**	**100%**	**206.1**	**100%**

ERV of vacant office space in operation amounted to €13.3 Mn as at June 30, 2014, corresponding to a financial vacancy[36] of 6.7% on the whole portfolio (10.3% as at year-end 2013). In France, ERV of vacant office space amounted to €7.9 Mn, representing a financial vacancy rate of 4.7% (vs. 9.1% as at December 31, 2013). The decrease compared to December 2013 is primarily due to rentals to Aldebaran Robotics (Nouvel Air) and to other tenants in Le Sextant and CNIT, as well as the leasing of the last 2 floors of So Ouest tower to PRA International.

[34] JLL – Panorama Bureaux Ile de France T2-2014.

[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.

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

2.3. Investment and divestment

Unibail-Rodamco invested €83 Mn[37] in its office portfolio in H1-2014.

- €71 Mn were invested for works and minor acquisitions, mainly in France for the Majunga tower in La Défense, the So Ouest Plaza building and renovation schemes for various buildings (see also section “Development Projects”);

- Financial costs and other costs capitalised amounted to €12 Mn.

The Group divested the building 34-36 Louvre, located in Paris, and two small assets in The Netherlands for a total net disposal price of €64.1 Mn and a premium of 12.5% over the last unaffected appraisal. In May 2014, the Group also sold its 7.25% stake in SFL for a total amount of €136.9 Mn, representing an 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 Chamber of commerce and Industry (CCI Paris Ile-de-France). Viparis is fully consolidated by Unibail-Rodamco and Comexposium is accounted for under the equity method.

The Convention and 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, 14 new exhibitions were launched in the first half of 2014 in Viparis venues. With more constrained marketing budgets, shows remain one of the most effective media for exhibitors. Companies maintain their presence on shows where they can engage with customers and secure new orders. The largest shows have seen little impact of the crisis. However, due to the difficult economic conditions, the average floor space rented by exhibitors from Viparis and duration decreased.

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

The first half of 2014 was characterized by the following shows:

- The International Agriculture show (“SIA”), attracting 703,400 visits (compared to 693,800 last year), 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.
- 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 during the first half of 2014, increasing by +6% compared to the same period last year. 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 the congress in Paris was in 2008).

In total, 469 events were held in Viparis venues, of which 155 shows, 65 congresses and 249 corporate events.

Compared to 2013, several events were postponed from the first half to the second half, therefore affecting the growth of the activity, in addition to the seasonal character of this market. Despite the challenging economic environment, Viparis EBITDA reached €57.3 Mn for the first half of 2014, a decrease of only -€1.9 Mn vs. the same period in 2013 which included the “Paris Air Show” (SIAE) and -€13.2 Mn vs. 2012, which included the “Intermat” triennial show along with two biannual shows which were since moved from even years to odd years. On a pro-forma basis, excluding the impact of the Intermat show in H1-2012, the movement of the two shows to odd years and the shift of the timing of one show from H1 to H2-2014, H1-2014 Viparis EBITDA decreased by -€1.2 Mn compared to the same period in 2012.

The NRI from hotels amounted to €7.0 Mn for H1-2014 compared to €5.6 Mn for H1-2013, an increase of €1.4 Mn, mainly due to a good performance of the Pullman Montparnasse.

In H1-2014, Comexposium contributed €4.8 Mn to the Group’s recurring result vs. €5.7 Mn in H1-2013. Excluding the impact of the SIMA show held in H1-2013 and not in H1-2014, Comexposium’s contribution increased by €0.9 Mn or +23%.

Comexposium is successfully cloning shows in different regions such as the SIAL (International food show) which opened in 2014 its ASEAN edition after expanding to China in 1999, Canada in 2001, the Middle East in 2010 and Brazil in 2012.

III. SUSTAINABILITY

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 is designed to return reliable, quantifiable improvements in performance over the long term.

In H1-2014, Unibail-Rodamco obtained 3 additional environmental certifications under the BREEAM scheme for its development projects:

- 2 'Very Good' scores for the extensions of the Alma (Rennes) and Toison d'Or (Dijon) shopping centres;
- The 1st ever 'Excellent' score obtained in Sweden for a brownfield development: Mall of Scandinavia (Stockholm).

The Group continues to certify its standing asset portfolio, with 3 additional BREEAM-In-Use certificates granted in H1-2014 (Täby Centrum (Stockholm region) with an 'Excellent' score; as well as Rosny 2 (Paris region) and Nice Etoile (Nice) which both obtained an 'Outstanding' score for the management part).
During the annual BREEAM awards presentation at the EcoBuild exhibition in London in March 2014, 2 Unibail-Rodamco assets were recognised for performance in 2013. So Ouest (Paris Region) won the BREEAM Retail award and Cité Europe (Calais) the BREEAM in-use award.
In June, Toison d'Or (Dijon, France) was celebrated, in presence of Gavin Dunn, Director of BREEAM, for the award of its 'Outstanding' score on the building management part, with the highest worldwide score ever obtained for a shopping centre under BREEAM In-Use international standards.

With 33 shopping centres certified as of June 30 2014, 57% of the Group's standing shopping centre portfolio is BREEAM In-Use certified[38], corresponding to over 1.7 million m² of consolidated GLA.
In addition, 3 additional office buildings were BREEAM-In-Use certified in H1-2014 with an 'Excellent' score for the management part (Lumen and Skylight in Warsaw; Wilson in Paris).

During H1-2014, the Group's retail portfolio energy consumption decreased sharply (-13%) compared to the same period last year. This performance results from both a persistent focus on daily operations, as well as an unusually mild winter across Europe.

Unibail-Rodamco anticipated the adoption of the new international reporting framework GRI G4 (Global Reporting Initiative), in its 2013 annual report. This new framework modifies in depth the principles of sustainability reporting and is more focused on materiality survey conclusions. This enables the Group to focus on the most material issues in line with its main business opportunities and risks.

The Group is included in the main Environmental, Social and Governance indices (FTSE4Good, DJSI World, DJSI Europe, STOXX Global ESG leaders and Euronext Vigeo World 120 index). The 2014 updated scores for these indices and for CDP (Carbon Disclosure Project) and GRESB (Global Real Estate Sustainability Benchmark) are expected in September 2014.

In March, Unibail-Rodamco was recognized amongst 144 companies by the Ethisphere Institute as one of 2014 World's Most Ethical Companies and one of only four companies in the real estate industry this year. This is the third time that Unibail-Rodamco has been honoured with this exclusive and prestigious award (2011, 2013 and 2014) which recognizes organizations that continue to raise the bar on ethical leadership and corporate behaviour. It is one of the most publicized rewards in ethics.

In February, Unibail-Rodamco issued its first "Green Bond" (€750 Mn, with a coupon of 2.5% for a 10-year term). This first issuance in euro in the Real Estate sector was met with great interest from Socially Responsible Investors (SRI), and has allowed the Group to diversify its investor base, and to promote the highest environmental performance of its new development projects, both for building side and for their responsible and efficient operation.

In addition, in June 2014, the Group issued the first "Green Bond" by a foreign corporation in the SEK market, for an amount of SEK1,500 Mn (equivalent to €166 Mn), with a 5-year maturity.

[38] In terms of gross market values as of June 30, 2014, excluding assets consolidated under equity method.

IV. H1-2014 RESULTS

Other property services net operating result was €14.1 Mn in H1-2014 and came from property services companies in France, Spain and Central Europe, stable compared to H1-2013.

Other income amounted to €33.1 Mn in H1-2014 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 €4.8 Mn, recognized in recurring income, mainly corresponding to the balance of the 2013 dividend paid by SFL in April 2014.

General expenses amounted to -€41.9 Mn in H1-2014 (-€44.4 Mn in H1-2013), of which -€1.0 Mn of non-recurring expenses related to acquisition costs (-€5.3 Mn in H1-2013). As a percentage of NRI from shopping centres and offices, recurring general expenses decreased to 6.1% in H1-2014 from 6.4% in H1-2013. As a percentage of GMV of shopping centres and offices, recurring expenses decreased to 0.14% for the period ended on June 30, 2014 from 0.15% for the same period last year.

Development expenses incurred for feasibility studies of projects and potential acquisitions amounted to -€1.0 Mn in H1-2014 (-€1.2 Mn in H1-2013) 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 -€161.4 Mn in H1-2014, after deduction of capitalised financial expenses of -€18.1 Mn allocated to projects under construction. This represents a -€9.0 Mn increase compared to H1-2013. The Group's average cost of financing was 2.7% for H1-2014 (2.9% for 2013).

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

Non-recurring financial result amounted to -€215.3 Mn in H1-2014, which breaks down as follows:

- -€147.7 Mn mark-to-market and termination costs 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;
- -€42.6 Mn mark-to-market of the ORNANEs issued in 2012 and 2014;
- -€11.5 Mn write off of mfi's carried interest and put;
- -€6.2 Mn of financial interest on the debt related to the long term lease agreement on Porte de Versailles;
- -€5.2 Mn of currency result;
- -€2.1 Mn for amortisation of Rodamco debt marked to market at the time of the merger and debt discounting.

Most of the ORAs[39] issued in 2007 have been converted. Only 7,808 ORAs[40] were still in issue as at June 30, 2014.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies[41] do not exist and from activities in France not eligible for the SIIC regime, mainly in the Convention & Exhibition business.

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

Income tax allocated to the recurring net result consisted of a credit of €14.0 Mn in H1-2014 compared to an expense of -€4.4 Mn in H1-2013. This income tax credit results mainly from the reversal of a provision related to a deferred tax asset in France and from the registration of previously not recognized deferred tax assets in Central Europe.

Non-recurring income tax expenses amounted to -€75.0 Mn in H1-2014, 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 €65.9 Mn in H1-2014 (€41.6 Mn in H1-2013). Minority interests held by third parties related mainly to shopping centres in France (€44.2 Mn, mainly Les Quatre Temps, Parly 2, fully consolidated since July 2013, and Forum des Halles) and to CCIP's stake in Viparis (€22.0 Mn). The non-recurring non-controlling interests amounted to €86.8 Mn in H1-2014 and were mainly due to valuation movements (vs. €103.7 Mn as at June 30, 2013).

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

[40] Convertible into 9,760 shares.

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

Net result - owners of the parent was a profit of €651.9 Mn in H1-2014. This figure breaks down as follows:

- €538.7 Mn of recurring net result (vs. €498.7 Mn in H1-2013, an increase of 8% year-on-year);
- €113.3 Mn of non-recurring result[42] (vs. €340.5 Mn in H1-2013).

The average number of shares and ORAs[43] in issue during this period was 97,592,454, compared to 95,670,368 during the same period last year. The increase is mainly due to stock options exercised in 2013 and H1-2014 (impact of +888,054 on the average number of shares in H1-2014) 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 +1,006,221 on the average number of shares in H1-2014 compared with H1-2013).

Recurring Earnings per Share (recurring EPS) came to €5.52 in H1-2014, representing an increase of +6.0% compared to H1-2013.

These results reflect good like-for-like rental growth of shopping centres and offices, the successful delivery of a number of prime development projects in 2013, decreasing average cost of debt and continued cost control, partially offset by the results of the Convention & Exhibition business.

V. POST-CLOSING EVENTS

On July 1, 2014, Perella Weinberg Real Estate Fund I (PWREF I) exercised its put on Unibail-Rodamco for its remaining interest in mfi. Unibail-Rodamco will pay PWREF I €317 Mn, and bring its total ownership in mfi to 91.15%.

On July 7, 2014, the Group delivered the Majunga tower in La Défense, a major development in the Office division with a total investment cost of €398 Mn.

On July 10, 2014, the City of Brussels revised its decision to comply with the Council of State ruling suspending the initial award granted on April 24, 2014 and confirmed the award of the project NEO 1 to Unibail-Rodamco and its partners.

VI. OUTLOOK

The Group confirms its recurring EPS growth target of at least 5.5% for 2014, based on the operating fundamentals described above, the contribution of the acquisition of the stake in CentrO and deliveries of extensions and brownfield projects in 2013. In addition, the cost of debt is secured at low levels.

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

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

DEVELOPMENT PROJECTS AS AT JUNE 30, 2014

Unibail-Rodamco's consolidated development project pipeline grew to €7.3 Bn as at June 30, 2014, corresponding to a total of 1.4 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 (62% of the total investment cost[44]).

1. Development project portfolio evolution

After a very active 2013 in terms of deliveries, Unibail-Rodamco's development teams focused during H1-2014 on extension projects in a number of important standing assets. Euralille (Lille, France) renovation works and Parly 2 (Paris region) renovation works - in anticipation of the 8,195 m² GLA extension (scheduled for delivery in H2-2016) - were launched. An agreement with the city of Leidschendam-Voorburg (The Netherlands) was reached for an extension and complete redevelopment of Leidsenhage (renamed: the Spring), and the Group acquired full control of the Val Tolosa project (Toulouse region, France).

In parallel, Unibail-Rodamco continued the sourcing efforts on its portfolio of standing assets with the BAB 2 Extension (Biarritz) entering the pipeline.

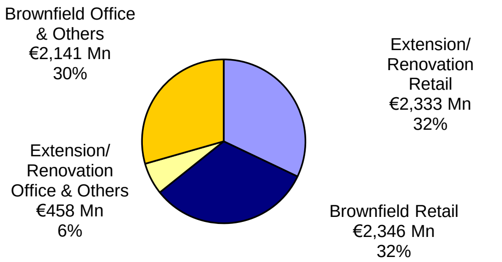
2. Development projects overview

The estimated total investment cost (TIC) of the consolidated development pipeline[45] as at June 30, 2014 amounts to €7.3 Bn. This amount does not include the projects under development by companies consolidated under equity method[46] that amount to circa €0.5 Bn (Unibail-Rodamco's share).

The €7.3 Bn development pipeline compares with the €6.9 Bn as at December 31, 2013. The increase in TIC results from (i) the change of consolidation method of the Val Tolosa project[47], (ii) new projects added to the pipeline in H1-2014, and (iii) some modifications in the program of existing projects.

The pipeline categories are as follows:

Consolidated development pipeline by category[48]



The €4.7 Bn retail pipeline is well balanced between brownfield projects (50%) and extensions and renovations (50%). The Group expects to add 886,380 m² of additional GLA with the extensions and brownfield projects representing an increase of ca. 27% of the Group's existing retail GLA.

Development projects in the Office & Other sectors amount to €2.6 Bn. Brownfield projects, corresponding to some 324,467 m² of new GLA (of which 65% is planned for delivery post December 31, 2018) represent 82% of this investment. The remainder will be invested in redevelopment or refurbishment of 118,696 m² of existing assets[48].

3. A secured and flexible development pipeline

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

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

[45] The development pipeline includes only the projects in the shopping center and offices divisions of the Group. Projects for the Convention & Exhibition business are not included.

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

[47] 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.

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

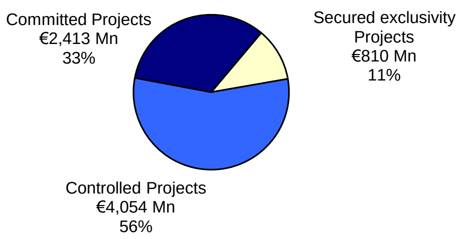
In € Bn	H1-2014	2013
"Committed[49]" projects	2.4	2.2
"Controlled[50]" projects	4.1	3.7
"Secured Exclusivity[51]" projects	0.8	1.1
Consolidated total investment cost	**7.3**	**6.9**

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 to the "Controlled" category, including the Spring project (The Netherlands) and Val Tolosa in Toulouse (France). The extension of BAB 2 in Biarritz (France), a new project, was added to the "Controlled" category.

Consolidated development pipeline by phase[48]



Of the €2.4 Bn "Committed" development pipeline, €1.4 Bn has already been spent, with €1.0 Bn still to be invested over the next 2.5 years. Of this amount, €0.7 Bn has been contracted.

Retail accounts for 73% of the "Committed" pipeline. The remaining 27% is concentrated in Offices in the Paris region for an amount of €0.7 Bn of which €0.2 Bn remains to be spent.

The "Controlled" and "Secured exclusivity" development pipeline represents options to create significant value for the Group. Absent a strong corporate balance sheet of a developer, a pre-sale of the project or a significant amount of pre-letting, obtaining financing for new construction projects remains challenging, especially in the office segment.

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

4. Projects added to the development pipeline in H1-2014

During H1-2014, the extension of 10,674 m² of BAB 2, for an expected total investment cost of €79 Mn was one of the projects added to the development pipeline.

In the period, Unibail-Rodamco acquired full control of the 52,532 m² GLA Val Tolosa project (part of a 85,160 m² full GLA complex) for an expected total investment cost of €236 Mn (previously included in the development projects consolidated under equity method for 50%);

5. Investments in H1-2014

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

6. Deliveries expected in the next 12 months

Projects expected to be delivered during H2-2014 are notably:

- Majunga[52], an office tower in La Défense (Paris, 65,737 m² GLA).
- The refurbishment of 2-8 Ancelle office in Paris region (100% pre-let).
- Several small extension/renovation projects in Spanish existing shopping centres (mainly in Glòries (Barcelona) and Garbera (San Sebastian)).

Projects expected to be delivered during H1-2015 are notably:

- The mixed-use project So Ouest Plaza (36,917 m² offices GLA and 4,250 m² of retail GLA) in Levallois (Paris region) next to the existing shopping centre So Ouest,
- The last phase of Täby Centrum (Stockholm) extension project,
- The restructuring and renovation of the shopping centre Euralille (Lille).

The aggregate rental pre-letting of the retail projects to be opened in the next 12 months is 86% and provides income visibility.

[49] "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.
[50] "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.
[51] "Secured exclusivity" projects: projects for which Unibail-Rodamco has the exclusivity but where negotiations for building rights or project definition are still underway.

[52] See paragraph 8.

Regarding projects of mfi, currently consolidated under the equity method, the 42,659 m² GLA shopping centre Palais Vest in Recklinghausen (Germany) is due to be delivered in H2-2014. Minto, a 42,249 m² GLA shopping centre in Monchengladbach, is to be delivered in H1-2015.

7. Projects overview

See table next page

Costs of existing projects have slightly increased in total due to the following combined effects:

- The mechanical effects of inflation and discounting,
- Some changes in scope, including review of works (Mall of Scandinavia, Parly 2 extension) or significant modifications in the renovation/extension program in a few projects (mainly Aupark).

8. Post-closing events

On July 7, 2014 the Majunga tower (La Defense) was delivered (for a total investment cost of €398Mn).

On July 10, 2014 the City of Brussels confirmed the award to Unibail-Rodamco and its partners BESIX and CFE of the NEO 1 project, a redevelopment of the Heysel Plateau in Brussels, including 114,000 m² dedicated to leisure, restaurants and retail. "Mall of Europe" will be developed by Unibail-Rodamco for a total expected investment cost of €548 Mn. The 114,000 m² area will include a 9,000 m² Dining Experience™, a "Spirouland", to be developed by Compagnie des Alpes, part of the 15,000 m² leisure centre, and a 21 screen cinema.

Pro-forma for these two events, the total consolidated development pipeline as at June 30, 2014, stands at €7.4 Bn.

DEVELOPMENT PROJECTS – June 30, 2014

Consolidated Developement 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
MAJUNGA	Office & others	France	Paris region	Greenfield / Brownfield	65,737 m²	65,737 m²	335	398	H2 2014		Fair value
2-8 ANCELLE	Office & others	France	Paris region	Redevelopment / Refurbishment	16,536 m²	16,536 m²	39	78	H2 2014		Fair value
SO OUEST PLAZA	Office & others	France	Paris region	Redevelopment / Refurbishment	41,167 m²	41,167 m²	87	188	H1 2015		Fair value
TABY CENTRUM EXTENSION	Shopping Centre	Sweden	Stockholm	Extension / Renovation	30,017 m²	30,017 m²	278	324	H1 2015		Fair value
EURALILLE	Shopping Centre	France	Lille	Extension / Renovation	-757 m²	-757 m²	11	67	H1 2015		Fair value
FORUM DES HALLES RENOVATION	Shopping Centre	France	Paris	Extension / Renovation	15,049 m²	15,049 m²	63	151	H2 2015		Fair value
MALL OF SCANDINAVIA	Shopping Centre	Sweden	Stockholm	Greenfield / Brownfield	101,363 m²	101,363 m²	388	608	H2 2015		Fair value
POLYGONE RIVIERA	Shopping Centre	France	Cagnes sur Mer	Greenfield / Brownfield	73,949 m²	73,949 m²	171	409	H2 2015		At cost
AUPARK RENOVATION	Shopping Centre	Slovakia	Bratislava	Extension / Renovation	9,123 m²	9,123 m²	13	41	H2 2016		At cost
PARLY 2 EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	8,195 m²	8,195 m²	20	111	H2 2016		At cost
OTHERS					2,418 m²	2,418 m²	27	39			
Committed Projects					**362,797 m²**	**362,797 m²**	**1,433**	**2,413**		**7.7%**	
GLORIES EXTENSION-RENOVATION	Shopping Centre	Spain	Barcelona	Extension / Renovation	10,676 m²	10,676 m²	12	105	H2 2016		At cost
PALMA SPRINGS [6]	Shopping Centre	Spain	Palma de Mallorca	Greenfield / Brownfield	75,947 m²	75,947 m²	1	221	H2 2016		At cost
BAB2 EXTENSION	Shopping Centre	France	Biarritz	Extension / Renovation	10,674 m²	10,674 m²	1	79	H2 2016		At cost
VAL TOLOSA [7]	Shopping Centre	France	Toulouse	Greenfield / Brownfield	85,160 m²	52,532 m²	38	236	H1 2017		At cost
SCS EXTENSION	Shopping Centre	Austria	Vienna	Extension / Renovation	19,511 m²	19,511 m²	4	148	H1 2017		At cost
WROCLAW	Shopping Centre	Poland	Wrocław	Greenfield / Brownfield	78,879 m²	78,879 m²	33	216	H2 2017		At cost
CHODOV EXTENSION	Shopping Centre	Czech Rep.	Prague	Extension / Renovation	40,686 m²	40,686 m²	18	153	H2 2017		At cost
SPRING	Shopping Centre	Netherlands	Leidschendam-Voorburg	Extension / Renovation	39,526 m²	39,526 m²	35	242	H2 2017		At cost
TRINITY	Office & others	France	Paris region	Greenfield / Brownfield	48,893 m²	48,893 m²	10	307	H2 2017		At cost
CARRE SENART EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	36,022 m²	36,022 m²	12	269	H2 2017		At cost
MAQUINEXT	Shopping Centre	Spain	Barcelona	Extension / Renovation	36,629 m²	36,629 m²	61	174	H1 2018		At cost
OCEANIA	Shopping Centre	Spain	Valencia	Greenfield / Brownfield	96,488 m²	96,488 m²	2	251	H1 2019		At cost
BUBNY	Shopping Centre	Czech Rep.	Prague	Greenfield / Brownfield	56,036 m²	56,036 m²	22	192	H1 2019		At cost
TRIANGLE	Office & others	France	Paris	Greenfield / Brownfield	85,306 m²	85,306 m²	10	520	H2 2019		At cost
PHARE	Office & others	France	Paris region	Greenfield / Brownfield	124,531 m²	124,531 m²	55	916	Post 2019		At cost
OTHERS					4,503 m²	4,503 m²	1	27			
Controlled Projects					**849,468 m²**	**816,840 m²**	**314**	**4,054**		**8% target**	
OTHERS					180,468 m²	180,468 m²	61	810			
Secured Exclusivity Projects					**180,468 m²**	**180,468 m²**	**61**	**810**		**8% target**	
U-R Total Pipeline					**1,392,733 m²**	**1,360,105 m²**	**1,807**	**7,278**		**8% target**	
					Of which additionnal area	1,210,847 m²					
					Of which redevelopped area	149,258 m²					

Developement 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]
BENIDORM	Shopping Centre	Spain	Benidorm	Greenfield / Brownfield	54,934 m²	27,467 m²	38	89	H1 2018	
OTHERS [8]					103,516 m²	51,758 m²	4	157		
Controlled Projects					**158,450 m²**	**79,225 m²**	**43**	**246**		**8% target**
mfi projects					**112,461 m²**	**52,393 m²**	**167**	**300**		
U-R Total Pipeline - Projects under equity method					**270,911 m²**	**131,618 m²**	**209**	**546**		**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 June 30, 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) Under confidentiality agreement.

NET ASSET VALUE AS AT JUNE 30, 2014

Unibail-Rodamco's EPRA triple Net Asset Value (NNNAV)[53] amounted to €143.30 per share as of June 30, 2014, a decrease of -2.0%, or -€2.90, from €146.20 at December 31, 2013. This decrease is the result of the value creation of €9.33 per share representing the sum of: (a) the H1-2014 Recurring Earnings Per Share of €5.52, (b) the revaluation of property and intangible assets and capital gain on disposals of €3.92 per share, (c) the accretive effect of the stock-options granted in March 2014 of €0.02 per share, and (d) the change of transfer taxes and deferred tax adjustments of €0.33 per share, and (e) other items for -€0.46 per share. This value creation was offset by the payment of -€8.90 per share in May of 2014 and the negative impact of the mark-to-market of debt and financial instruments of -€3.33 per share.
The going concern NAV[54] (GMV based), measuring the fair value on a long term, on-going basis, came to €157.10 per share as at June 30, 2014, down by -1.6%, or -€2.50, compared to €159.60 as at December 31, 2013.

1. PROPERTY PORTFOLIO

Following a particularly strong year in 2013, the European commercial real estate investment market was again very active in H1-2014, supported by improved financing conditions and investor sentiment. Investment volumes[55] reached €71.8 Bn, representing an increase of +23% compared to H1-2013 (€58.5 Bn). Retail accounted for 27% of transactions in H1-2014, of which 56% was invested in shopping centres.

Core markets and prime/core products continued to attract the bulk of investors' attention. Peripheral markets - in particular Spain (up by 239%) and Italy - increasingly generated interest from investors thanks to signs of improving macro-economic conditions. In the prime shopping centre segment, the scarcity of quality and secure products remained critical while sovereign yields continued to compress during the semester, leading some investors to lower their return expectations. In addition, appraisers observed further yield compression, particularly in France, Austria and Germany, due to a number of super prime mall transactions announced recently.

With increasing footfall (+1.7%), tenant sales up by +2.8% and MGR[56] uplifts of +23.1% in H1-2014, the Group's malls saw their gross market values (GMV) increase by +1.2% on a like-for-like basis. Accounting for 90% of the retail portfolio[57], assets with 6 million and above visits per year saw their market value increase by +1.5% on a like-for-like basis, while smaller malls saw a negative revaluation of -1.2% during the period compared to -3.9% in all of 2013.

While the French macro-economic recovery remains subdued, Unibail-Rodamco's French malls performed well with a like-for-like[58] NRI growth of +2.1% and an MGR uplift of +31.5% through June 2014. The French portfolio GMV grew by +1.3% on a like-for-like basis due to the Group's active management and significant investments in renovating and retenanting.

In Spain, the Group's portfolio value grew by +0.5% on a like-for-like basis. Appraisers observed yield compression on large shopping centres on the back of benchmark transactions, while smaller malls (27% of the Spanish portfolio[59]) declined further.

Unibail-Rodamco's French office portfolio stabilised in H1-2014 with a -0.3% like-for-like revaluation. A strong leasing activity reduced the vacancy rate[60] to 4.7% from 9.1% as at December 31, 2013.

The valuation of the Convention & Exhibition portfolio grew +1.6% on a like-for-like basis, driven primarily by discount rate compression.

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[53] EPRA NNNAV (triple net net asset value): corresponds to the Going concern NAV per share less the estimated transfer taxes and capital gain taxes.
[54] Going Concern NAV: the amount of equity per share needed to replicate the Group's portfolio with its current financial structure.
[55] Source: DTZ research.
[56] 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.
[57] In terms of gross market values as of June 30, 2014, including values of shares in assets consolidated under equity method
[58] 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.
[59] In terms of GMV as of June 30, 2014, including values of shares in assets consolidated under equity method.
[60] EPRA vacancy rate = Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.

Unibail-Rodamco's asset portfolio including transfer taxes stood at €33,587 Mn as of June 30, 2014, compared to €32,134 Mn on December 2013, i.e. a +4.5% increase. On a like-for-like basis, the value of the Group's portfolio increased by +€250 Mn, net of investments, i.e. +1.0% compared to December 31, 2013.

Asset portfolio valuation of UNIBAIL-RODAMCO (including transfer taxes) (a)	**June 30, 2014**		**Like-for-like change net of investment - first half year 2014 (b)**		**December 31, 2013**	
	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	26,783	80%	242	1.2%	25,592	80%
Offices	3,950	12%	- 19	-0.6%	3,955	12%
Convention-Exhibition centres	2,362	7%	26	1.6%	2,094	7%
Services	492	1%	-	0.0%	492	2%
Total	**33,587**	**100%**	**250**	**1.0%**	**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 consolidated under proportional method);
- The market value of Comexposium, a trade show organisation business;
- Unibail-Rodamco's share investments in assets consolidated under equity method (mainly mfi, Ruhr-Park, Ring-Center and CentrO in Germany, the Zlote Tarasy complex in Poland, Arkady Pankrac in Czech Republic, part of Rosny 2 and Cité Europe in France).

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 €820 Mn of cash and cash equivalents on the Group's balance sheet as of June 30, 2014 and the €60 Mn bond issued by the owner of a shopping centre in France.
The value of Unibail-Rodamco's share investments in assets consolidated under equity method amounted to €1,859 Mn as of June 30, 2014 compared to €1,367 Mn as of December 31, 2013.
(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 H1-2014, consist mainly of:
- Acquisitions of units in Côté Seine (Paris region), Los Arcos (Sevilla), Parquesur (Madrid), Centrum Chodov (Prague), Leidsenhage (Leidschendam Voorburg) and Amstelveen (Amstelveen).
- Acquisitions of land plots in Plaisance-du-Touch for the Val Tolosa project and in Cagnes-sur-Mer
- Acquisition of CentrO (Oberhausen)
- Disposals in the Netherlands: the shopping centre Vier Meren in Hoofddorp (Amsterdam region) and the office building Oude Boteringestraat in Groningen
- Disposals in Paris of the office 34-36 Louvre and the retail asset 23 Courcelles
- Porte de Versailles due to the long-term lease renewal signed in H2-2013 and valued in H1-2014
- Impact of the change in consolidation method of Val Tolosa (Toulouse) in H1-2014 (from equity method to full consolidation)

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

<u>Appraisers</u>

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 Services activities is PwC. Assets are appraised twice a year (in June and December), except service companies, 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	47%
JLL	France / Nordic /Spain / Central Europe / Austria	40%
PwC	France	8%
CBRE	France / Spain	2%
At cost		2%
		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 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 June 30, 2014, 98% 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[61]) 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 now assessed at fair value as at June 30, 2014:

- Mall of Scandinavia shopping centre in Stockholm;
- So Ouest Plaza office in the Paris region;
- Minto in the Ruhr region (included under "mfi projects" in the "Development Projects" section).

The Euralille (Lille) renovation project is now taken into account by appraisers in the valuation of the asset.

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

Majunga in La Défense (Paris region) delivered on July 7, 2014, and Palais Vest (Recklinghausen) included under "mfi projects" in the "Development Projects" section, to be delivered in September 2014 continue to be assessed at fair value.

Refer to the table in the section "Development Projects as at June 30, 2014" for an overview of valuation methods used for development projects.

The remaining assets (2%) 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: Polygone Riviera in Cagnes-sur-Mer to be delivered in H2-2015, Parly 2 extension project, 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 H1-2014.

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 €26,783 Mn as at June 30, 2014, including transfer taxes and transaction costs:

Valuation 31/12/2013 (€ Mn)	**25,592**	
Like-for-like revaluation	242	
Revaluation of non like-for-like assets	195	(a)
Capex / Acquisitions	975	(b)
Disposals	- 179	(c)
Constant Currency Effect	- 42	(d)
Valuation 30/06/2014 (€ Mn)	**26,783**	

(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.
(b) Includes the impact of the change in consolidation method of Val Tolosa that occurred in H1-2014.
(c) Value as at 31/12/2013.
(d) Currency impact of -€42 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 June 30, 2014, decreased to 5.0%.

Shopping Centre portfolio by region - June 30, 2014	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (a) June 30, 2014	Net inital yield (a) Dec. 31, 2013
France (b)	14,047	13,511	4.7%	4.7%
Central Europe	3,758	3,732	5.5%	5.6%
Nordic	2,790	2,739	5.0%	5.1%
Spain	2,502	2,446	6.5%	6.6%
Austria	2,258	2,238	4.9%	4.9%
Netherlands	1,429	1,345	5.5%	5.6%
Total (c)	**26,783**	**26,011**	**5.0%**	**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 4.9% as at June 30, 2014.
(c) 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 -€1,132 Mn (or -4.7%) 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 +€242 Mn (or +1.2%) in H1-2014. This breaks down into a positive impact of rents (+0.5%) and change in yields (+0.7%).

Shopping Centre - Like-for-like (LxL) change (a)				
Half year 2014	LxL change in € Mn	LxL change in %	LxL change - Rent impact	LxL change - Yield impact (b)
France	151	1.3%	1.0%	0.3%
Central Europe	64	3.0%	1.9%	1.1%
Nordic	- 0	0.0%	-1.8%	1.7%
Spain	12	0.5%	-1.8%	2.3%
Austria	28	1.3%	0.6%	0.6%
Netherlands	- 13	-1.1%	0.4%	-1.6%
Total	**242**	**1.2%**	**0.5%**	**0.7%**

(a) Like-for-like change net of investments from December 31, 2013 to June 30, 2014.
(b) Yield impact calculated using the change in potential yields (to neutralise changes in vacancy rates) and taking into account key money. In Nordics the like-for-like change and subsequent rent impact are calculated on a significantly reduced scope due to on-going extension/refurbishment works on the Group's large shopping centres Täby and Forum Nacka.

Like-for-like revaluations confirm a differentiation between assets attracting 6 million visits and above per annum (+1.5% in H1-2014, of which +1.0% rent impact and +0.5% yield impact) and those with less than 6 million visits (-1.2% in H1-2014, of which -2.7% rent impact and +1.5% yield impact).

1.2. Office portfolio

Evolution of Unibail-Rodamco's office portfolio valuation
The value of the office portfolio decreased to €3,950 Mn as at June 30, 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	- 19	
Revaluation of non like-for-like assets	9	(a)
Capex/ Acquisitions	76	
Disposals	- 68	
Constant Currency Effect	- 4	(b)
Valuation 30/06/2014 (€ Mn)	**3,950**	

(a) Includes: (i) investment properties under construction valued at cost or at fair value (mainly Majunga, So Ouest Plaza), (ii) the revaluation of the shares in Zlote Tarasy offices (Lumen and Skylight).
(b) Currency impact of -€4 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 - June 30, 2014	Valuation (including transfer taxes)	
	€ Mn	%
France	3,490	88%
Nordic	188	5%
Central Europe	125	3%
Netherlands	107	3%
Austria	40	1%
Total	**3,950**	**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 June 30, 2014 increased to 7.4%.

Valuation of occupied office space - June 30, 2014	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (b) June 30, 2014	Net inital yield (b) Dec. 31, 2013
France	2,545	2,460	7.3%	7.1%
Nordic	171	167	7.5%	7.3%
Central Europe (c)	7	7	8.2%	8.9%
Netherlands	75	71	10.8%	9.3%
Austria	36	35	7.2%	7.1%
Total	**2,833**	**2,740**	**7.4%**	**7.2%**

(a) Valuation of occupied office space as at June 30, 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) The investment in Zlote Tarasy offices (Lumen and Skylight) is not included in this table.

Sensitivity

A change of +25 basis points in net initial yield would result in a downward adjustment of -€111 Mn (-3.7%) of the total office portfolio value (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, decreased on a like-for-like basis by -€19 Mn (-0.6%) in H1-2014. This breaks down into a +1.8% impact from rents and lettings more than offset by a negative -2.5% impact due to changes in yields.

Offices - Like-for-like (LxL) change (a)				
Half year 2014	**LxL change in € Mn**	**LxL change in %**	**LxL change - Rent impact**	**LxL change - Yield impact (b)**
France	- 9	-0.3%	0.9%	-1.2%
Nordic	- 0	-0.1%	0.7%	-0.8%
Central Europe	- 0	-3.2%	-9.3%	6.1%
Netherlands	- 10	-9.0%	15.3%	-24.3%
Austria	0	0.1%	2.8%	-2.7%
Total	**- 19**	**-0.6%**	**1.8%**	**-2.5%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2013 to June 30, 2014.
(b) Yield impact calculated using the change in potential yields (to neutralise changes in vacancy rates).

French Office Portfolio

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

French Office portfolio by sector - June 30, 2014	Valuation (including transfer taxes)	
	€ Mn	**%**
La Défense	1,752	50%
Paris CBD	726	21%
Neuilly-Levallois-Issy	896	26%
Other	116	3%
Total	**3,490**	**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 June 30, 2014 came to 7.3% reflecting a 20 bps widening in yields during H1-2014.

Valuation of French occupied office space - June 30, 2014	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (b) June 30, 2014	Average price €/m2 (c)
La Défense	1,179	1,132	7.8%	6,353
Paris CBD	720	703	6.4%	13,838
Neuilly-Levallois-Issy	550	532	7.0%	5,990
Other	96	93	8.3%	2,419
Total	**2,545**	**2,460**	**7.3%**	**7,063**

(a) Valuation of occupied office space as at June 30, 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 centre 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 June 30, 2014.

Evolution of the Convention & Exhibition Centres valuation

The value of Convention & Exhibition centres and hotels, including transfer taxes and transaction costs, grew to €2,362 Mn[62] as at June 30, 2014:

Valuation 31/12/2013 (€ Mn)	2,094	(a)
Like-for-like revaluation	26	
Revaluation of non like-for-like assets	213	(b)
Capex	29	
Valuation 30/06/2014 (€ Mn)	**2,362**	(c)

(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 H1-2014. 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 commencing in 2015 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) Of which €2,079 Mn for Viparis (including Palais des Sports) and €283 Mn for hotels.

On a like-for-like basis, net of investments, the value of Convention & Exhibition properties and hotels is up €26 Mn, +1.6% compared with December 31, 2013[63].

Convention & Exhibition - Like for Like change net of investment	Half year 2014	
	€ Mn	%
Viparis (a)	24	1.7%
Hotels	3	0.9%
Total	**26**	**1.6%**

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

Based on these valuations, the average EBITDA yield on Viparis venues as at June 30, 2014 (recurring operating profit divided by the value of assets, excluding estimated transfer taxes) was stable at 7.0%.

1.4. Services

The services portfolio is composed of:

- Comexposium, a trade show organisation business;
- Espace Expansion, a property service company.

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.
Comexposium was valued at €291 Mn (Group share, at 50%) as at December 31, 2013.
Espace Expansion was valued at €201 Mn as at December 31, 2013.

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 - June 30, 2014	€ Mn	%	€ Mn	%
Shopping centres	26,783	80%	24,219	81%
Offices	3,950	12%	3,945	13%
Convention & Exhibition centres	2,362	7%	1,421	5%
Services	492	1%	492	2%
Total	**33,587**	**100%**	**30,076**	**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 centres	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 - Half year 2014	€ Mn	%	€ Mn	%
Shopping centres	242	1.2%	219	1.2%
Offices	- 19	-0.6%	- 19	-0.6%
Convention & Exhibition centres	26	1.6%	17	1.6%
Services	-	0.0%	-	0.0%
Total	**250**	**1.0%**	**216**	**0.9%**

Like-for-like change - net of Investments - Half year 2014 - Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping centres	0.5%	0.7%	0.4%	0.8%
Offices	1.8%	-2.5%	1.8%	-2.5%

Net Initial Yield	June 30, 2014	Dec. 31, 2013	June 30, 2014	Dec. 31, 2013
Shopping centres	5.0%	5.1%	5.1%	5.2%
Offices - occupied space	7.4%	7.2%	7.4%	7.2%

1.6. Additional Valuation parameters - IFRS 13

Unibail-Rodamco complies with the IFRS 13 fair value measurement and the position paper[64] on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

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

[62] Based on a full scope of consolidation, including transfer taxes and transaction costs (see §1.5 for group share figures).
[63] This amount excludes the impact of the long-term lease renewal on Porte de Versailles signed in H2-2013 and valued in H1-2014.

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

appraisers to determine the fair value of Unibail-Rodamco's assets.

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

Shopping Centres

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

Shopping Centres - June 30, 2014		Net initial yield	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
France	Max	10.2%	914	12.0%	10.0%	9.6%
	Min	4.0%	92	5.5%	4.4%	0.9%
	Weighted average	4.7%	453	6.3%	5.0%	4.7%
Central Europe	Max	7.2%	485	8.2%	7.9%	3.7%
	Min	5.1%	197	7.1%	5.7%	2.1%
	Weighted average	5.5%	337	7.4%	5.9%	3.0%
Nordic	Max	8.6%	456	9.5%	8.0%	6.2%
	Min	4.7%	118	7.2%	5.0%	2.5%
	Weighted average	5.0%	330	7.4%	5.3%	4.5%
Spain	Max	9.2%	772	13.0%	9.0%	5.9%
	Min	5.7%	100	8.5%	5.8%	1.2%
	Weighted average	6.5%	260	9.5%	6.4%	3.1%
Austria	Max	5.7%	379	9.3%	6.5%	4.4%
	Min	4.7%	330	6.6%	4.8%	2.6%
	Weighted average	4.9%	346	7.1%	5.1%	3.0%
Netherlands	Max	8.3%	462	8.5%	8.2%	2.8%
	Min	5.0%	153	6.1%	5.0%	0.2%
	Weighted average	5.5%	298	6.5%	5.5%	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).

Offices

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

Offices - June 30, 2014		Net initial yield on occupied space	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
France	Max	13.2%	888	9.0%	8.3%	7.1%
	Min	6.4%	102	6.1%	5.0%	-0.7%
	Weighted average	7.3%	466	6.5%	6.0%	1.6%
Nordic	Max	9.2%	256	9.0%	8.0%	4.3%
	Min	6.4%	87	7.2%	5.5%	2.1%
	Weighted average	7.5%	195	7.8%	6.6%	2.7%
Netherlands	Max	18.0%	155	13.8%	12.5%	7.4%
	Min	1.1%	27	8.3%	7.9%	0.7%
	Weighted average	10.8%	89	9.0%	8.8%	1.4%
Austria	Max	8.0%	146	9.6%	7.0%	4.5%
	Min	6.1%	112	7.4%	6.5%	1.3%
	Weighted average	7.2%	131	8.4%	6.8%	2.5%

Net initial yield, discount rate and exit yield weighted by gross market values. 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).

2. EPRA TRIPLE NET ASSET VALUE CALCULATION

The EPRA triple net 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 June 30, 2014, consolidated shareholders' equity (Owners of the parent) came to €13,526 Mn.

Shareholders' equity (Owners of the parent) incorporated net recurring profit of €538.7 Mn, and a positive impact of €113.3 Mn of fair value adjustments on property assets and financial instruments, as well as 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 June 30, 2014 was computed when such instruments came in the money.

The debt component of the ORAs[65], 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[66] 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 June 30, 2014. Consequently, the fair market value was restated for an amount of €146 Mn for the NNNAV calculation and the dilution (+204,836 shares) was included accordingly in the number of fully diluted shares outstanding[67] as at June 30, 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 June

[65] Bonds redeemable for shares ("Obligations Remboursables en Actions").
[66] Net share settled bonds convertible into new and/or existing shares (ORNANE) – see Financial Resources note.
[67] If the 2012 ORNANE were to be fully converted in shares, the additional number of shares would be 3,557,590 with an increased shareholders' equity of €750 Mn leading to an EPRA NNNAV of €145.60 per share and a Going Concern NAV of €158.90 per share.

30, 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 June 30, 2014, would have led to a rise in the number of shares by 2,641,996, generating an increase in shareholders' equity of €397 Mn.

As at June 30, 2014, the fully-diluted number of shares taken into account for the NNNAV calculation was 100,857,451.

2.3. Unrealised capital gains on intangible assets

The appraisal of property service companies and of the operations ("*fonds de commerce*") of Viparis Porte 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 €312 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 June 30, 2014.
For the purpose of the EPRA NAV calculation, deferred taxes on unrealised capital gains on assets not qualifying for tax exemption (€1,116 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 €259 Mn.

For the calculation of the EPRA NNNAV, estimated taxes actually payable should a disposal take place (€534 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 (€380 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). Taking fixed rate debt at its fair value would have had a negative impact of €653 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 H1-2014 by the following:

- The significant decrease in interest rates down to historically low levels (e.g., 0.66% for the 5-year euro swap rate (approximately -60 bps vs. December 31, 2013) and 1.45% for the 10-year euro swap rate (approximately -70 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 June 30, 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 €400 Mn.

2.7. EPRA triple Net Asset Value

Unibail-Rodamco's EPRA NNNAV (Owners of the parent) stood at €14,450 Mn or €143.30 per share (fully-diluted) as at June 30, 2014.

The EPRA NNNAV per share decreased by –2.0% compared to December 31, 2013 and increased by +1.4% compared to June 30, 2013.

Value creation during H1-2014 amounted to €9.33 per share, adjusted for the €8.90 dividend paid in May 2014 and for the negative impact of -€3.33 per share resulting from the mark-to-market of debt and derivatives.

The following tables show the calculation presented in compliance with EPRA best practices recommendations. A bridge from December 31, 2013 to June 30, 2014 is also presented.

2.8. 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 €157.10 per share as at June 30, 2014, a decrease of -1.6% compared to December 31, 2013.

Value creation in Going Concern NAV during H1-2014 amounted to €9.73 per share, adjusted for the €8.90 dividend paid in May 2014 and for the negative impact of -€3.33 per share resulting from the mark-to-market of debt and derivatives.

EPRA NNNAV calculation (All figures are Group share, in €Mn)	**June 30, 2013**		**December 31, 2013**		**June 30, 2014**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
Fully diluted number of shares		100,163,600		100,116,416		100,857,451
NAV per the financial statements	13,277		13,704		13,526	
ORA and ORNANE	0		0		146	
Effect of exercise of options	401		386		397	
Diluted NAV	13,679		14,090		14,069	
Include						
Revaluation intangible and operating assets	250		291		312	
Exclude						
Fair value of financial instruments	302		301		380	
Deferred taxes on balance sheet	1,006		1,054		1,116	
Goodwill as a result of deferred taxes	-259		-259		-259	
EPRA NAV	14,977	149.50 €	15,477	154.60 €	15,617	154.80 €
Fair value of financial instruments	-302		-301		-380	
Fair value of debt	-344		-358		-653	
Effective deferred taxes	-479		-496		-534	
Impact of transfer taxes estimation	303		318		400	
EPRA NNNAV	**14,156**	**141.30 €**	**14,640**	**146.20 €**	**14,450**	**143.30 €**

% of change over 6 months	**2.1%**		**3.5%**		**-2.0%**
% of change over 1 year	**8.1%**		**5.6%**		**1.4%**

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)	**June 30, 2013**		**December 31, 2013**		**June 30, 2014**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
EPRA NNNAV	14,156		14,640		14,450	
Effective deferred capital gain taxes	479		496		534	
Estimated transfer taxes	821		847		864	
GOING CONCERN NAV	**15,455**	**154.30 €**	**15,983**	**159.60 €**	**15,848**	**157.10 €**

% of change over 6 months	**2.1%**		**3.4%**		**-1.6%**
% of change over 1 year	**7.9%**		**5.6%**		**1.8%**

Change in EPRA NNNAV and Going concern NAV between December 31, 2013 and June 30, 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 *		3.57	3.57
Retail	2.82		
Offices	- 0.03		
Convention & Exhibition	0.78		
Revaluation of intangible assets		0.21	0.21
Capital gain on disposals		0.14	0.14
Recurring net profit		5.52	5.52
Distribution in 2014		-8.90	-8.90
Mark-to-market of debt and financial instruments		-3.33	-3.33
Variation in transfer taxes & deferred taxes adjustments		0.33	0.87
Variation in number of shares		0.02	0.02
Other (including foreign exchange difference)		-0.46	-0.60
As at June 30, 2014, per share (fully diluted)		**143.30 €**	**157.10 €**

(*) Revaluation of property assets is €1.52 per share on like-for-like basis, of which €0.94 is due to rental effect and €0.58 is due to yield effect.

Financial Resources

In H1-2014, the financial markets were influenced by central bank announcements and decisions and evolving macro-economic news leading to a sharp decrease in interest rates to historically low levels. In this context, Unibail-Rodamco raised €2,866 Mn of medium to long-term funds in the bond and bank markets at attractive conditions while diversifying 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 increased and stands at 40% (versus 38% as at December 31, 2013). The increase in financial debt is due mainly to the payment of the dividend in May (€0.9 Bn), the CentrO acquisition (€0.5 Bn) and capital expenditures on projects delivered or to be delivered in the coming years.

The average cost of debt for H1-2014 reached a historically low level of 2.7% (vs. 2.9% for 2013 and 3.4% for 2012).

1. Debt structure as at June 30, 2014

Unibail-Rodamco's consolidated nominal financial debt as at June 30, 2014 increased to €14,241 Mn[68] (€12,354 Mn as at December 31, 2013).

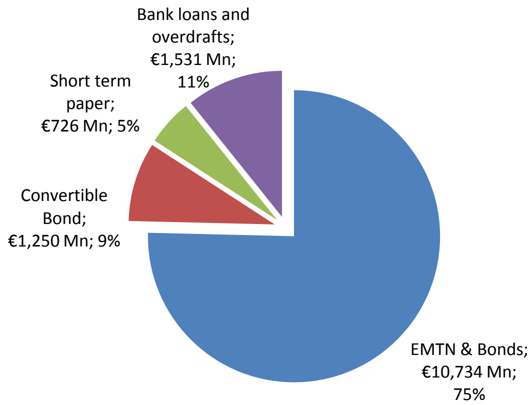
The financial debt includes €1,250 Mn of net share settled bonds convertible into new and/or existing shares of Unibail-Rodamco (ORNANE) for 100% of their nominal value issued in September 2012 and in June 2014 (see section 1.2).

1.1. Debt breakdown

Unibail-Rodamco's nominal financial debt as at June 30, 2014 breaks down as follows[69]:

- €10,734 Mn in bonds, of which €10,234 Mn under the Euro Medium Term Notes (EMTN) programme of Unibail-Rodamco and €500 Mn under Rodamco Europe's EMTN programme,
- €1,250 Mn in ORNANE,
- €726 Mn in commercial paper (*billets de trésorerie* and Euro Commercial Paper)[70],
- €1,531 Mn in bank loans and overdrafts, including €477 Mn in unsecured corporate loans, €1,046 Mn in mortgage loans and €8 Mn in bank overdrafts.

No loans are subject to prepayment clauses linked to the Group's ratings[71].



The Group's debt remains well diversified with further diversification achieved in H1-2014 and a predominant and increased proportion of bond financing.

1.2. Funds Raised

In H1-2014, 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.

In total medium to long-term financing transactions completed in H1-2014 amounted to €2,866 Mn and include:

- The signing of €625 Mn medium to long-term credit facilities or bank loans with an average maturity of 4.8 years and an average margin[72] of 92 bps. This amount includes the refinancing of a €200 Mn mortgage loan due in H2-2014, which was renegotiated and extended to January 2019,
- The issue of 3 public EMTN bond issuances for a total amount of €1,516 Mn with the following features:
  - 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,

[68] After impact of derivative instruments on debt raised in foreign currencies.
[69] Figures may not add up due to rounding.
[70] Short term paper is backed by committed credit lines (see 1.2).
[71] Barring exceptional circumstances (change in control).

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

- 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.

- The issue of 3 private EMTN placements:
  - 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 €1,741 Mn was raised on the bond markets in H1-2014 at an average margin of 72 bps over mid-swaps for an average duration of 10 years, versus 79 bps on average in 2013 for an average duration of 8 years.

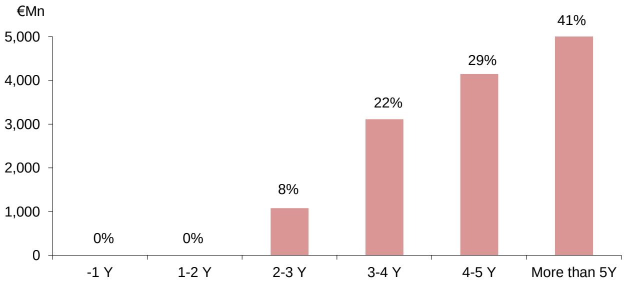
- The issue of a €500 Mn ORNANE in June 2014 with a 0% coupon, a duration of 7 years and an exercise price of €288.06 at issuance corresponding to a 37.5% issue premium on the VWAP[73].

In addition, Unibail-Rodamco accessed the money market by issuing commercial paper. The average amount of commercial paper outstanding in H1-2014 was €701 Mn (€1,143 Mn on average in 2013) with a maturity of up to 12 months. *Billets de trésorerie* were raised in H1-2014 at an average margin of 5 bps above Eonia.

As at June 30, 2014, the total amount of undrawn credit lines came to €4,823 Mn and the cash on-hand came to €820 Mn. This derives from cash proceeds of issuances completed in June as the Group took advantage of the current market conditions to pre-finance part of the debt maturing in the coming months (including the €500 Mn bond maturing in October 2014).

1.3. Debt maturity

The following chart illustrates Unibail-Rodamco's debt as at June 30, 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.



About 92% of the debt had a maturity of more than 3 years as at June 30, 2014 (after taking into account undrawn credit lines).

The average maturity of the Group's debt as at June 30, 2014, taking into account the unused credit lines improved to 5.7 years (versus 5.4 as at December 2013 and 4.9 years as at December 2012).

Liquidity needs

Unibail-Rodamco's debt repayment needs[74] for the next twelve months are covered by the available undrawn credit lines. The amount of bonds and bank loans outstanding as at June 30, 2014 and maturing or amortising within a year is €1,195 Mn (including a €500 Mn bond maturing in October 2014) compared with €4,823 Mn of undrawn committed credit lines and €820 Mn of cash on-hand as at June 30, 2014.

1.4. Average cost of Debt

Unibail-Rodamco's average cost of debt decreased to 2.7% for H1-2014 compared to 2.9% for 2013. This record low average cost of debt results from low coupon levels the Group achieved during the last 2 years on its fixed rate debt, the level of margins on existing borrowings, the Group's hedging instruments in place, the cost of carry of the undrawn credit lines and, to a lesser extent, the low interest rate environment in H1-2014.

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.

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

[73] Volume Weighted Average Price of Unibail-Rodamco share price, at the time of the issue. The ORNANE 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.

[74] Excluding Commercial Paper's repayment amounting to €726 Mn.

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 H1-2014, interest rates remained at low levels on the back of the announcements and decisions of the ECB in particular on deposit and refinancing rates.

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

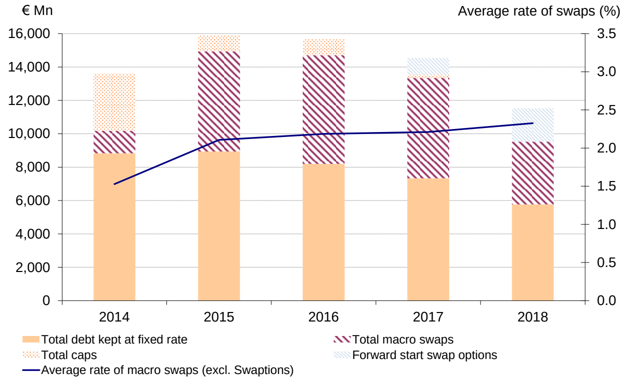
- €2.0 Bn of debt raised in H1-2014 and kept at a fixed rate,
- The extension or restructuring of existing swaps/options on swaps for €2.0 Bn in H1-2014[75].

Unibail-Rodamco also adjusted its short term hedging position taking into account debt raised at fixed rate through partial cancellation of swaps (covering 2014).

In total, the debt the Group expects to raise is almost fully hedged for the next 3 years.

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

Annual projection of average hedging amounts and fixed rate debt up to 2018 (€ Mn – as at June 30, 2014)



The graph above shows:

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

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

Measuring interest rate exposure

As at June 30, 2014, net financial debt stood at €13,421 Mn (vs. €12,250 as at December 31, 2013), excluding partners' current accounts and after taking cash surpluses into account (€820 Mn).

The outstanding debt was fully hedged against an increase in variable rates, based on debt outstanding as at June 30, 2014 through both:

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

Based on the estimated average debt position of Unibail-Rodamco in H2-2014, if interest rates (Euribor, Stibor or Pribor) were to rise by an average of 0.5%[76] (50 basis points) during H2-2014, the resulting increase in financial expenses would have an estimated negative impact of €4.9 Mn on the H2-2014 recurring net profit. A further rise of 0.5% would have an additional adverse impact of €2.0 Mn. Conversely, a 0.5% (50 basis points) drop in

[76] 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 June 30, 2014 of 0.207%.

interest rates would decrease financial expenses by an estimated €7.5 Mn and would impact H2-2014 recurring net profit by an equivalent amount. The anticipated debt of the Group is almost fully hedged for 2014, 2015 and 2016.

3.2. Managing and measuring currency risk exposure

The Group has activities and investments in countries outside the euro-zone (e.g. in 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	-120	-115	0	-115
DKK	371	-221	150	135	285
HKD	0	-165	-165	165	0
HUF	7	0	7	0	7
PLN	157	0	157	0	157
SEK	2 269	-563	1 706	-136	1 570
USD	0	-145	-145	145	0
Total	**2 808**	**-1 324**	**1 485**	**419**	**1 903**

The main exposure kept is in Swedish Krona:
- A decrease of 10% in the SEK/EUR exchange rate would have a €143 Mn negative impact on shareholders' equity,
- The sensitivity of the H2-2014 recurring result[77] to a 10% depreciation in the SEK/EUR exchange rate is limited to €2.6 Mn,
- The SEK 1,750 Mn credit line signed in April 2012 is undrawn as at June 30, 2014.

4. Financial structure

As at June 30, 2014, the portfolio valuation (including transfer taxes) of Unibail-Rodamco amounted to €33,587 Mn.

Debt ratio

As at June 30, 2014, the Loan-to-Value ratio (LTV) ratio calculated for Unibail-Rodamco amounted to 40%, 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 H1-2014 as a result of strong rental level with delivery of assets 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	June 30, 2014	Dec. 31, 2013
LTV[78]	40%	38%
ICR[79]	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 June 30, 2014, 98% 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.

[77] The sensitivity is measured by applying a change in exchange rate to the net revenues in SEK (net rents - administrative and financial expenses - taxes), based on a EUR/SEK exchange rate of 9.0823.

[78] Loan-to-Value (LTV) = Net financial debt / Total portfolio valuation including transfer taxes. Total Portfolio valuation includes consolidated portfolio valuation (€33,587 Mn as at June 30, 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.

[79] 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[80] best practices recommendations[81], Unibail-Rodamco summarises below the Key Performance Measures over H1-2014.

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.

		H1-2014	H1-2013	2013
EPRA Earnings	€ Mn	538.7	498.7	985.8
EPRA Earnings / share	€ / share	5.52	5.21	10.22
Growth EPRA Earnings / share	%	6.0%	5.5%	6.5%

2. EPRA Net Asset Value and EPRA NNNAV

For a more detailed description of the EPRA NAV and triple NAV, please see the Net Asset Value section, included in this report.

		June 30, 2014	Dec. 31, 2013	June 30, 2013
EPRA NAV	€ / share	154.80	154.60	149.50
EPRA NNNAV	€ / share	143.30	146.20	141.30
% change over 1 year	%	1.4%	5.6%	8.1%

3. EPRA Net Initial Yields

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

	June 30, 2014		Dec. 31, 2013	
	Retail (3)	Offices (3)	Retail (3)	Offices (3)
Unibail-Rodamco yields	**5.0%**	**7.4%**	**5.1%**	**7.2%**
Effect of vacant units	0.0%	-0.8%	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)	**5.0%**	**6.3%**	**5.0%**	**6.0%**
Effect of lease incentives	-0.2%	-1.4%	-0.2%	-0.8%
EPRA Net Initial Yields (2)	**4.8%**	**5.0%**	**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.

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

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).

	June 30, 2014	Dec. 31, 2013	June 30, 2013
Retail			
France	2.5%	2.6%	2.4%
Spain	1.8%	2.2%	2.6%
Central Europe	0.8%	1.1%	1.1%
Austria	3.1%	2.1%	1.7%
Nordic	3.7%	3.1%	3.1%
Netherlands	3.8%	4.1%	3.1%
Total Retail	**2.5%**	**2.5%**	**2.4%**
Offices			
France	4.7%	9.1%	16.9%
Total Offices	**6.7%**	**10.3%**	**16.8%**

5. EPRA Cost ratios

		30/06/2014	30/06/2013	31/12/2013
	Include:			
(i-1)	General expenses	- 40.9	- 39.1	- 82.7
(i-2)	Development expenses	- 1.0	- 1.2	- 4.0
(i-3)	Operating expenses	- 50.5	- 49.2	- 112.7
(ii)	Net service charge costs/fees	- 11.2	- 11.3	- 25.2
(iii)	Management fees less actual/estimated profit element		-	
(iv)	Other operating income/recharges intended to cover overhead expenses		-	
(v)	Share of Joint Ventures expenses	- 8.5	- 13.8	- 16.9
	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	13.9	11.6	25.9
	EPRA Costs (including direct vacancy costs) (A)	**- 98.2**	**- 103.0**	**- 215.6**
(ix)	Direct vacancy costs	- 11.2	- 11.3	- 25.2
	EPRA Costs (excluding direct vacancy costs) (B)	**- 87.0**	**- 91.7**	**- 190.4**
(x)	Gross Rental Income (GRI) less ground rents	741.9	677.3	1,409.2
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	- 13.9	- 11.6	- 25.9
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	57.0	59.1	110.7
	Gross Rental Income (C)	**785.0**	**724.9**	**1,494.0**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**12.5%**	**14.2%**	**14.4%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**11.1%**	**12.6%**	**12.7%**

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