unibail·rodamco

Paris, Amsterdam, February 1st, 2017

Press release

FULL-YEAR RESULTS 2016

An excellent year for the Group.
Recurring Earnings per Share (recurring EPS) of €11.24 exceeds guidance of €11.00-€11.20 announced in February 2016.

- Recurring EPS **grew +10.4%** from recurring EPS of 2015, adjusted for disposals in 2015, and +7.5% from 2015 reported recurring EPS
- Robust like-for-like Net Rental Income (NRI) growth in Shopping Centres of **+3.4%**
- All-time low average cost of debt of **1.6%** and average debt maturity extended to record **7.0** years
- Total portfolio value of **€40.5 Bn**, up +7.3%
- Net asset value per share:
    - Going Concern NAV per share: **€201.50**, up +7.9%
    - EPRA NNNAV per share: **€183.70**, up +8.1%
    - EPRA NAV per share: **€195.60**, up +9.4%
- **€8.0 Bn** development pipeline, with 5 deliveries scheduled for H2-2017
- Cash dividend of **€10.20** per share (subject to approval by the AGM)

	FY-2016	**FY-2015**	**Growth**	**Like-for-like growth**
Net Rental Income (in € Mn)	**1,529**	1,453	+5.2%	**+2.4%**
Shopping Centres	**1,273**	1,177	+8.1%	**+3.4%**
France	581	549	*+5.7%*	*+3.2%*
Central Europe	156	148	*+5.4%*	*+7.4%*
Spain	146	147	*-1.0%*	*+0.8%*[1]
Nordics	140	106	*+31.9%*	*+3.3%*
Austria	99	92	*+7.1%*	*+7.5%*
Germany	90	67	*+34.1%*	*+3.3%*
The Netherlands	62	67	*-8.1%*	*-6.3%*
Offices	**153**	170	-10.0%	**-2.0%**
Convention & Exhibition	**103**	105	-2.7%	**-2.7%**
Recurring net result (in € Mn)	**1,114**	1,030	+8.1%	
Recurring EPS (in €)	**11.24**	10.46	+7.5%	
Recurring EPS (in €) vs. rebased FY-2015	***11.24***	*10.18*	***+10.4%***	
	Dec. 31, 2016	**Dec. 31, 2015**	**Growth**	**Like-for-like growth**
Total portfolio valuation (in € Mn)	**40,495**	37,755	+7.3%	+6.2%
Going Concern Net Asset Value (in € per share)	**201.50**	186.70	+7.9%	
EPRA Triple Net Asset Value (in € per share)	**183.70**	169.90	+8.1%	
EPRA Net Asset Value (in € per share)	**195.60**	178.80	+9.4%	

Figures may not add up due to rounding

[1] NRI growth in Spain negatively impacted by indemnities received in H1-2015 following a court decision and the subsequent reversal of provision for doubtful debt. Excluding this impact, the 2016 NRI like-for-like growth in Spain would have been +4.5%

"2016 was another year of financial and operational success for Unibail-Rodamco. The successful 2015 deliveries, solid like-for-like rental growth and an all-time low cost of debt drove the strongest year-on-year recurring EPS growth since 2009. The Group disposed of ca. €900 Mn of office buildings, achieving record premiums of almost 25% above the last unaffected appraisal value. In 2016, Unibail-Rodamco also took on a demanding challenge for the future with its new CSR strategy, "Better Places 2030". Unibail-Rodamco aims to reduce by -50% its carbon footprint by 2030[2], becoming the first listed real estate company to engage on such an ambitious strategy. With its high quality assets, its flexible development pipeline, secured low cost of debt and dedicated, talented professionals, Unibail-Rodamco is well positioned to deliver continued strong growth." **Christophe Cuvillier, CEO and Chairman of the Management Board**

RECURRING EPS AT €11.24, UP +10.4% COMPARED TO REBASED FY-2015

Recurring EPS came to €11.24 in 2016, representing an increase of +10.4% from the recurring EPS for 2015, adjusted for the disposals of 2015, despite €990 Mn[3] of additional disposals in 2016, mainly offices. The Group exceeded its recurring EPS guidance of €11.00-€11.20 announced in February 2016. Growth from reported FY-2015 recurring EPS was +7.5%.

SOLID OPERATING PERFORMANCE

Shopping Centres

Through December 31, 2016, tenant sales increased by +1.4% compared to 2015. The Group tenant sales' growth was held back by the unfavourable weather impact on fashion sales in Europe, and by France, where the Group has a very strong presence in the Paris region, in which footfall and sales were impacted by the terrorist threat.

The Shopping Centre like-for-like NRI grew by +3.4%, +310 bps above indexation of only +0.3%. The Group signed 1,479 leases on consolidated standing assets with a Minimum Guaranteed Rent uplift of +17.4%. The tenant rotation rate reached 13.3%, well above the Group's 10% annual target. The EPRA vacancy rate was 2.3%, including 0.2% of strategic vacancy, as at December 31, 2016, down from 2.5% as at December 31, 2015.

Offices

With 2.4 million m^2 of office space let in 2016, take-up in the Paris region was up by +6% over 2015. The Group leased more than 83,000 weighted square meters (wm^2), including more than 67,000 wm^2 in France. Office buildings sold, including 2-8 Ancelle, So Ouest Office, 70-80 Wilson and Nouvel Air generated an average premium of +24.8% to the last unaffected appraisal value. As a result of these disposals, NRI for the year decreased by -10%.

Convention & Exhibition

Convention & Exhibition's recurring net operating income increased by +4.9% from FY-2015 and was up +9.7% compared to FY-2014, the latest comparable period.

The first phase of renovation works (2015-2017) on the Porte de Versailles site continued with the construction of the new Welcome Plaza, travelators in the Central Alley, the Meshing facade of Pavilion 1 by Dominique Perrault, and the redevelopment of the 72,000 m² Pavilion 7, to create the new Paris Convention Centre, including a 5,200-seat auditorium.

VALUE CREATION OF €28.75 PER SHARE

The Gross Market Value (GMV) of the Group's assets as at December 31, 2016 amounted to €40.5Bn, up +7.3% in total and up +6.2% on a like-for-like basis compared to December 31, 2015.

The Shopping Centre division GMV grew by 9.8% in total and by +6.3% on a like-for-like basis, with rent and yield effects of +2.5% and +3.8%, respectively. The average net initial yield of the retail

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[2] From the levels at the end of 2015. The CSR strategy will be rolled out with the same level of customer service and is expected to be accomplished in a value neutral manner.

[3] Net Disposal price (NDP): Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.

portfolio stood at 4.4% as at December 31, 2016 (vs. 4.6% as at December 31, 2015), reflecting market yield contraction and the increased quality of the portfolio.
Following the disposal of four of its offices in 2016, the GMV of the Group's office portfolio decreased by €467 Mn to €4.0 Bn as at December 31, 2016. The yield compression (+7.3%) and positive rent (+0.6%) effects drove the 7.9% like-for-like increase of the office portfolio.

Going Concern NAV per share stood at €201.50 as at December 31, 2016, an increase of +€14.80 (+7.9%) compared to December 31, 2015. This increase was the sum of (i) the value creation of €28.75 per share, (ii) the impact of the dividend paid in March and July 2016 of -€9.70, and (iii) the negative impact of the -€4.25 mark-to-market of the fixed-rate debt and derivatives.

€8.0 Bn DEVELOPMENT PIPELINE TO DRIVE FUTURE GROWTH

After the many openings of 2015, 2016 saw the delivery of two retail extensions (Forum des Halles and Bonaire) and an office refurbishment project. Five new extension and renovation projects for a total investment cost (TIC) of almost €500 Mn were added to the retail development pipeline. The estimated TIC of the consolidated development pipeline as at December 31, 2016 amounts to €8.0 Bn (vs. €7.4 Bn as at December 31, 2015). The Group expects to add 1.2 million m² of GLA in retail from the current pipeline, representing an increase of ca. 33% of its retail GLA.
2017 will see the delivery of one new development (Wroclavia in Poland) and four extensions and renovations of existing assets.

ALL-TIME LOW AVERAGE COST OF DEBT AND RECORD MATURITY

In 2016, Unibail-Rodamco raised €3.7 Bn of medium- to long-term funds in the bond and bank markets. Its financial ratios stand at healthy levels: Loan-to-Value at 33% (35% as at December 31, 2015) and the interest coverage ratio at 5.9x (4.6x in 2015). The average cost of debt in 2016 reached an all-time low of 1.6% (down -60 bps from 2.2% in 2015) and the average maturity was extended to a record 7 years (6.5 years as at December 31, 2015). The Group issued the first public bond with a 20-year maturity for a real-estate company, the longest maturity ever achieved in the sector on the Euro market, and an 8-year 3-month Euro bond with the lowest coupon ever achieved by the Group (0.875%).

OUTLOOK

For 2017, the Group expects recurring EPS of between **€11.80 and €12.00**.

For the medium term, the Group confirms it expects its recurring EPS to grow at a compound annual growth rate of between **+6% and +8%**. This medium term outlook results from the Group's annual business plan exercise; annual growth rates differ from year to year.[4]

DIVIDEND

For the 2016 fiscal year, the Group will propose a **cash dividend of €10.20 per share** for approval by the Annual General Meeting (AGM) on April 25, 2017. The planned payment schedule is:

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

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

[4] Key inputs for the Group's annual 5-year business plan exercise are indexation, rental uplifts, disposals, timely delivery of pipeline projects, cost of debt and taxation, variations in which may cause growth rates to vary. The 5-year business plan does not assume acquisitions.

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FINANCIAL SCHEDULE

The next financial events on the Group's calendar will be:

March 29, 2017: payment of an interim dividend (ex-dividend date: March 27, 2017)
April 25, 2017: Combined General Meeting
April 25, 2017: 2017 1st Quarter Revenues (after market close)
July 6, 2017: payment of the final dividend, subject to approval of the AGM (ex-dividend date: July 4, 2017)
July 24, 2017: 2017 Half-year results (after market close)

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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 11 EU countries, and a portfolio of assets valued at €40.5 billion as of December 31, 2016. As an integrated operator, investor and developer, the Group aims to cover the whole of the real estate value creation chain. With the support of its 1,990 professionals, Unibail-Rodamco applies those skills to highly specialised market segments such as large shopping centres in major European cities 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 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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February 1, 2017

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The audit procedures by statutory auditors are in progress.

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

Consolidated Income Statement by segment (€Mn)			2016 Recurring activities	2016 Non-recurring activities (1)	2016 Result	2015 Recurring activities	2015 Non-recurring activities (1)	2015 Result
SHOPPING CENTRES	FRANCE	Gross rental income	651.2	-	651.2	606.4	-	606.4
		Operating expenses & net service charges	(70.7)	-	(70.7)	(57.3)	-	(57.3)
		Net rental income	**580.5**	**-**	**580.5**	**549.1**	**-**	**549.1**
		Contribution of affiliates	7.0	8.8	15.8	9.0	(2.9)	6.1
		Gains/losses on sales of properties	-	6.1	6.1	-	6.9	6.9
		Valuation movements	-	520.2	520.2	-	307.7	307.7
		Result Shopping Centres France	**587.5**	**535.2**	**1,122.6**	**558.1**	**311.6**	**869.8**
	CENTRAL EUROPE	Gross rental income	159.6	-	159.6	153.6	-	153.6
		Operating expenses & net service charges	(3.4)	-	(3.4)	(5.4)	-	(5.4)
		Net rental income	**156.2**	**-**	**156.2**	**148.2**	**-**	**148.2**
		Contribution of affiliates	30.7	(74.2)	(43.5)	36.0	102.3	138.3
		Gains/losses on sales of properties	-	3.1	3.1	-	23.7	23.7
		Valuation movements	-	410.9	410.9	-	266.9	266.9
		Result Shopping Centres Central Europe	**186.9**	**339.8**	**526.7**	**184.2**	**392.9**	**577.1**
	SPAIN	Gross rental income	163.3	-	163.3	164.0	-	164.0
		Operating expenses & net service charges	(17.3)	-	(17.3)	(16.5)	-	(16.5)
		Net rental income	**146.0**	**-**	**146.0**	**147.5**	**-**	**147.5**
		Contribution of affiliates	0.5	(0.1)	0.5	1.1	(2.1)	(1.0)
		Gains/losses on sales of properties	-	20.8	20.8	-	(3.0)	(3.0)
		Valuation movements	-	370.1	370.1	-	385.5	385.5
		Result Shopping Centres Spain	**146.5**	**390.8**	**537.3**	**148.6**	**380.4**	**529.0**
	NORDIC	Gross rental income	158.4	-	158.4	126.4	-	126.4
		Operating expenses & net service charges	(18.5)	-	(18.5)	(20.4)	-	(20.4)
		Net rental income	**139.9**	**-**	**139.9**	**106.1**	**-**	**106.1**
		Gains/losses on sales of properties	-	(0.5)	(0.5)	-	2.2	2.2
		Valuation movements	-	161.6	161.6	-	354.0	354.0
		Result Shopping Centres Nordic	**139.9**	**161.1**	**301.0**	**106.1**	**356.2**	**462.3**
	AUSTRIA	Gross rental income	102.1	-	102.1	99.7	-	99.7
		Operating expenses & net service charges	(3.5)	-	(3.5)	(7.6)	-	(7.6)
		Net rental income	**98.6**	**-**	**98.6**	**92.1**	**-**	**92.1**
		Valuation movements	-	141.0	141.0	-	138.7	138.7
		Result Shopping Centres Austria	**98.6**	**141.0**	**239.6**	**92.1**	**138.7**	**230.8**
	GERMANY	Gross rental income	96.6	-	96.6	73.2	-	73.2
		Operating expenses & net service charges	(6.7)	-	(6.7)	(6.1)	-	(6.1)
		Net rental income	**89.9**	**-**	**89.9**	**67.1**	**-**	**67.1**
		Contribution of affiliates	28.5	3.9	32.4	32.9	82.7	115.6
		Gains/losses on sales of properties	-	-	-	-	3.1	3.1
		Valuation movements	-	124.4	124.4	-	38.4	38.4
		Result Shopping Centres Germany	**118.4**	**128.3**	**246.7**	**100.0**	**124.2**	**224.2**
	THE NETHERLANDS	Gross rental income	73.3	-	73.3	76.2	-	76.2
		Operating expenses & net service charges	(11.8)	-	(11.8)	(9.2)	-	(9.2)
		Net rental income	**61.5**	**-**	**61.5**	**67.0**	**-**	**67.0**
		Gains/losses on sales of properties	-	0.1	0.1	-	0.5	0.5
		Valuation movements	-	1.3	1.3	-	7.4	7.4
		Result Shopping Centres The Netherlands	**61.5**	**1.4**	**62.9**	**67.0**	**7.9**	**74.9**
		TOTAL RESULT SHOPPING CENTRES	**1,339.4**	**1,697.6**	**3,037.0**	**1,256.1**	**1,711.9**	**2,968.0**
OFFICES	FRANCE	Gross rental income	140.9	-	140.9	156.7	-	156.7
		Operating expenses & net service charges	(5.2)	-	(5.2)	(5.3)	-	(5.3)
		Net rental income	**135.7**	**-**	**135.7**	**151.4**	**-**	**151.4**
		Gains/losses on sales of properties	-	61.4	61.4	-	4.4	4.4
		Valuation movements	-	219.8	219.8	-	221.7	221.7
		Result Offices France	**135.7**	**281.2**	**416.9**	**151.4**	**226.1**	**377.5**
	OTHER COUNTRIES	Gross rental income	21.7	-	21.7	22.7	-	22.7
		Operating expenses & net service charges	(4.1)	-	(4.1)	(3.7)	-	(3.7)
		Net rental income	**17.6**	**-**	**17.6**	**19.0**	**-**	**19.0**
		Gains/losses on sales of properties	-	5.2	5.2	-	-	-
		Valuation movements	-	15.0	15.0	-	16.8	16.8
		Result Offices other countries	**17.6**	**20.2**	**37.8**	**19.0**	**16.8**	**35.8**
		TOTAL RESULT OFFICES	**153.3**	**301.4**	**454.7**	**170.4**	**242.9**	**413.3**
CONVENTION & EXHIBITION	FRANCE	Gross rental income	186.0	-	186.0	188.0	-	188.0
		Operating expenses & net service charges	(96.4)	-	(96.4)	(96.8)	-	(96.8)
		Net rental income	**89.6**	**-**	**89.6**	**91.2**	**-**	**91.2**
		Contribution of affiliates	0.7	(0.7)	(0.1)	0.5	0.2	0.7
		On site property services	**61.8**	**-**	**61.8**	**51.4**	**-**	**51.4**
		Hotels net rental income	**13.0**	**-**	**13.0**	**14.2**	**-**	**14.2**
		Exhibitions organising	**-**	**-**	**-**	**8.0**	**43.6**	**51.6**
		Valuation movements, depreciation, capital gains	(11.4)	43.8	32.4	(11.1)	85.1	73.9
		TOTAL RESULT CONVENTION & EXHIBITION	**153.6**	**43.0**	**196.7**	**154.1**	**128.9**	**283.0**
		Other property services net operating result	35.8	(2.4)	33.4	33.4	(2.4)	31.0
		Other net income	0.4	-	0.4	-	-	-
TOTAL OPERATING RESULT AND OTHER INCOME			**1,682.5**	**2,039.6**	**3,722.2**	**1,614.0**	**2,081.3**	**3,695.4**
		General expenses	(119.0)	(1.3)	(120.4)	(106.1)	(1.6)	(107.7)
		Development expenses	(5.9)	-	(5.9)	(4.5)	-	(4.5)
		Financing result	(254.9)	(240.4)	(495.3)	(299.5)	(362.1)	(661.6)
RESULT BEFORE TAX			**1,302.7**	**1,797.9**	**3,100.6**	**1,203.9**	**1,717.7**	**2,921.6**
		Income tax expenses	(11.1)	(272.1)	(283.2)	(24.8)	(263.5)	(288.3)
NET RESULT FOR THE PERIOD			**1,291.6**	**1,525.8**	**2,817.4**	**1,179.1**	**1,454.2**	**2,633.3**
		Non-controlling interests	177.4	231.0	408.4	148.7	150.6	299.3
NET RESULT - OWNERS OF THE PARENT			**1,114.2**	**1,294.8**	**2,409.0**	**1,030.4**	**1,303.6**	**2,334.0**
Average number of shares and ORA			99,160,738			98,496,508		
RECURRING EARNINGS PER SHARE (€)			**11.24**			**10.46**		
RECURRING EARNINGS PER SHARE GROWTH			**7.5%**			**-4.2%**		

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

Consolidated statement of comprehensive income (€Mn)	2016	2015
Gross rental income	1,770.3	1,685.0
Ground rents paid	(17.4)	(17.5)
Net service charge expenses	(29.2)	(29.1)
Property operating expenses	(195.2)	(185.6)
Net rental income	**1,528.5**	**1,452.8**
Corporate expenses	(116.8)	(104.0)
Development expenses	(5.9)	(4.5)
Depreciation of other tangible assets	(2.2)	(2.2)
Administrative expenses	**(124.9)**	**(110.7)**
Acquisition and related costs	**(1.3)**	**(1.6)**
Revenues from other activities	261.3	293.4
Other expenses	(175.1)	(219.7)
Net other income	**86.2**	**73.7**
Proceeds from disposal of investment properties	973.9	342.4
Carrying value of investment properties sold	(882.7)	(341.0)
Result on disposal of investment properties	**91.2**	**1.4**
Proceeds from disposal of shares	25.9	114.4
Carrying value of disposed shares	(20.9)	(100.7)
Result on disposal of shares	**5.0**	**13.7**
Valuation gains on assets	2,244.0	2,137.4
Valuation losses on assets	(238.2)	(318.6)
Valuation movements on assets	**2,005.8**	**1,818.8**
Impairment of goodwill/Negative goodwill	**-**	**-**
NET OPERATING RESULT BEFORE FINANCING COST	**3,590.5**	**3,248.2**
Result from non-consolidated companies	0.4	-
Financial income	*88.8*	*86.3*
Financial expenses	*(343.7)*	*(385.8)*
Net financing costs	(254.9)	(299.5)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	37.0	(183.4)
Fair value adjustments of derivatives and debt	(276.8)	(178.0)
Debt discounting	(0.6)	(0.7)
Profit on disposal of associates	-	69.6
Share of the result of companies under the equity method	(13.3)	243.3
Income on financial assets	18.3	22.1
RESULT BEFORE TAX	**3,100.6**	**2,921.6**
Income tax expenses	(283.2)	(288.3)
NET RESULT FOR THE PERIOD	**2,817.4**	**2,633.3**
Non-controlling interests	408.4	299.3
NET RESULT (Owners of the parent)	**2,409.0**	**2,334.0**

Average number of shares (undiluted)	99,153,052	98,488,530
Net result for the period (Owners of the parent)	2,409.0	2,334.0
Net result for the period per share (Owners of the parent) (€)	**24.3**	**23.7**
Net result for the period restated (Owners of the parent) [1]	2,372.0	2,346.2
Average number of shares (diluted)	102,762,477	100,311,426
Diluted net result per share (Owners of the parent) (€)	**23.1**	**23.4**

NET COMPREHENSIVE INCOME (€Mn)	2016	2015
NET RESULT FOR THE PERIOD	**2,817.4**	**2,633.3**
Foreign currency differences on translation of financial statements of subsidiaries and of net investments in these subsidiaries	(130.0)	6.5
Cash flow hedge	0.7	1.3
Revaluation of shares available for sale	(0.4)	-
Other comprehensive income which can be reclassified to profit or loss	**(129.7)**	**7.8**
Employee benefits - will not be reclassified into profit or loss	**-**	**14.8**
OTHER COMPREHENSIVE INCOME	**(129.7)**	**22.6**
NET COMPREHENSIVE INCOME	**2,687.7**	**2,655.9**
Non-controlling interests	408.4	299.3
NET COMPREHENSIVE INCOME (OWNERS OF THE PARENT)	**2,279.3**	**2,356.6**

[1] The impact of the fair value of the ORNANE and the related financial expenses are restated from the net result of the period if it has a dilutive impact.

Consolidated Statement of financial position (€ Mn)	**31/12/2016**	**31/12/2015**
NON CURRENT ASSETS	**39,509.3**	**36,634.2**
Investment properties	**36,380.9**	**33,710.0**
Investment properties at fair value	*35,426.9*	*33,001.8*
Investment properties at cost	*954.0*	*708.2*
Other tangible assets	219.8	216.3
Goodwill	539.9	542.8
Intangible assets	229.4	242.1
Loans and receivables	113.3	41.1
Financial assets	25.1	17.1
Deferred tax assets	24.0	31.6
Derivatives at fair value	268.8	297.2
Shares and investments in companies under the equity method	1,708.2	1,536.0
CURRENT ASSETS	**1,235.8**	**1,475.7**
Properties or shares held for sale	**-**	**268.8**
Trade receivables from activity	**369.0**	**393.6**
Other trade receivables	**466.6**	**470.6**
Tax receivables	217.7	159.6
Other receivables	136.4	218.3
Prepaid expenses	112.5	92.7
Cash and cash equivalents	**400.1**	**342.6**
Available for sale investments	38.2	98.4
Cash	362.0	244.2
TOTAL ASSETS	**40,745.0**	**38,109.8**
Shareholders' equity (Owners of the parent)	**17,465.3**	**16,042.1**
Share capital	497.0	493.5
Additional paid-in capital	6,402.3	6,310.2
Bonds redeemable for shares	1.2	1.2
Consolidated reserves	8,349.3	6,967.3
Hedging and foreign currency translation reserves	(193.4)	(64.1)
Consolidated result	2,409.0	2,334.0
Non-controlling interests	**3,554.4**	**3,196.5**
TOTAL SHAREHOLDERS' EQUITY	**21,019.7**	**19,238.6**
NON CURRENT LIABILITIES	**16,209.9**	**15,127.8**
Long-term commitment to purchase non-controlling interests	40.9	45.4
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,049.4	1,087.8
Long-term bonds and borrowings	12,223.7	11,522.9
Long-term financial leases	355.4	361.4
Derivatives at fair value	327.9	263.9
Deferred tax liabilities	1,690.2	1,465.6
Long-term provisions	33.6	35.3
Employee benefits	9.2	8.7
Guarantee deposits	208.1	201.4
Tax liabilities	0.1	0.0
Amounts due on investments	271.4	135.4
CURRENT LIABILITIES	**3,515.4**	**3,743.4**
Amounts due to suppliers and other current debt	**1,314.3**	**1,117.8**
Amounts due to suppliers	150.4	162.2
Amounts due on investments	326.5	415.0
Sundry creditors	625.0	337.7
Other liabilities	212.3	202.9
Current borrowings and amounts due to credit institutions	**2,005.6**	**2,447.7**
Current financial leases	**6.1**	**6.0**
Tax and social security liabilities	**179.1**	**153.8**
Short-term provisions	**10.3**	**18.1**
TOTAL LIABILITIES AND EQUITY	**40,745.0**	**38,109.8**

Consolidated statement of cash flows (€ Mn)	2016	2015
Operating activities		
Net result	**2,817.4**	**2,633.3**
Depreciation & provisions [(1)]	(0.1)	(12.2)
Changes in value of property assets	(2,005.8)	(1,818.8)
Changes in value of financial instruments	239.8	361.4
Discounting income/charges	0.6	0.7
Charges and income relating to stock options and similar items	9.8	7.8
Net capital gains/losses on disposal of shares	(5.0)	(13.7)
Net capital gains/losses on disposal of shares of associates	-	(69.6)
Net capital gains/losses on sales of properties [(2)]	(91.2)	(0.2)
Share of the result of companies under the equity method	13.3	(243.3)
Income on financial assets	(18.3)	(22.1)
Dividend income from non-consolidated companies	(0.4)	(0.1)
Net financing costs	254.9	299.5
Income tax charge	283.2	288.3
Cash flow before net financing costs and tax	**1,498.2**	**1,411.1**
Income on financial assets	18.3	22.1
Dividend income and result from companies under equity method or non consolidated	7.4	7.9
Income tax paid	(12.6)	(38.9)
Change in working capital requirement [(1)]	46.7	13.4
Total cash flow from operating activities	**1,558.0**	**1,415.6**
Investment activities		
Property activities	**(377.5)**	**(518.0)**
Acquisition of consolidated shares	(13.6)	(226.5)
Amounts paid for works and acquisition of property assets	(1,343.7)	(1,276.2)
Exit tax payment	(0.1)	(1.4)
Repayment of property financing	54.4	98.5
Increase of property financing	(29.4)	(30.4)
Disposal of shares/consolidated subsidiaries	31.6	166.6
Disposal of shares of associates/non consolidated subsidiaries	-	409.0
Disposal of investment properties	923.3	342.4
Financial activities	**(9.5)**	**(3.4)**
Acquisition of financial assets	(11.3)	(6.5)
Disposal of financial assets	1.7	2.3
Change in financial assets	0.1	0.7
Total cash flow from investment activities	**(386.9)**	**(521.4)**
Financing activities		
Capital increase of parent company	95.4	83.1
Change in capital from company with non controlling shareholders	0.1	3.0
Distribution paid to parent company shareholders	(963.1)	(946.5)
Dividends paid to non-controlling shareholders of consolidated companies	(54.8)	(40.9)
Disposal of interests in subsidiaries not resulting in a loss of control	-	690.8
New borrowings and financial liabilities	2,519.0	3,458.8
Repayment of borrowings and financial liabilities	(2,311.9)	(3,843.8)
Financial income	82.3	84.4
Financial expenses	(336.3)	(397.4)
Other financing activities	(114.1)	(503.5)
Total cash flow from financing activities	**(1,083.4)**	**(1,411.9)**
Change in cash and cash equivalents during the period	**87.8**	**(517.7)**
Cash at the beginning of the year	**320.1**	**827.6**
Effect of exchange rate fluctuations on cash held	**(11.9)**	**10.1**
Cash at period-end	**396.0**	**320.1**

(1) The spread of lease incentives & key moneys have been reallocated from "Change in working capital requirement" to "Depreciation & provisions".

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

I. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

Accounting principles

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

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

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

Scope of consolidation

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

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

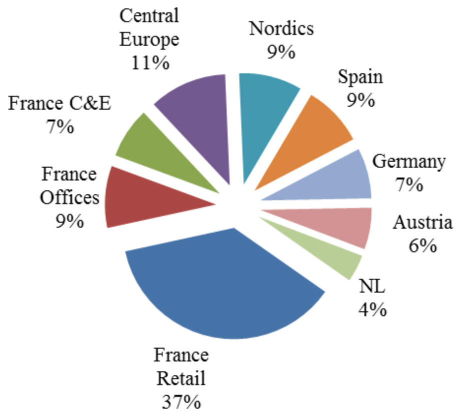
As at December 31, 2016, 296 companies were fully consolidated, six companies were consolidated under "joint operation" (as defined by IFRS 11) and 22 companies were accounted for using the equity method[2].

Operational reporting

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

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

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



Figures may not add up due to rounding.

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

[2] Mainly the Rosny 2 shopping centre in France, the Zlote Tarasy complex in Poland, and the CentrO, Gropius Passagen, Paunsdorf and Ring-Center shopping centres in Germany.

[3] Central Europe includes Ring-Center, accounted for using the equity method, and Aupark.

[4] Except property service companies (Espace Expansion and Unibail-Rodamco Germany property services).

II. BUSINESS REVIEW BY SEGMENT

1. Shopping Centres

1.1 Shopping centre activity in 2016

Economic environment

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

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

Source: European Economic Forecast, autumn 2016

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

Unemployment levels[6] as at November 2016 have decreased to 8.3% in the EU and 9.8% in the Eurozone (both -70 bps compared to November 2015). These are the lowest recorded rates since 2009.

Finally, headline inflation[5] is expected to pick up in the coming quarters in all countries in which Unibail-Rodamco operates, potentially impacting positively local indices to which the Group's rents are contractually linked.

Footfall[7]

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

Footfall in the Group's French shopping centres decreased by -0.7% through December 31, 2016, outperforming the -1.2% drop for the French national index[8]. The most meaningful impact on footfall was observed in the Group's Parisian[9] shopping centres (-5.7%). This impact was partly offset by the strongly positive trend for recently renovated or opened shopping centres such as Euralille (+7.6%), Aéroville (+4.3%), Confluence (+3.8%) and So Ouest (+3.3%).

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

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

[7] Except as indicated otherwise, footfall data are year-to-date through December 2016 and include Rosny 2, CentrO and Paunsdorf. Footfall in Unibail-Rodamco's shopping centres in portfolio of shopping centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For the 2016 reporting period, shopping centres excluded due to delivery or ongoing works were Forum des Halles, Parly 2, Carré Sénart and Carré Sénart Shopping Park, Polygone Riviera, Galerie Gaité, Mall of Scandinavia, Minto, Ruhr Park, Gropius Passagen, Glòries, Bonaire, Centrum Chodov and Aupark.

[8] Reference is the CNCC (*Conseil National des Centres Commerciaux*) index.

[9] Les Quatre Temps, CNIT, Carrousel du Louvre and Les Boutiques du Palais des Congrès.

Tenant sales[10]

Tenant sales in the Group's shopping centres increased by +1.4% through December 31, 2016, compared to 2015. Tenant sales growing faster than footfall reflects an increase of both conversion rates and customers' spending baskets[11]. This trend has been apparent in the Group's shopping centres since 2013.

Through November 30, 2016, the Unibail-Rodamco tenant sales growth in all regions resulted in an increase of +1.4% compared to the same period last year. The aggregate Group tenant sales' weaker than usual performance (-20 bps) relative to the National Sales Indices[12] was due to: (i) the unfavourable weather impact on fashion sales in Europe, (ii) France, where the Group has a very strong presence in the Paris region, and (iii) the Nordics, where the Group's tenants sales do not include those of Mall of Scandinavia whereas the national index does.

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

- Tenant sales in the Group's French shopping centres increased by +0.3% through November 2016 (+0.6% through December 2016) despite the decline in footfall. This performance was the same as the increase of the French national sales index. Tenant sales were particularly strong in the newer or refurbished shopping centres such as Euralille (+10.5%), Confluence (+7.7%), Aéroville (+5.9%), Toison d'Or (+5.5%) and La Part Dieu (+4.9%). The strong performance in these shopping centres was partially offset by the impact of the terrorist threat, mostly affecting the Parisian shopping centres.
- In Central Europe, the Group's tenant sales outperformed the national sales index by +180 bps, primarily due to Galeria Wilenska (+8.9%), Aupark (+8.9%), Centrum Cerny Most (+6.3%) and Arkadia (+4.6%).
- In Spain, strong tenant sales growth in Splau (+7.3%), Bahia Sur (+6.8%), El Faro (+4.6%) and Vallsur (+4.3%) was partially offset by the impact of a number of significant reletting operations (stores closed during the fitting out) in certain of the Group's large shopping centres[13] and the bankruptcy of two retailers. Across the Group's shopping centres in Spain, footfall was 183 bps higher than the national footfall index for Spanish shopping centres.
- In the Nordics, Group tenant sales, which exclude sales in Mall of Scandinavia, increased by +0.2%, mainly driven by the growth of Fisketorvet (+8.0%) and Jumbo (+4.6%), partially offset by Solna (-14.0%) which was particularly impacted by the opening of its immediate neighbour, Mall of Scandinavia. Including Mall of Scandinavia, the Groups' tenant sales in the Nordics were up by +28.0%. The Nordics national sales index, which includes this asset, was up by +2.7%.
- In Austria, tenant sales in Shopping City Süd and Donau Zentrum grew by +1.6% and +1.3%, respectively.
- In Germany, tenant sales outperformed the national sales index by +20 bps mainly due to Paunsdorf (+9.2%) and Höfe am Brühl (+7.7%).

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

[10] Except as indicated otherwise, tenant sales data are year-to-date through November 2016 and include Rosny 2, CentrO and Paunsdorf. Tenant sales performance in Unibail-Rodamco's shopping centres (excluding The Netherlands) in portfolio of shopping centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For the 2016 reporting period, shopping centres excluded due to delivery or ongoing works were Forum des Halles, Parly 2, Carré Sénart and Carré Sénart shopping park, Polygone Riviera, Galerie Gaité, Mall of Scandinavia, Minto, Ruhr Park, Gropius Passagen, Glòries, Bonaire, Centrum Chodov and Aupark. Primark sales are based on estimates.

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

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

[13] Shopping centres which receive six million or more visitors per annum.

Group tenant sales by selected segments through November 2016

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

Leasing

Leasing activity was strong in 2016, with a total of 1,479 deals signed on consolidated standing assets, a +7.4% increase compared to 2015[14]. Unibail-Rodamco leasing teams generated a Minimum Guaranteed Rent uplift[15] of +17.4%, exceeding the Group's objectives for the year.

The tenant rotation rate[16] reached 13.3%, well above the Group's 10% annual target.

Differentiation through International Premium Retailers (IPR[17]) remains at the heart of the Group's strategy. 196 deals were signed with IPRs, in line with 2015. The share of IPRs in the Group tenant rotation rate increased from 13.8% in 2015 to 15.7% in 2016 (12.0% in 2014 and 10.1% in 2013) strengthening Unibail-Rodamco's position as a major partner for these retailers in Continental Europe and reinforcing its unique positioning in the European shopping centre market.

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

- Topshop: 1st direct store (non-franchisee owned) in Continental Europe in a shopping centre, on a 1,762 m² unit in CentrO;
- NYX (L'Oréal Group): 1st store in Paris in Les Quatre Temps, in Austria in Donau Zentrum, in Poland in Galeria Mokotow and in Slovakia in Aupark. NYX also signed with the Group its 1st store in a shopping centre in Spain in La Vaguada;
- Dior Parfums: 1st store in Poland in Galeria Mokotow;
- MAC (Estée Lauder Group): 1st store in Sweden in Mall of Scandinavia;
- New Balance: 1st store in France in Forum des Halles and 1st store in a shopping centre in Germany in CentrO;
- COS: 1st store in a shopping centre in Austria in Shopping City Süd;
- Scotch & Soda: 1st store in a shopping centre in Germany in CentrO;
- Karl Lagerfeld: 1st store in the Czech Republic in Centrum Chodov;
- Karl Lagerfeld Women: 1st store in Slovakia in Aupark;
- Uterqüe: 1st store in Poland in Galeria Mokotow; and
- Amazon: 1st long-term kiosk in Continental Europe in CentrO.

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

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

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

- The Wroclavia project, a development of 79,466 m² in Wroclaw, was 79% pre-let[18] as at December 31, 2016, prior to the scheduled opening in H2-2017. Media Markt, Steve Madden, Estée Lauder, L'Occitane and Lacoste were among the major differentiating tenants signed by the Group in 2016.
- Centrum Chodov's 41,817 m² extension project in Prague was 82% pre-let[18] as at

[14] Based on 1,377 leases signed in 2015, which include those signed for Ruhr Park which is now fully consolidated.

[15] Minimum Guaranteed Rent (MGR) uplift: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.

[16] Rotation rate: (number of relettings + number of assignments and renewals with new concepts) / number of stores. Short term leases are excluded.

[17] IPR: Retailer with strong and international brand recognition and a differentiating store design and product approach, which the Group believes will increase the appeal of the shopping centres.

[18] GLA signed, all agreed to be signed, and financials agreed.

December 31, 2016, with delivery expected in H2-2017. Sephora signed for a larger store in the extension (more than +50% increase in GLA). The Group also signed with Peek&Cloppenburg, Nespresso, NYX and Starbucks.
- For Carré Sénart's 31,448 m² extension project anchored by a 9,000 m² Galeries Lafayette store, the Group secured the commitment for a medium-size unit for each of Superdry and AS Adventure. NYX, Rituals and New Balance were signed also. As at December 31, 2016, the extension project was 65% pre-let[18].

Brand Event activities

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

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

- Samsung: after a successful event in Mall of Scandinavia, Samsung followed with a number of campaigns in the Group's shopping centres: in Poland (Arkadia) with the Samsung Galaxy Studio, in France (Les Quatre Temps) for a demonstration of the Gear VR (virtual reality headset) and in the Czech Republic (Centrum Chodov) to promote Samsung's sport products.
- Dyson launched its first pop-up store in a shopping centre in France in Vélizy 2 in September 2016 and in three other shopping centres in the Nordics (Mall of Scandinavia, Täby Centrum and Fisketorvet).
- Nespresso led several road shows in the Group's shopping centres in the Czech Republic (Centrum Chodov and Cerny Most), Sweden (Täby Centrum) and France (in eight shopping centres). The Group also signed two Nespresso pop-up stores in the Czech Republic (Centrum Chodov) and Poland (Galeria Mokotow).
- Huawei organized a global campaign, including in four of the Group's shopping centres, to promote its P9 phone in Slovakia, the Czech Republic, Austria and Sweden.

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

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

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

Extension, renovation and brownfield projects

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

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

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

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

- Polygone Riviera, inaugurated on October 21, 2015, benefited from several major openings, including the first Primark of the French Riviera in March 2016, Tesla in June and FNAC in September. Polygone Rivera was granted the "*Prix d'excellence*" award from the CNCC (French council of shopping centres) and received strong customer recognition: the NPS[19]

[19] Net Promoter Score: an international customer loyalty metric measuring if a shopping centre engenders positive or negative recommendations. It was created in 2003 by a consultant of Bain & Company in collaboration with Satmetrix. The NPS measures the difference between the percentage of "promoters" and the percentage of "detractors" of a shopping centre. "Promoters" are defined as those answering 9 or 10 to the question "Based on a scale from 0 to 10, how likely are you to recommend this shopping centre to a colleague or friend? 0 means you would not recommend and 10 means you would definitely recommend." "Detractors" are defined as those

of the shopping centre stands at +30, compared to +22 for the Group, and has an average dwell time of 84 minutes.

- The performance of Mall of Scandinavia exceeded expectations: in only one year since its delivery on November 12, 2015, almost 14 million visits were recorded[20]. Mall of Scandinavia was named "2016 Best International Shopping Centre" by the Retail & Leisure International magazine in May 2016. The NPS of Mall of Scandinavia stands at +37.

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

Destinations and innovation

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

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

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

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

Marketing and digital

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

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

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

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answering 0 to 6. Scores of 7 and 8 are "Passives" and do not impact the calculation of the NPS. NPS can be as low as -100 and as high as +100. The NPS is calculated yearly in all Unibail-Rodamco's shopping centres, based on a survey at the exits of each shopping centre of approximately 500 visitors during a one-week period and led by Soft Computing, an independent institute.

[20] 13.2 million for the 12 months ended December 31, 2016.

In December 2016, the Group entered into an exclusive partnership in Continental Europe[21] with Niantic, Inc. and The Pokémon Company International. Up to 500 PokéStops and Gyms will be deployed in 58 shopping centres. It is the first time in EMEA[22] that shopping centres will unleash the Pokémon GO game, providing a completely new experience which embraces augmented reality.

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

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

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

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

In 2016:

- Smartphone app downloads grew by +20% to 4.2 million[23];
- Website visits[24] increased by +15% to 51.9 million[25];
- The number of loyalty card holders increased by +38% to reach more than 2.4 million.

Unibail-Rodamco's ambitious redesigning, retenanting and remarketing strategy continues to generate high levels of satisfaction for visitors. The average NPS[26] of the Group's shopping centres has risen further in 2016, with a score of +22 (+20 in 2015).

1.2. Net Rental Income

As at December 31, 2016, the Group owned 83 retail assets, of which 71 shopping centres. 56 of these host six million or more visits per annum and represent 97% of the Group's retail portfolio[27] in GMV.

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

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

Figures may not add up due to rounding.

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

- +€58.9 Mn from delivery of shopping centres or new units, mainly in Sweden (Mall of Scandinavia and Täby Centrum), in France (Polygone Riviera and Forum des Halles) and in Germany (Minto).
- +€19.1 Mn from changes in consolidation and acquisitions:
  - In Germany, Ruhr Park has been fully consolidated since July 24, 2015, following the acquisition of an additional stake and the related change of control;
  - Acquisition of additional units, mainly in France.
- -€5.7 Mn due to assets moved to the pipeline, mainly in Spain (projects Glòries and Bonaire) and The Netherlands (Mall of The Netherlands project).

[21] Exclusivity for all shopping centres in Continental Europe (excluding Russia) for seven months, and in the catchment area of the 58 Unibail-Rodamco shopping centres concerned for the following six months.
[22] EMEA: Europe, Middle East and Africa.
[23] Total growth, including German assets. Like-for-like growth vs. end 2015: +11%.
[24] Desktop and mobile visitors (FY-2015 MD&A displayed only desktop visitors).
[25] Total growth, including German assets. Like-for-like growth vs. end 2015: +4%.
[26] NPS is calculated yearly in all Unibail-Rodamco's shopping centres, based on a survey led during a one-week period by an independent institute, Soft Computing.
[27] On standing assets, including value of equity in the companies accounted for using the equity method.

- -€9.8 Mn due to disposals of assets, mainly in the Nordics (Nova Lund) and Central Europe (Europark).
- -€1.9 Mn due to a negative currency translation effect from SEK and a reallocation of units between retail and offices in Sweden.
- The like-for-like NRI[28] growth amounted to +€35.0 Mn, i.e. +3.4%, 310 bps above indexation. The growth was impacted by some security costs, mainly in France, not recharged to tenants.

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

Figures may not add up due to rounding.

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

(a) Other income net of expenses.

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

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

1.3. Contribution of affiliates

The total recurring Contribution of affiliates[29] for the shopping centre portfolio amounted to €66.7 Mn in 2016, compared to €79.1 Mn in 2015.

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

Figures may not add up due to rounding.

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

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

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

1.4. Leasing activity in 2016

The Group signed 1,479 leases in 2016 on consolidated standing assets (compared to 1,377 leases in 2015[30]) for €187.2 Mn of MGR. The average MGR uplift was +17.4% on renewals and relettings during 2016 (compared to +18.2% in 2015), exceeding the Group's targets for the year. The uplift in 2016 was the result of strong uplifts in

[28] Like-for-like NRI: Net Rental Income excluding acquisitions, divestments, transfers to and from pipeline (extensions, brownfields or redevelopment of an asset when operations are stopped to enable works), all other changes resulting in any change to square meters and currency exchange rate differences in the periods analysed.

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

[30] Including those signed for Ruhr Park which is now fully consolidated.

France and Austria, partially offset by the negative uplift in The Netherlands.

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

Figures may not add up due to rounding.

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

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

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

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	37.1	2.9%	36.6	2.9%
2017	220.4	17.2%	88.6	6.9%
2018	237.8	18.6%	83.0	6.5%
2019	271.7	21.2%	116.3	9.1%
2020	143.5	11.2%	127.7	10.0%
2021	123.9	9.7%	122.7	9.6%
2022	62.7	4.9%	132.4	10.3%
2023	42.1	3.3%	115.9	9.1%
2024	32.1	2.5%	78.5	6.1%
2025	33.0	2.6%	115.0	9.0%
2026	16.9	1.3%	84.1	6.6%
2027	9.1	0.7%	29.4	2.3%
Beyond	49.3	3.9%	149.2	11.7%
TOTAL	**1,279.6**	**100%**	**1,279.6**	**100%**

Figures may not add up due to rounding.

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

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

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

Excluding pipeline

Figures may not add up due to rounding.

The OCR[32] for the Group increased to 14.7% as at December 31, 2016, compared to 14.1% as at December 31, 2015, due to rental growth outpacing tenant sales growth during the period.

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

(1) Tenant sales not available in The Netherlands.

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

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

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

[32] Occupancy Cost Ratio: (rental charges + service charges including marketing costs for tenants, all including VAT) / (tenants' sales, including VAT). As tenant turnover is not known for all tenants for The Netherlands, no reliable OCR can be calculated for this country. Primark sales estimates have been taken into account.

Shopping Centres - December 31, 2016		Rent in € per sqm (a)	CAGR of NRI (b)
France	Max	853	10.4%
	Min	110	1.3%
	Weighted average	491	4.1%
Central Europe	Max	554	2.8%
	Min	188	2.2%
	Weighted average	389	2.6%
Nordic	Max	513	4.3%
	Min	100	1.1%
	Weighted average	356	3.5%
Spain	Max	785	4.1%
	Min	95	1.6%
	Weighted average	288	3.3%
Germany	Max	453	4.7%
	Min	244	2.3%
	Weighted average	303	3.4%
Austria	Max	382	3.0%
	Min	359	2.6%
	Weighted average	370	2.8%
Netherlands	Max	404	5.5%
	Min	113	n.m
	Weighted average	247	3.4%
Group	**Max**	**853**	**10.4%**
	Min	**95**	**n.m**
	Weighted average	**384**	**3.6%**

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

1.7. Investment and divestment

Unibail-Rodamco invested €933 Mn[33] in its shopping centre portfolio in 2016:

- New acquisitions amounted to €96 Mn, mainly in Forum des Halles, Rosny 2 and La Part Dieu.
- €615 Mn were invested in construction, extension and refurbishment projects. The Forum des Halles renovation project was delivered in April 2016. Significant progress was made on the Carré Sénart, Glòries, Centrum Chodov and Wroclavia projects (see also section “Development projects”).
- Maintenance Capex[34] amounted to €101 Mn[33] in 2016 vs. €71 Mn in 2015, €56 Mn in 2014 and €106 Mn in 2013.
- Financial, eviction and other costs were capitalised in 2016 for €9 Mn, €79 Mn and €33 Mn, respectively.

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

- In April 2016, Europark, a 26,159 m² shopping centre in Budapest, for a Total Acquisition Cost (TAC)[35] of €32 Mn, reflecting a price of €1,223/m²;
- In December 2016, the hypermarket of Sant Cugat in Barcelona for a TAC of €53 Mn, reflecting a price of €2,368/m².

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

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

1.8. Overview of German operations[36]

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

To provide a better understanding of the operational performance of the Group’s German assets in 2016, the following paragraph describes a number of key performance indicators[37] on a pro-forma and 100% basis:

- The total GMV of the German portfolio (fully or partly owned) amounted to €5.0 Bn as at December 31, 2016 (€4.8 Bn as at December 31, 2015);
- The Pipeline amounted to €1.2 Bn as at December 31, 2016, stable compared to December 31, 2015;
- The GLA managed amounted to 1.4 million m² and includes 0.8 million m² of owned assets;

[33] Total capitalised amount in asset value Group share.
[34] Maintenance Capex relates to works either on equipment or the structure of a standing asset. The primary purpose of Maintenance Capex is to ensure that the asset is in good working order and / or to make minor improvements. These investments can be triggered by obsolescence, maintaining technical performance at market levels or compliance with regulatory requirements. These amounts do not include Maintenance Capex spent as part of the TIC of extension and / or renovation projects and on which the Group’s standard Return On Investment (ROI) is expected.
[35] Total Acquisition Cost (TAC): the total amount a buyer shall pay to acquire an asset or a company. TAC equals the price agreed between the seller and the buyer plus all transfer taxes and transaction costs.
[36] Includes Office assets, representing 0.8% of total GMV-group share. Excludes Ring-Center.
[37] These operating data are for 100% of the assets for the years 2015 and 2016, and therefore cannot be reconciled with the Group’s financial statements and key performance indicators.

- NRI amounted to €200.3 Mn in 2016, an increase of +€9.6 Mn compared to 2015, mainly explained by the opening of Minto in March 2015 as well as the delivery of the Ruhr Park extension in November 2015;
- On a like-for-like basis, NRI is flat (with an indexation of +0.1%), mainly due to the bankruptcy of a department store and an increase in vacancy in CentrO (see below);
- 154 leases were signed in 2016 for standing assets (149 in 2015), with an average MGR uplift of +19.9%;
- EPRA vacancy rate as at December 31, 2016 was 4.9% compared to 3.0% as at December 31, 2015, mainly due to the increase in CentrO following the reallocation of certain tenants;
- OCR for tenants as at December 31, 2016 was 15.1%, compared to 14.7% as at December 31, 2015.

2. Offices

2.1 Office property market in 2016

Take-up

With 2.4 million m² of office space[38] let in 2016, the take-up in the Paris region was up by +6% over the same period last year.

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

The increase of take-up in La Défense is primarily due to the signing of several very large transactions: Deloitte's lease for 31,164 m² in the Majunga tower and Saint-Gobain's lease for 49,000 m² in the M2 tower in H1-2016, and RTE's lease for 45,000 m^2 in the Window building in H2-2016.

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

Transactions over 5,000 m² in the Paris region have also set a new record, with 65 transactions in 2016[39] (891,145 m², up +23% vs. 2015).

Rents

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

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

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

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

New supply

Supply in the Paris region was around 3.5 million m² as at December 31, 2016, down by -10% compared to December 31, 2015. The level of new or refurbished as new supply in the Paris region reached only 444,700 m², representing 12.5% of the immediate supply compared to an average of approximately 21% over the last ten years (722,060 m²). However, this is expected to change over the next three years due to the 1.0 million[39] m² currently under construction in the Paris region. This represents a +36% increase of new supply over the 2012-2015 period. The highest increase is expected in Paris CBD (+155%), whereas the supply of new offices in La Défense is expected to decrease by -5%.

As at December 31, 2016, the vacancy rate in the Paris region reached 6.8% (vs. 6.9% as at December 31, 2015 and 7.2% as at December 31, 2014). There continue to be major variances between geographic sectors. For example, the vacancy rate in the CBD stands at approximately 3.5%[39], while that of La Défense decreased to 8.2%[39] (vs. 10.8% as at December 31, 2015). In other sectors such as the Peri Défense and the Northern Rim, vacancy rates exceed 12%[39].

Investment market

The total volume of transactions in the Paris region closed during 2016 amounted to €16.4 Bn[40] (+3% vs. 2015). This volume was driven by transactions in the second half with €11.4 Bn recorded vs. €5.0 Bn during H1-2016.

46 large transactions (over €100 Mn per transaction) were recorded in 2016 compared to 56 in 2015. The largest were: 9 Place Vendôme for more than €1 Bn in Paris 1, Tour First in La Défense (approximately €750 Mn), Ecowest in Levallois (more than €700 Mn), Tour CBX in La Défense (approximately €350 Mn) and So Ouest in

[38] Source: Immostat, January 2017.
[39] Source: BNP Paribas Real Estate.
[40] Source: Cushman & Wakefield.

Levallois (€334 Mn). Like in 2015 with some exceptions, French domestic investors, primarily investment funds, insurance companies and SCPIs, drove the market in 2016.

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

2.2. Office division activity in 2016

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

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

Figures may not add up due to rounding.

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

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

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

Figures may not add up due to rounding.

83,439 weighted square meters (wm²) were leased in standing assets in 2016, including 67,196 wm² in France. The dynamic CBD leasing market and the enhancement works and repositioning of Capital 8 enabled the Group to lease more than 12.000 wm² on this asset. Demand for space in Capital 8 remains very strong.

Tenants' interest for new or refurbished areas remains high, especially in the CBD and in La Défense, as reflected in the Deloitte transaction (30,690 wm²) or more recently on the Village 3 building, fully let to Orange group just after delivery.

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

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

Figures may not add up due to rounding.

ERV of vacant office space in operation amounted to €25.7 Mn as at December 31, 2016, corresponding to a financial vacancy[41] of 13.1% on the total portfolio (14.4% as at year-end 2015), including €23.4 Mn and 13.4% (vs. 14.7% as at December 31, 2015) in France. This vacancy is mainly due to vacant space in Capital 8 (following the departure of GDF), Les Villages and Tour Ariane.

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

2.3. Investment and divestment

Unibail-Rodamco invested €121 Mn[42] in its offices portfolio in 2016:

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

On March 24, 2016, further to the purchase and sale agreement (*promesse de vente*) entered into in December 2015, Unibail-Rodamco disposed of the office building located at 2-8 rue Ancelle in Neuilly-sur-Seine to a joint-venture between ACM Vie SA and funds managed by Amundi Immobilier. The Net Disposal Price (NDP)[43] was €267.6 Mn.

On July 12 2016, further to the agreement (*promesse de vente*) entered into in February 2016, Unibail-Rodamco disposed of the So Ouest office building, located in Levallois, to an institutional investor. The NDP was €333.8 Mn (more than €10,000/m²), representing a Buyer's Net Initial Yield[44] below 4.5%.

In September, Unibail-Rodamco acquired Le Blériot, a 3,425 m² office building located in the Paris region.

On October 18, 2016, the Group disposed of the 70-80 Wilson office building located in La Défense. The NDP was €169.8 Mn, reflecting a TAC of €6,975/m².

On October 19, 2016, the Group disposed of the Nouvel Air office building located in Issy-les-Moulineaux. The NDP was €127.5 Mn, reflecting a TAC of €7,716/m²

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

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

[42] Total capitalised amount, Group share.
[43] Net Disposal Price (NDP): Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.
[44] Buyer's Net Initial Yield: annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the TAC.

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

3. Convention & Exhibition

The activity is exclusively located in France and consists of a real estate venues and services company (Viparis).

Viparis is owned jointly with the Chamber of Commerce and Industry of Paris Île-de-France (CCIR) and is fully consolidated by Unibail-Rodamco.

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

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

2016 has been characterized by the following shows:

Annual shows:
- The International Agriculture's show ("SIA") attracted 611,000 visitors. This year's show was impacted by the state of emergency and farmers protests;
- The 2016 edition of the "Foire de Paris" attracted 518,200 visitors, less than prior years due to an unfavourable calendar with less public holidays and to the impact of the terrorist threat.

Biennial shows:
- Eurosatory, the Land and Air-land Defense and Security Exhibition attracted 57,000 visitors and 1,572 exhibitors from 56 countries. It maintained its position as the leading international show in this sector and is the major event for new products and innovations;
- Salon Mondial de l'Automobile in Paris Expo Porte de Versailles was a good year in terms of orders despite a decrease in the number of visitors;
- SIAL, the European leader in food sector, was a success in October in Paris Nord Villepinte with 7,000 exhibitors out of which 85% were international.

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

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

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

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

Despite the challenging circumstances, Viparis' EBITDA[45] came to €152.1 Mn for 2016, an increase of +€16.8 Mn (+12.4%) vs. 2014, the latest comparable period. This increase resulted mainly from: (i) the resilience of the activity especially in congresses; (ii) the IBC for EURO 2016; (iii) the growth in the corporate events segment, with a +17.3% increase in turnover; and (iv) the negative impact from the increase in security costs post the November 13, 2015 terrorist attacks.

The first phase of renovation works (2015-2017) on the Porte de Versailles site continued with the construction of the new Welcome Plaza, travelators in the Central Alley, the Meshing facade of Pavilion 1 by Dominique Perrault, and the renewal of the 72,000 m² Pavilion 7, to create a new Parisian Convention Centre, including a 5,200-seat plenary room.

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

III. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

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

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

Unibail-Rodamco's global approach revolves around 4 pillars with ambitious and tangible objectives for each of them:

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

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

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

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

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

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

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

Unibail-Rodamco has committed, as of 2016 and for a period of five years, to a carbon offsetting program related to business travel (airplane and train) for all its employees. The Group has selected a joint program of reforestation and forest conservation in Peru, certified REDD+ since 2014 and registered in UNESCO as a biosphere reserve.
In parallel with this long-term plan, Unibail-Rodamco continues to implement its policy of energy efficiency and environmental certification of its portfolio in accordance with its ongoing commitments.

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

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

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

With 48 shopping centres certified as of December 31, 2016, 79% of the Group's standing shopping centre portfolio is now BREEAM In-Use certified[46], corresponding to over 2.6 million m² of GLA. 71% of certifications obtained reached an "Outstanding"[47] level for the "Building Management (part 2)", which is the highest certification profile for a portfolio in the retail Real Estate market.

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

The Group was again included in the main Environmental, Social and Governance indices in 2016 (FTSE4Good; STOXX® Global ESG[48] leaders; Euronext Vigeo: World 120, Eurozone 120, France 20) and is ranked among the top companies in the Real Estate sector.

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

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

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

IV. 2016 RESULTS

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

<u>*Other Income*</u> of €0.4 Mn in 2016 is related to dividends received from non-consolidated investments.

<u>*General expenses*</u> amounted to -€120.4 Mn in 2016, including -€119.0 Mn in recurring expenses (-107.7 Mn in 2015, of which -€106.1 Mn in recurring), an increase of +€12.7 Mn mainly due to the impact of: (i) less recharges to the pipeline due to deliveries of projects in 2015; (ii) higher staff costs, including some one-off charges; and (iii) increased IT spending to modernize and upgrade the Group's information systems. As a percentage of NRI from shopping centres and offices, recurring

[46] In terms of m² of GLA, as at December 31, 2016.
[47] BREEAM-In-Use "Building Management" score.
[48] Environmental / Social / Governance.

general expenses were 8.3% in 2016 (vs. 7.9% in 2015). As a percentage of GMV of shopping centres and offices, recurring expenses stood at 0.32% for the period ended on December 31, 2016, compared to 0.31% at the end of December 2015.

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

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

The Group's average cost of debt[49] decreased to 1.6% for 2016 (vs. 2.2% for 2015).
Unibail-Rodamco's financing policy is described in section "Financial Resources".

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

- -€212.6 Mn due to the marking-to-market of derivatives and the restructuring of hedges in H2-2016. Unibail-Rodamco recognises the change in value of caps and swaps directly in the income statement;
- -€74.3 Mn resulting mainly from the premium and costs paid on the partial buy back of outstanding bonds for a total nominal amount of €847 Mn in April and November 2016;
- +€37.0 Mn mark-to-market of the ORNANEs issued in 2012, 2014 and 2015;
- +€5.3 Mn of debt discounting and other minor items;
- +€4.2 Mn of currency impact mainly resulting from the revaluation of bank accounts and debt issued in foreign currencies. The offsetting cost of the cross currency swap was recorded in the mark-to-market of derivatives as these transactions were fully hedged.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies[50] do not exist and from activities in France not eligible for the SIIC regime, mainly in the Convention & Exhibition business.

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

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

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

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

- €1,114.2 Mn of recurring net result (+8.1% compared to 2015) as a result of strong NRI growth and lower interest expenses and taxes, partially offset by the impact of disposals made in 2015 and in 2016;
- €1,294.8 Mn of non-recurring result[51] (compared to €1,303.6 Mn in 2015).

The average number of shares and ORAs[52] outstanding during 2016 was 99,160,738, compared to 98,496,508 in 2015. The increase is mainly due to stock options exercised in 2015 and 2016 (impact of +601,885 on the average number of shares in 2016 vs. 2015) and to the issuance of performance shares in 2015 and 2016 (impact of +31,604).

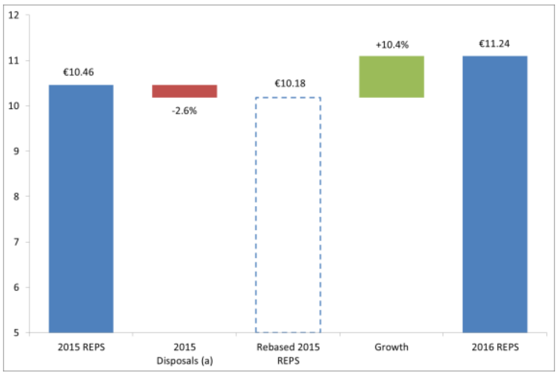
[49] Average cost of debt = Recurring financial expenses (excluding the ones on financial leases and the ones related to partners' current accounts) + capitalized financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact) / average net debt over the period.
[50] In France: SIIC (Société d'Investissements Immobiliers Cotée).

[51] Include valuation movements, disposals, mark-to-market and termination costs of financial instruments, including bond tender premiums, impairment of goodwill or reversal of negative goodwill and other non-recurring items.
[52] It has been assumed here that the ORAs have a 100% equity component.

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

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

The evolution of the Recurring EPS (REPS) 2016



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

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

V. Post-Closing Events

None.

VI. Dividend[53]

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

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

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

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

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

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

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

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

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

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

VII. OUTLOOK

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

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

For the medium term, the Group reiterates it expects to grow its recurring earnings per share at a compound annual growth rate of between +6% and +8%. This medium-term outlook is derived from the Group's annual 5-year business plan exercise and results in annual growth rates which vary from year to year.

The key inputs in the Group's business plan, which is built on an asset by asset basis and based on current economic conditions, are assumptions on indexation, which recently has consistently been below market expectations, rental uplifts, disposals, timely delivery of pipeline projects, cost of debt and taxation. Variations in these assumptions will also cause growth rates to vary from one plan to the next. The 5-year business plan does not assume acquisitions.

Development Projects as at December 31, 2016

As at December 31, 2016, Unibail-Rodamco's consolidated development project pipeline amounted to €8.0 Bn (€7.3 Bn in Group share), corresponding to a total of 1.6 Mn m² Gross Lettable Area (GLA), to be re-developed or added to the Group's standing assets. The Group retains significant flexibility on its consolidated development portfolio (70% of the total investment cost[54]).

1. Development project portfolio evolution

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

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

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

The Group's pipeline as at December 31, 2016 also includes the Benidorm project, for a Total Investment Cost (TIC)[55] of €207 Mn, following the acquisition by the Group of an additional stake in the project and the associated change in control. The project company has been fully consolidated since June 24, 2016.

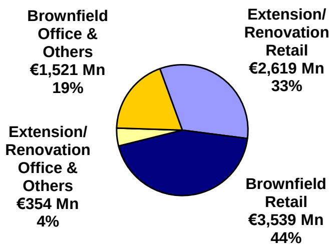
2. Development projects overview

The estimated TIC of the consolidated development pipeline[56] as at December 31, 2016 amounts to €8.0 Bn (€7.4 Bn as of December 31, 2015). This amount does not include the projects under development by companies accounted for using the equity method[57], which amount to circa €0.2 Bn (Group share), nor projects under consideration or for which the Group is in competition.

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

The pipeline categories are as follows:

Consolidated development pipeline by category[58]



The €6.2 Bn retail pipeline is split between brownfield projects, which represent 57%, and extensions and renovations, which make up the remaining 43%. The

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

[55] Total Investment Cost (TIC): the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, technical fees, tenant fit-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) tenants' lease incentives and opening marketing expenses. It does not include capitalized interest and internal costs capitalized.

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

[57] Mainly the development of a new shopping centre located in Central Europe and the renovation of the Gropius Passagen shopping centre.

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

Group currently expects to add 1.2 million m² of GLA, representing an increase of ca. 33% of the Group's existing retail GLA.

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

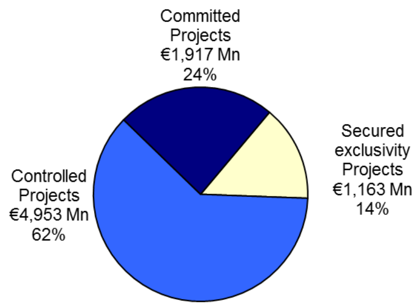
3. A secured and flexible development pipeline

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

In € Bn	Dec. 2016	Dec. 2015
"Committed[59]" projects	1.9	1.4
"Controlled[60]" projects	5.0	5.2
"Secured Exclusivity[61]" projects	1.2	0.8
Consolidated Total Investment Cost	**8.0**	**7.4**

Figures may not add up due to rounding.

Consolidated development pipeline by phase[58]



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

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

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

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

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

4. Changes in development pipeline projects in 2016

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

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

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

5. Delivered projects in 2016

Two retail projects were delivered in 2016:

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

The average yield on cost[62] of the retail projects delivered in 2016 is 8.6%.

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

[59] "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.
[60] "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.
[61] "Secured exclusivity" projects: projects for which Unibail-Rodamco has the exclusivity but where negotiations for building rights or project definition are still underway.

[62] Annualized expected rents net of expenses divided by the TIC.

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

6. Deliveries expected in the next 12 months

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

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

The average preletting of the projects to be delivered by December 2017 stands at 79%[63].

7. Projects overview

See table next page.

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

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

[63] GLA signed, all agreed to be signed and financials agreed.

DEVELOPMENT PROJECTS – December 31, 2016

Consolidated Development projects [1]	Business	Country	City	Type	Total Complex GLA (m²)	GLA U-R scope of 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
WROCLAVIA [6]	Shopping Centre	Poland	Wrocław	Greenfield / Brownfield	79,466 m²	79,466 m²	141	239	H2 2017		Fair value
CHODOV EXTENSION	Shopping Centre	Czech Rep.	Prague	Extension / Renovation	41,817 m²	41,817 m²	100	168	H2 2017		Fair value
CARRE SENART EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	31,448 m²	31,448 m²	142	238	H2 2017		Fair value
PARLY 2 EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	7,670 m²	7,670 m²	70	123	H2 2017		Fair value
GLORIES EXTENSION-RENOVATION	Shopping Centre	Spain	Barcelona	Extension / Renovation	10,690 m²	10,690 m²	70	123	H2 2017		Fair value
VERSAILLES CHANTIERS	Office & others	France	Paris region	Greenfield / Brownfield	16,130 m²	16,130 m²	12	54	H2 2018		At cost
ISSY GUYNEMER	Office & others	France	Paris region	Redevelopment / Refurbishment	44,859 m²	44,859 m²	8	150	H1 2019		Fair value
MALL OF THE NETHERLANDS [7]	Shopping Centre	Netherlands	The Hague region	Extension / Renovation	83,512 m²	83,512 m²	221	505	H1 2019		At cost
TRINITY	Office & others	France	Paris	Greenfield / Brownfield	48,929 m²	48,929 m²	118	317	H1 2019		At cost
Committed Projects					**364,521 m²**	**364,521 m²**	**884**	**1,917**		**7.7%**	
VILLENEUVE 2 RENOVATION	Shopping Centre	France	Lille region	Extension / Renovation	0 m²	0 m²	1	9	H2 2018		At cost
PARLY 2 CINEMA	Shopping Centre	France	Paris region	Extension / Renovation	3,040 m²	3,040 m²	5	22	H2 2018		At cost
VELIZY 2 LEISURE EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	18,977 m²	18,977 m²	3	111	H1 2019		At cost
AUPARK EXTENSION	Shopping Centre	Slovakia	Bratislava	Extension / Renovation	7,612 m²	7,612 m²	0	14	H1 2019		At cost
VAL TOLOSA	Shopping Centre	France	Toulouse	Greenfield / Brownfield	97,936 m²	65,308 m²	46	281	H2 2019		At cost
GAITE MONTPARNASSE RETAIL	Shopping Centre	France	Paris	Redevelopment / Refurbishment	27,151 m²	27,151 m²	16	146	H1 2020		At cost
GAITE MONTPARNASSE OFFICES [8]	Office & others	France	Paris	Redevelopment / Refurbishment	61,125 m²	61,125 m²	7	204	H1 2020		At cost
BENIDORM	Shopping Centre	Spain	Benidorm	Greenfield / Brownfield	57,185 m²	57,185 m²	78	207	H1 2020		At cost
VELIZY 2 RETAIL EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	17,644 m²	17,644 m²	0	179	H2 2021		At cost
ÜBERSEEQUARTIER	Shopping Centre	Germany	Hamburg	Greenfield / Brownfield	209,566 m²	209,566 m²	21	1,007	H2 2021		At cost
MAQUINEXT	Shopping Centre	Spain	Barcelona	Extension / Renovation	37,616 m²	37,616 m²	64	169	H2 2021		At cost
PHARE - "SISTERS" PROJECT	Office & others	France	Paris region	Greenfield / Brownfield	89,427 m²	89,427 m²	60	629	Post 2021		At cost
TRIANGLE	Office & others	France	Paris	Greenfield / Brownfield	85,140 m²	85,140 m²	11	522	Post 2021		At cost
NEO	Shopping Centre	Belgium	Brussels	Greenfield / Brownfield	126,333 m²	126,333 m²	10	566	Post 2021		At cost
BUBNY	Shopping Centre	Czech Rep.	Prague	Greenfield / Brownfield	55,114 m²	55,114 m²	23	218	Post 2021		At cost
OTHERS [9]					187,517 m²	187,517 m²	124	670			
Controlled Projects					**1,081,383 m²**	**1,048,755 m²**	**470**	**4,953**		**8% target**	
CARRE SENART ADD'L EXT.	Shopping Centre	France	Paris region	Extension / Renovation	3,406 m²	3,406 m²	1	20	H2 2018		At cost
GARBERA EXTENSION	Shopping Centre	Spain	San Sebastián	Extension / Renovation	19,883 m²	19,883 m²	0	108	H1 2020		At cost
LA PART DIEU EXTENSION	Shopping Centre	France	Lyon	Extension / Renovation	27,970 m²	27,970 m²	5	311	H1 2020		At cost
3 PAYS	Shopping Centre	France	Hésingue	Greenfield / Brownfield	85,720 m²	85,720 m²	2	397	H1 2021		At cost
SCS WEST EXTENSION	Shopping Centre	Austria	Vienna	Extension / Renovation	7,047 m²	7,047 m²	0	65	H1 2021		At cost
OTHERS					53,129 m²	53,129 m²	12	262			
Secured Exclusivity Projects					**197,154 m²**	**197,154 m²**	**20**	**1,163**		**8% target**	
U-R Total Pipeline					**1,643,058 m²**	**1,610,430 m²**	**1,373**	**8,033**		**8% target**	
					Of which additionnal area	1,397,079 m²					
					Of which redevelopped area	213,351 m²					

Development projects accounted 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]
GROPIUS	Shopping Centre	Germany	Berlin	Extension / Renovation	471 m²	471 m²	7	18	H2 2019	
Committed Projects					**471 m²**	**471 m²**	**7**	**18**		**8% target**
OTHERS [10]					104,672 m²	52,336 m²	5	171		
Controlled Projects					**104,672 m²**	**52,336 m²**	**5**	**171**		**8% target**
U-R Total Pipeline - Projects under equity method					**105,143 m²**	**52,807 m²**	**12**	**189**		**8% target**

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

NET ASSET VALUE AS AT DECEMBER 31, 2016

Unibail-Rodamco's EPRA triple Net Asset Value (NNNAV)[64] amounted to €183.70 per share as at December 31, 2016, an increase of +8.1%, or +€13.80, from €169.90 at December 31, 2015. This increase of +€13.80 is the result of: (i) the value creation of €27.75 per share representing the sum of: (a) the revaluation of property and intangible assets and capital gain on disposals of €17.78 per share, (b) the 2016 Recurring Earnings Per Share of €11.24, (c) the accretive effect of the instruments giving access to Group's shares of €0.07 per share, (d) foreign exchange difference and other items for -€1.31 per share, and (e) the change of transfer taxes and deferred tax adjustments of -€0.03 per share; (ii) the impact of the payment of a total dividend of -€9.70 per share in March and July 2016; and (iii) the negative impact of the mark-to-market of debt and financial instruments of -€4.25 per share.

The going concern NAV[65] (GMV based), measuring the fair value on a long term, ongoing basis, came to €201.50 per share as at December 31, 2016, up by +7.9%, or +€14.80, compared to €186.70 as at December 31, 2015.

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

1. PROPERTY PORTFOLIO

Investment volumes in European commercial real estate[66] amounted to €224.9 Bn in 2016, representing a decrease of -7% vs. the same period in 2015, which recorded a number of large portfolio transactions. Excluding the United Kingdom, volumes increased by +8%. Retail investment volumes accounted for 25% of total volumes, of which shopping centres represented 41%.

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

Unibail-Rodamco's shopping centre portfolio GMV increased by +6.3% in 2016 on a like-for-like basis or +€1,625 Mn. The growth in retail GMV was driven by yield compression (+3.8%) and a rental effect (+2.5%). Malls attracting six million or more visits per annum, which represent 97% of the Group's shopping centre portfolio[67], experienced a like-for-like growth in GMV of +6.5%, while malls with ten million or more visits grew +7.9% on a like-for-like basis. The value of the Group's Spanish mall portfolio experienced the highest increase in 2016 with +12.5% on a like-for-like basis, of which +9.7% was driven by yield compression supported by benchmark transactions in the country. The 2016 like-for-like GMV growth of the Central European and German shopping centres was +8.7% and +7.9%, respectively.

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

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

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

[64] EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV per share less the estimated transfer taxes and capital gain taxes.
[65] Going Concern NAV: the amount of equity per share needed to replicate the Group's portfolio with its current financial structure.
[66] Source: JLL.
[67] In term of GMV as at December 31, 2016, including values of shares in assets accounted for using the equity method.

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

Figures may not add up due to rounding.

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

The valuations take into account the negative cash flows related to rents paid on concessions or leaseholds, which are accounted for as financial debt in the consolidated balance sheet.
The portfolio does not include financial assets such as the €400 Mn of cash and cash equivalents on the Group's balance sheet as at December 31, 2016.
(b) Excluding currency effect, investment properties under construction, assets accounted for using the equity method and changes in the scope (including acquisitions, disposals and deliveries of new projects) during 2016. Changes in scope consist mainly of:
- Acquisitions of retail units in Les Quatre Temps, Forum des Halles, Leidsenhage for the Mall of The Netherlands project;
- Acquisition of an office asset: Le Blériot in Rueil-Malmaison (France);
- Disposals of retail assets: Europark, Plaisir and Sant Cugat;
- Disposals of office assets: 2-8 Ancelle, Würzburg, 70-80 Wilson, Nouvel Air, So Ouest and Zoetelaarpassage in Almere;
- Impact of the change in consolidation method of Benidorm in 2016 (from equity to full consolidation method).

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

Appraisers

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

JLL and Cushman & Wakefield appraise the retail and office properties of the Group. The valuation process has a centralized approach, intended to ensure that, on the Group's international portfolio, pan-European capital market views are taken into account. Unibail-Rodamco has allocated properties across the two appraisers by region for comparison and benchmarking purposes. France, being the largest region, is assessed by both firms. PwC assesses Convention & Exhibition venues as well as the services activities. Assets are appraised twice a year (in June and December), except service companies, which are appraised once a year.
Appraisal methods used by appraisers are compliant with international standards and guidelines as defined by RICS (Royal Institution of Chartered Surveyors), IVSC (International Valuation Standards Council) and FSIF (Fédération des Sociétés Immobilières et Foncières).

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

Figures may not add up due to rounding.

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

Valuation methodology

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

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

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

Valuation scope

As at December 31, 2016, 97% of Unibail-Rodamco's portfolio was appraised by independent appraisers.

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

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

IPUC were valued using a discounted cash flow or yield method approach (in accordance with RICS and IVSC standards[68]) as deemed appropriate by the independent appraiser. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

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

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

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

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

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

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

1.1. Shopping Centre portfolio

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

Evolution of Unibail-Rodamco's shopping centre portfolio valuation

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

Valuation 31/12/2015 (€ Mn)	**30,129**	
Like-for-like revaluation	1,625	
Revaluation of non like-for-like assets	333	(a)
Revaluation of shares	174	(b)
Capex / Acquisitions	1,081	(c)
Disposals	- 74	(d)
Constant Currency Effect	- 186	(e)
Valuation 31/12/2016 (€ Mn)	**33,082**	

Figures may not add up due to rounding.
(a) Non like-for-like assets include IPUC valued at cost or at fair value, and projects such as the Parly 2, Carré Sénart, Centrum Chodov and Glòries extension and renovation projects, and the Wroclavia brownfield project.
(b) Revaluation of the shares in companies holding the assets accounted for using the equity method.
(c) Includes the impact of the change in consolidation method of Benidorm in 2016 (from equity method to full consolidation).
(d) Value as at 31/12/2015.
(e) Currency impact of -€186 Mn mainly in the Nordics, before offsets from foreign currency loans and hedging programs.

Based on an asset value excluding estimated transfer taxes and transaction costs, the shopping centre division's net initial yield as at December 31, 2016, decreased to 4.4% from 4.6% as at December 31, 2015.

Shopping Centre portfolio by region - December 31, 2016	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (a) Dec. 31, 2016	Net inital yield (a) Dec. 31, 2015
France (b)	14,807	14,250	4.1%	4.3%
Central Europe (c)	4,385	4,347	4.9%	5.2%
Nordic	3,490	3,412	4.4%	4.6%
Spain	3,556	3,483	4.8%	5.1%
Germany	2,908	2,790	4.5%	4.8%
Austria	2,356	2,344	4.3%	4.5%
Netherlands	1,579	1,500	5.0%	5.0%
Total (d)	**33,082**	**32,126**	**4.4%**	**4.6%**

Figures may not add up due to rounding.
(a) Annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or held by companies accounted for using the equity method are not included in the calculation.
(b) The effect of including key money in the region's net rental income would increase the net initial yield to 4.2% as at December 31, 2016.
(c) Ring-Center is included in the Central Europe region.
(d) Valuation amounts in € include the Group's share equity investments in assets accounted for using the equity method.

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

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

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

Sensitivity

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

Sensitivity to net initial yield change

Like-for-like analysis

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

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

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

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

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

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

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

Since December 31, 2011, the increase in the quality of the Group's shopping centres has resulted in a +42.9% increase in value[69] per square meter to €8,719 as of December 31, 2016, from €6,102 as of December 31, 2011. On a like-for-like basis[70], the net revaluation amounted to +34.7% of which +19.1% is due to the rent effect and +15.6% is due to yield compression.

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[69] Gross Market Value per m² of the Group's standing shopping centres, excluding assets consolidated under the equity method.
[70] Analysis made on a constant like-for-like standing perimeter from December 31, 2011 to December 31, 2016 (assets owned by the Group as of December 31, 2011 through December 31, 2016).

1.2. Office portfolio

Evolution of Unibail-Rodamco's office portfolio valuation

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

Valuation 31/12/2015 (€ Mn)	4,512	
Like-for-like revaluation	240	
Revaluation of non like-for-like assets	40	(a)
Revaluation of shares	8	(b)
Capex/ Acquisitions	105	
Disposals	- 846	(c)
Constant Currency Effect	- 13	(d)
Valuation 31/12/2016 (€ Mn)	**4,045**	

Figures may not add up due to rounding.
(a) Non like-for-like assets including investment properties under construction or refurbishment valued at cost or at fair value, including assets such as Issy Guynemer impacted by a project as at December 31, 2016 and projects delivered during 2016 such as Les Villages 3 and 4.
(b) Revaluation of the shares in Zlote Tarasy offices (Lumen and Skylight) accounted for using the equity method.
(c) Value as at 31/12/2015.
(d) Currency impact of -€13 Mn in the Nordics, before offsets from foreign currency loans and hedging programs.

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

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

Figures may not add up due to rounding.

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

Valuation of occupied office space - December 31, 2016	Valuation including transfer taxes in € Mn (a) (b)	Valuation excluding estimated transfer taxes in € Mn (b)	Net inital yield (c) Dec. 31, 2016	Net inital yield (c) Dec. 31, 2015
France	2,801	2,716	5.7%	5.9%
Nordic	168	163	7.5%	7.0%
Central Europe (b)	145	145	8.5%	8.6%
Germany	33	32	5.5%	5.9%
Austria	36	35	6.7%	6.7%
Netherlands	3	3	17.3%	8.1%
Total	**3,185**	**3,094**	**5.8%**	**6.0%**

Figures may not add up due to rounding.
(a) Valuation of occupied office space as at December 31, 2016, based on the appraiser's allocation of value between occupied / vacant space.
(b) Central Europe valuation includes the Group share equity investments in Zlote Tarasy offices (Lumen and Skylight), held by companies accounted for using the equity method.
(c) Annualized contracted rents (including latest indexation) and other income net of expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs. Zlote Tarasy offices (Lumen and Skylight), held by companies accounted for using the equity method, and the 7 Adenauer office building (occupied by Unibail-Rodamco) are not included in this calculation.

Sensitivity

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

Like-for-like analysis

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

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

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2015 to December 31, 2016. Does not include assets accounted for using the equity method.
(b) Yield impact calculated using the change in potential yields (to neutralize changes in vacancy rates).

French Office portfolio

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

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

Figures may not add up due to rounding.

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

Valuation of French occupied office space - December 31, 2016	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn	Net inital yield Dec. 31, 2016 (b)	Average price €/m² (c)
La Défense	1,626	1,569	6.4%	7,445
Levallois-Issy	467	458	4.9%	8,977
Paris CBD and others	708	688	4.2%	13,127
Total	**2,801**	**2,716**	**5.7%**	**8,416**

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

1.3. Convention & Exhibition portfolio

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

Valuation methodology

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

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

Evolution of the Convention & Exhibition valuation

The value of Convention & Exhibition centres and hotels, including transfer taxes and transaction costs, grew to €2,970 Mn[71] as at December 31, 2016:

Valuation 31/12/2015 (€ Mn)		**2,726**	(a)
Like-for-like revaluation		118	
Revaluation of non like-for-like assets	-	33	
Capex / Acquisitions		159	
Valuation 31/12/2016 (€ Mn)		**2,970**	(b)

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

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

Convention & Exhibition - Like-for-Like change net of investment	Full year 2016		
		€ Mn	%
Viparis and others (a)		156	6.4%
Hotels	-	39	-15.4%
Total		**118**	**4.4%**

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

Based on these valuations, the average EBITDA yield (recurring earnings before interest, tax, depreciation and amortization divided by the value of assets, excluding estimated transfer taxes and transaction costs) of Viparis' consolidated venues as at December 31, 2016 decreased by -96 basis points from December 31, 2015 to 5.4%.

1.4. Services

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

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

1.5. Group share figures for the property portfolio

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

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

Asset portfolio valuation - December 31, 2015	€ Mn	%	€ Mn	%
Shopping centres	30,129	80%	26,240	80%
Offices	4,512	12%	4,480	14%
Convention & Exhibition	2,726	7%	1,592	5%
Services	387	1%	312	1%
Total	**37,755**	**100%**	**32,624**	**100%**

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

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

Net Initial Yield	Dec. 31, 2016	Dec. 31, 2015	Dec. 31, 2016	Dec. 31, 2015
Shopping centres (a)	4.4%	4.6%	4.4%	4.6%
Offices - occupied space (b)	5.8%	6.0%	5.9%	6.0%

Figures may not add up due to rounding.
(a) Annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or held by companies accounted for using the equity method are not included in the calculation.
(b) Annualized contracted rents (including latest indexation) and other income net of expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs. In Central Europe, Zlote Tarasy offices (Lumen and Skylight), held by companies accounted for using the equity method, and the 7 Adenauer office building (occupied by Unibail-Rodamco) are not included in this calculation.

1.6. Additional Valuation parameters - IFRS 13

Unibail-Rodamco complies with the IFRS 13 fair value measurement and the position paper[72] on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

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

Shopping Centres

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

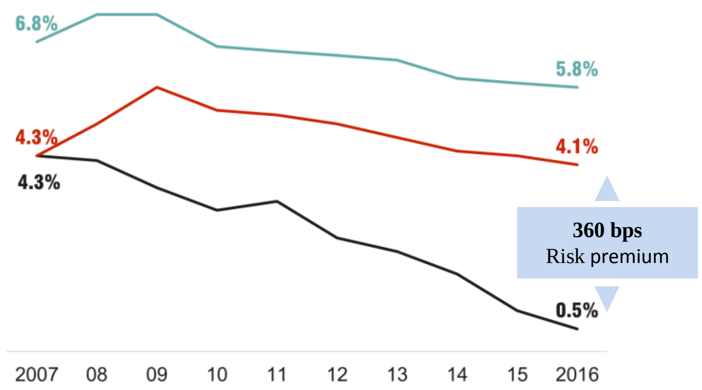
Shopping Centres - December 31, 2016		Net initial yield	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
France	Max	7.5%	853	13.0%	9.5%	10.4%
	Min	3.5%	110	5.3%	3.7%	1.3%
	Weighted average	4.1%	491	5.8%	4.2%	4.1%
Central Europe	Max	6.6%	554	7.9%	7.5%	2.8%
	Min	4.7%	188	6.5%	4.7%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

Net initial yield, discount rate and exit yield weighted by GMV.
(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 capitalize 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).

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

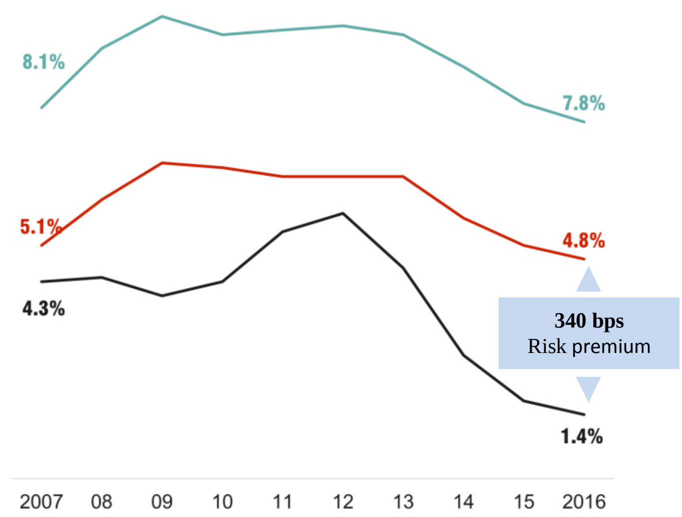
[72] EPRA Position Paper on IFRS 13 - Fair value measurement and illustrative disclosures, February 2013.

France



Appraisers’ Discount Rate (weighted average)
Unibail-Rodamco Shopping Centre NIY (weighted average)
French 10-yr government bond yield (1-year average)

Spain



Appraisers’ Discount Rate (weighted average)
Unibail-Rodamco Shopping Centre NIY (weighted average)
Spanish 10-yr government bond yield (1-year average)

Offices

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

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

Net initial yield, discount rate and exit yield weighted by GMV. Central Europe region only encompasses one asset (excluding shares in Zlote Tarasy offices, Lumen and Skylight) and is therefore not displayed. Vacant assets, assets considered at bid value and assets under restructuring are not included in this table.
(a) Average annual rent (minimum guaranteed rent) per asset per m². The computation takes into account the areas allocated to company restaurants.
(b) Rate used to calculate the net present value of future cash flows.
(c) Rate used to capitalize 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 Asset Value (NNNAV) is calculated by adding to the consolidated shareholders' equity (Owners of the parent), as shown on the consolidated statement of financial position (under IFRS), several items as described hereafter.

2.1. Consolidated shareholders' equity

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

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

2.2. Impact of rights giving access to share capital

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

The debt component of the ORAs[73], recognized in the financial statements was added to shareholders' equity for the calculation of the NNNAV. At the same time, all ORAs were treated as shares of common stock.

In accordance with IFRS, financial instruments and the ORNANEs[74] were recorded on Unibail-Rodamco's statement of financial position at their fair value with the impact of the change in fair value included in the income statement and thus in the consolidated shareholders' equity.

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

The ORNANEs issued in 2014 and 2015 were not restated for the NNNAV calculation as they are "out of the money" as at December 31, 2016, and therefore had no impact on the number of shares.

The exercise of "in the money" stock-options and performance shares with the performance conditions fulfilled as at December 31, 2016, would have led to a rise in the number of shares by +1,127,974, generating an increase in shareholders' equity of +€191 Mn.

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

2.3. Unrealized capital gains on intangible and operating assets

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

2.4. Adjustment of capital gains deferred taxes

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at December 31, 2016.
For the purpose of the EPRA NAV calculation, deferred taxes on unrealized capital gains on assets not qualifying for tax exemption (€1,676 Mn) were added back. Goodwill booked on the balance sheet as a result of deferred taxes was accordingly excluded from the NAV for a total amount of €264 Mn.

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

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

In accordance with IFRS, derivatives and ORNANEs were recorded on Unibail-Rodamco's statement of financial position at their fair value.
The fair value adjustment (€253 Mn, excluding exchange rate hedging according to EPRA recommendation) was added back for the EPRA NAV calculation and then deducted for the EPRA NNNAV calculation.

The value of the fixed-rate debt on the balance sheet of the Group is equal to the nominal value for the ex-Unibail debt and the fair value of the ex-Rodamco debt at combination date (December 31, 2007). Taking fixed rate debt at its fair value would have had a negative impact of -€655 Mn. This impact was taken into account in the EPRA NNNAV calculation.

2.6. Restatement of transfer taxes and transaction costs

Transfer taxes and transaction costs are estimated after taking into account the disposal scenario minimizing these costs: sale of the asset or of the company that owns it, provided the anticipated method is achievable (which notably depends on the net book value of the asset). This

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

estimation is carried out on a case-by-case basis on each individual asset, according to the local tax regime.

As at December 31, 2016, these estimated transfer taxes and other transaction costs compared to transfer taxes and costs already deducted from asset values on the statement of financial position (in accordance with IFRS) came to a positive net adjustment of €505 Mn.

2.7. EPRA Triple Net Asset Value

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

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

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

3. GOING CONCERN NET ASSET VALUE

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

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

This increase was the sum of: (i) the value creation of +€28.75 per share, (ii) the impact of the dividend paid in March and July 2016 of -€9.70, and (iii) the negative impact of the -€4.25 mark-to-market of the fixed-rate debt and derivatives.

The following tables show the calculation presented in compliance with EPRA best practices recommendations. A bridge from December 31, 2015 to December 31, 2016 is also presented.

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

% of change over 6 months		**5.1%**		**2.6%**		**5.3%**
% of change over 1 year		**12.4%**		**7.9%**		**8.1%**

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

Going Concern NAV calculation (All figures are Group share, in €Mn)	December 31, 2015		June 30, 2016		December 31, 2016	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
EPRA NNNAV	16,903		17,338		18,472	
Effective deferred capital gain taxes	670		688		792	
Estimated transfer taxes	1,000		1,035		998	
GOING CONCERN NAV	**18,573**	**186.70 €**	**19,062**	**191.80 €**	**20,263**	**201.50 €**

% of change over 6 months		**5.2%**		**2.7%**		**5.1%**
% of change over 1 year		**12.3%**		**8.1%**		**7.9%**

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

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

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

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

Against this backdrop, Unibail-Rodamco raised €3,686 Mn of medium to long-term funds in the bond and bank markets while maintaining its financial ratios at healthy levels. As at December 31, 2016:
- The Interest Coverage Ratio (ICR) was 5.9x (versus 4.6x in 2015),
- The Loan to Value (LTV) ratio had decreased to 33% (versus 35% as at December 31, 2015).

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

1. Debt structure as at December 31, 2016

Unibail-Rodamco's consolidated nominal financial debt as at December 31, 2016 increased to €13,819 Mn[75] from €13,600 Mn as at December 31, 2015.

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

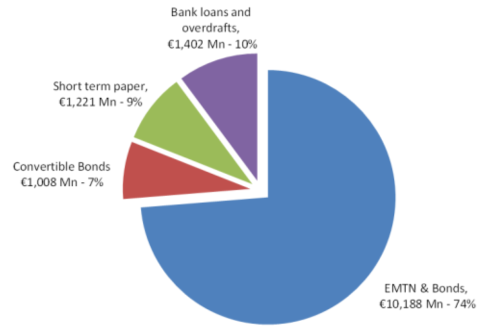
1.1. Debt breakdown

Unibail-Rodamco's nominal financial debt as at December 31, 2016, breaks down as follows[76]:

- €10,188 Mn in bonds under its Euro Medium Term Notes (EMTN) program;
- €1,008 Mn in ORNANE;
- €1,221 Mn in commercial paper (*billets de trésorerie*) and BMTN paper[77];
- €1,402 Mn in bank loans and overdrafts, including €350 Mn in unsecured corporate loans, €1,048 Mn in mortgage loans and €4 Mn in bank overdrafts.

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

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



1.2. Funds Raised

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

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

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

- The signing of €1,450 Mn medium- to long-term bank loan and credit facilities with an average maturity of 5.2 years and an average margin[79] of 30 bps. This amount includes the refinancing of a mortgage loan in Poland and of a corporate loan in France for a total amount of €400 Mn.

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

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

Certain of these lines (€325 Mn) were signed with new banks, allowing the Group to further diversify its financing sources.
In addition to the €1,450 Mn of bank loans raised, Unibail-Rodamco extended existing bilateral and syndicated lines for a total of €2,325 Mn by an additional year.

- Four public EMTN bonds were issued in March, April and November 2016, respectively, for a total amount of € 2,000 Mn with the following features:
  - ✓ €500 Mn with a 10-year maturity and a coupon of 1.375%,
  - ✓ €500 Mn with a 20-year maturity and a coupon of 2.0%,
  - ✓ €500 Mn with an 11-year maturity and a coupon 1.125%,
  - ✓ €500 Mn with an 8-year and 3 month maturity and a coupon of 0.875%.

- The issue of three private placements under Unibail-Rodamco's EMTN program for a total equivalent amount of €236 Mn:
  - ✓ A SEK 1,500 Mn fixed rate private placement swapped to floating with a 5-year maturity kept in local currency to refinance a Swedish asset,
  - ✓ A €20 Mn, 11-year private placement,
  - ✓ An HKD 500 Mn, corresponding to ca. €61 Mn, 10-year private placement with an Asian investor that was swapped back into Euro.

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

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

The Group also completed two tender offers:

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

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

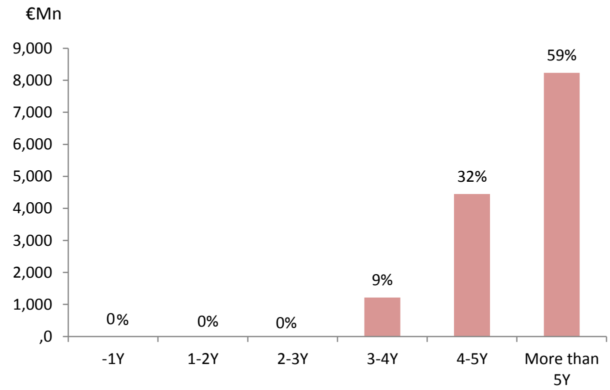
The Group also put in place a "US Commercial Paper" (USCP) program in H1-2016. The average outstanding amount was $105 Mn over the period the USCP program was used.

The average amount of commercial paper, USCP, and BMTN outstanding in 2016 was equivalent to €1,252 Mn (€1,192 Mn on average in 2015) with a remaining maturity of up to 17 months. *Billets de trésorerie* were raised in 2016 at an average margin of 8 bps above Eonia[80].

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

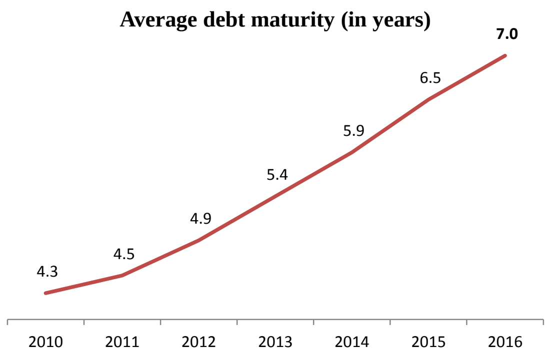
1.3. Debt maturity

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



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

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



[80] The average Eonia rate in 2016 was -0.320%.

Liquidity needs

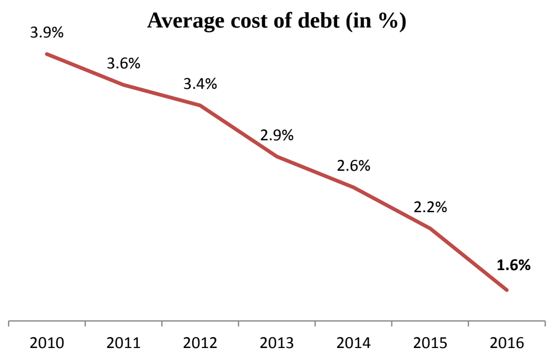
Unibail-Rodamco’s debt repayment needs[81] for the next twelve months are covered by the available undrawn credit lines. The amount of bonds and bank loans outstanding as at December 31, 2016, and maturing or amortising in 2017 is €799 Mn (including a total of €688 Mn of bonds maturing in June, November and December 2017) compared with €5,995 Mn of undrawn committed credit lines and €400 Mn of cash on-hand as at December 31, 2016.

1.4. Average cost of Debt

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

This record low average cost of debt results from:

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



2. Ratings

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

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

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

3. Market risk management

Market risks can generate losses resulting from fluctuations in interest rates, exchange rates, raw material prices and share prices. As at December 31, 2016, Unibail-Rodamco's risks mainly relate to interest rate fluctuations on the loans it has taken out to finance its investments and maintain the cash position it requires, and exchange rate fluctuations due to the Group’s activities in countries outside the Euro-zone.

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

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

Due to its use of derivatives the Group is exposed to potential counterparty defaults. The counterparty risk is the risk of replacing the derivative transactions at current market rates in the case of default. The Group implemented IFRS 13 for the mark-to-market calculations of its derivative transactions.

3.1. Interest rate risk management

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

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

The other bonds issued by the Group in 2016 were swapped into floating in view of its hedging position.

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

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

In view of this market context and the Group’s hedging position, Unibail Rodamco restructured part of its hedging position to (i) be protected

[81] Excluding Commercial Papers and BMTN maturing in 2017 and amounting to €1,159 Mn.

through caps in the short-term, and (ii) extend the maturity of its long-term hedges. To achieve this objective, Unibail-Rodamco proceeded with the following operations in H2-2016:

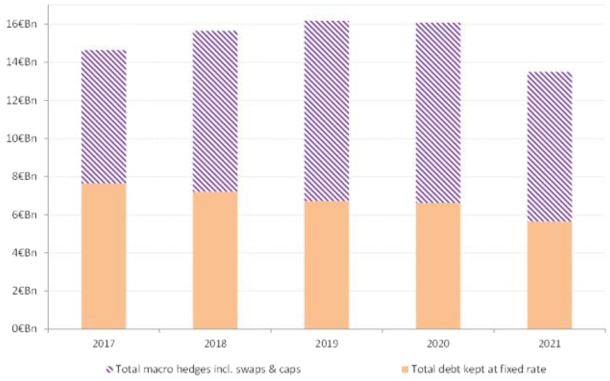
- The restructuring of existing swaps for €2.5 Bn to extend the hedging by 3 to 5 years up to 2024[82];
- The implementation of a total of €3 Bn of new forward swaps and caps over 2017 and up to 2020, taking advantage of rate levels over these maturities;
- Cancellation of €1 Bn of swaps to offset the fixed rate debt added by the debt issued and kept at a fixed rate.

Following these restructurings:

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

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

Annual projection of average hedging amounts and fixed rate debt up to 2021 (€ Mn – as at December 31, 2016)



The graph above shows:

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

[82] Excluding options on swaps for another two years.

Unibail-Rodamco in general does not classify its financial hedging instruments as a cash flow hedge. As a result, any fair value changes in these instruments are recognized in the Group's income statement.
A cash flow hedge accounting policy according to IFRS was only applied for its derivative instrument on Täby Centrum loan raised in DKK and swapped into SEK. This instrument was redeemed in H2-2016.

Measuring interest rate exposure

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

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

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

Based on the estimated average debt position of Unibail-Rodamco in 2017, if interest rates (Euribor, Stibor or Pribor) were to rise by an average of +0.5%[83] (50 bps) during 2017, the estimated impact on financial expenses would be -€4.5 Mn, reducing the 2017 recurring net profit by a broadly similar amount. A further rise of +0.5% (50 bps) would reduce financial expenses by +€3.8 Mn. In total, a +1.0% (100 bps) increase in interest rates during 2017 would have a net negative impact on the financial expenses of less than -€1 Mn. A -0.5% (50 bps) drop in interest rates (leading to negative interest rates) would reduce the financial expenses by +€31.2 Mn and would increase the 2017 recurring net profit by a broadly equivalent amount.

3.2. Management of other risks

The Group has activities and investments in countries outside the euro zone (e.g., the Czech Republic, Poland and Sweden). When converted into euros, the income and value of the Group's net investment may be influenced by fluctuations in exchange rates against the euro. Wherever possible, the Group aims to match foreign currency income with expenses in the same currency, reducing the exchange effects on earnings volatility and net valuation of the investment. Translation risks can

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

be hedged by either matching cash investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management-driven goal. Currency risk during the building period of pipeline investments is covered as early as possible after signing of the actual building contract. Other monetary assets and liabilities held in currencies other than the euro are managed by ensuring that net exposure is kept to an acceptable level by buying or selling foreign currencies at spot or forward rates where necessary to address short term balances.

The Group, through its activities, is exposed to market risks which can generate losses as a result of fluctuations in stock markets. The Group is either (i) directly exposed to fluctuations in stock prices due to the ownership of participations or financial instruments, or, (ii) indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share based derivatives which are directly correlated with the price of the asset underlying such derivatives.

Measure of the exposure to other risks (€Mn)

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

The main exposure kept is in Swedish Krona:

- A change of 10% in the EUR/SEK exchange rate (i.e. a 10% increase of EUR compared to SEK) would have a -€167.5 Mn negative impact on shareholders' equity;
- The sensitivity of the 2017[84] recurring result to a 10% change in the EUR/SEK exchange rate is limited to -€10 Mn;
- The SEK 1,750 Mn credit line, signed in April 2012 and maturing in December 2019, is undrawn as at December 31, 2016.

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

4. Financial structure

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

Debt ratio

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

Interest coverage ratio

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

Financial ratios	Dec. 31, 2016	Dec. 31, 2015
LTV[85]	33%	35%
ICR[86]	5.9x	4.6x

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

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

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

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

[86] Interest Cover Ratio (ICR) = Recurring EBITDA / Recurring Net Financial Expenses (including capitalised interest); Recurring EBITDA is calculated as total recurring operating results and other income less general expenses, excluding depreciation and amortisation.

EPRA PERFORMANCE MEASURES

In compliance with the EPRA[87] best practices recommendations[88], Unibail-Rodamco summarises below the Key Performance Measures over 2016.

1. EPRA earnings

EPRA earnings are defined as "recurring earnings from core operational activities", and are equal to the Group's definition of recurring earnings.

		2016	2015
EPRA Earnings	€ Mn	1,114.2	1,030.4
EPRA Earnings / share	€ / share	11.24	10.46
Growth EPRA Earnings / share	%	7.5%	-4.2%

Bridge between Earnings per IFRS Income Statement and EPRA Earnings:

	2016	2015
Earnings per IFRS income statement (Group share)	**2,409.0**	**2,334.0**
Adjustments to calculate EPRA Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	2,005.8	1,818.8
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	96.2	84.7
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0.0	0.0
(iv) Tax on profits or losses on disposals	-2.0	-14.9
(v) Negative goodwill / goodwill impairment	0.0	0.0
(vi) Changes in fair value of financial instruments and associated close-out costs	-240.4	-362.1
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-1.3	-1.6
(viii) Deferred tax in respect of EPRA adjustments	-270.1	-248.6
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	-62.4	177.9
(x) Non-controlling interests in respect of the above	-231.0	-150.6
EPRA Earnings	**1,114.2**	**1,030.4**
Average number of shares and ORA	99,160,738	98,496,508
EPRA Earnings per Share (EPS)	**11.24 €**	**10.46 €**
EPRA Earnings per Share growth	**7.5%**	**-4.2%**

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

2. EPRA Net Asset Value and EPRA NNNAV

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

		Dec. 31, 2016	Dec. 31, 2015
EPRA NAV	€ / share	195.60	178.80
EPRA NNNAV	€ / share	183.70	169.90
% change over 1 year	%	8.1%	12.4%

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:

	Dec. 31, 2016		Dec. 31, 2015	
	Retail (3)	Offices (3)	Retail (3)	Offices (3)
Unibail-Rodamco yields	**4.4%**	**5.8%**	**4.6%**	**6.0%**
Effect of vacant units	0.0%	-1.0%	0.0%	-1.2%
Effect of EPRA adjustments on NRI	0.1%	0.0%	0.1%	0.0%
Effect of estimated transfer taxes and transaction costs	-0.1%	-0.2%	-0.1%	-0.1%
EPRA topped-up yields (1)	**4.3%**	**4.7%**	**4.5%**	**4.7%**
Effect of lease incentives	-0.2%	-2.1%	-0.2%	-1.2%
EPRA Net Initial Yields (2)	**4.2%**	**2.6%**	**4.3%**	**3.5%**

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 accounted for under the equity method are not included in the calculation.

4. EPRA Vacancy rate

The EPRA vacancy rate is defined as the Estimated Rental Value (ERV) of vacant spaces divided by the ERV of total space (let plus vacant).

	Dec. 31, 2016	Dec. 31, 2015
Retail		
France	2.8%	2.8%
Central Europe	0.1%	0.9%
Spain	1.0%	1.1%
Nordic	3.3%	3.8%
Austria	1.2%	1.6%
Germany	2.2%	3.0%
Netherlands	6.0%	3.9%
Total Retail	**2.3%**	**2.5%**
Offices		
France	13.4%	14.7%
Total Offices	**13.1%**	**14.4%**

5. EPRA Cost ratios

EPRA references		2016	2015
	Include:		
(i-1)	General expenses	-119.0	-106.2
(i-2)	Development expenses	-5.9	-4.5
(i-3)	Operating expenses	-109.3	-99.9
(ii)	Net service charge costs/fees	-29.2	-29.1
(iii)	Management fees less actual/estimated profit element	0.0	0.0
(iv)	Other operating income/recharges intended to cover overhead expenses	0.0	0.0
(v)	Share of Joint Ventures expenses	-14.7	-14.3
	Exclude (if part of the above):		
(vi)	Investment Property Depreciation	0.0	0.0
(vii)	Ground rents costs	0.0	0.0
(viii)	Service charge costs recovered through rents but not separately invoiced	21.8	28.8
	EPRA Costs (including direct vacancy costs) (A)	**-256.3**	**-225.3**
(ix)	Direct vacancy costs	-29.2	-29.1
	EPRA Costs (excluding direct vacancy costs) (B)	**-227.1**	**-196.2**
(x)	Gross Rental Income (GRI) less ground rents	1,577.8	1,490.6
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	-21.8	-28.8
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	111.2	121.4
	Gross Rental Income (C)	**1,667.1**	**1,583.1**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**15.4%**	**14.2%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**13.6%**	**12.4%**

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

6. Capital expenditure

in € Mn	2016		2015	
	100%	Group Share	100%	Group Share
Acquisitions (1)	146.7	98.6	137.7	127.6
Development (2)	367.2	356.7	507.8	422.2
Like-for-like portfolio (3)	663.9	541.1	513.9	407.7
Other (4)	175.0	139.7	172.6	137.6
Total Capital Expenditure	**1,352.7**	**1,136.1**	**1,332.1**	**1,095.1**

Notes:
1) In 2016, includes mainly the acquisitions of plots related to the Forum des Halles, Rosny 2, La Part Dieu and Vélizy 2. In 2015, includes mainly the acquisitions of land and assets related to the Mall of The Netherlands project, Amstelveen and Parquesur.
2) In 2016, includes the capital expenditures related to investments in the Carré Sénart and Centrum Chodov extension projects and to the Trinity, Uberseequartier and Wroclavia new development projects.
3) In 2016, includes mainly the capital expenditures related to Viparis Porte de Versailles, Donau Zentrum, Forum des Halles, Glòries, Bonaire and Shopping City Süd.
4) Includes eviction costs and tenant incentives, capitalised interest relating to projects referenced above, letting fees and other capitalised expenses of €84.3 Mn, €12.5 Mn, €29.0 Mn and €13.9 Mn in 2016, respectively (amounts in Group share).

7. LTV reconciliation with B/S

€ Mn	31/12/2016	31/12/2015
Amounts accounted for in B/S	**39,078.1**	**36,515.9**
Investment properties at fair value	35,426.9	33,001.8
Investment properties at cost	954.0	708.2
Other tangible assets	219.8	216.3
Goodwill	539.9	542.8
Intangible assets	229.4	242.1
Shares and investments in companies under the equity method	1,708.2	1,536.0
Properties or shares held for sale	0.0	268.8
Adjustments	**1,416.9**	**1,239.0**
Transfer taxes	1,804.9	1,642.8
Goodwill	-397.5	-400.4
Revaluation intangible and operating assets	441.7	418.3
IFRS restatements, including	-432.1	-421.7
Financial leases	*-361.6*	*-364.3*
Other	*-70.5*	*-57.3*
Total assets, including Transfer Taxes (=A)	**40,495.1**	**37,754.9**
Total assets, excluding Transfer Taxes (=B)	**38,690.2**	**36,112.1**
Amounts accounted for in B/S		
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,049.4	1,087.8
Long-term bonds and borrowings	12,223.7	11,522.9
Current borrowings and amounts due to credit institutions	2,005.6	2,447.7
Total financial liabilities	**15,278.7**	**15,058.3**
Adjustments		
Mark-to-market of debt	-41.8	-79.1
Current accounts with non-controlling interests	-1,274.3	-1,227.0
Impacts of derivatives instruments on debt raised in foreign currency	-99.5	-99.9
Accrued interests / issue fees	-44.0	-52.0
Total financial liabilities (nominal value)	**13,819.1**	**13,600.3**
Cash & cash equivalents	-400.1	-342.6
Net financial debt (=C)	**13,418.9**	**13,257.7**

LTV ratio including Transfer Taxes (=C/A)	**33%**	**35%**
LTV ratio excluding Transfer Taxes (=C/B)	**35%**	**37%**

FINANCIAL STATEMENTS WITH ENTITIES UNDER JOINT CONTROL CONSOLIDATED UNDER PROPORTIONAL METHOD

For Information Only – Not reviewed by auditors

Consolidated Income Statement by segment (€ Mn)			2016 Published	Joint Control	Total 2016	2015 Published	Joint Control	Total 2015
			Recurring activities	Recurring activities	Recurring activities	Recurring activities	Recurring activities	Recurring activities
SHOPPING CENTRES	FRANCE	Gross rental income	651.2	8.9	660.1	606.4	8.9	615.3
		Operating expenses & net service charges	(70.7)	(0.7)	(71.4)	(57.3)	(0.5)	(57.8)
		Net rental income	**580.5**	**8.2**	**588.7**	**549.1**	**8.4**	**557.5**
		Contribution of affiliates	7.0	(7.0)	-	9.0	(9.0)	(0.0)
		Result Shopping Centres France	**587.5**	**1.2**	**588.7**	**558.1**	**(0.7)**	**557.5**
	CENTRAL EUROPE	Gross rental income	159.6	0.3	159.9	153.6	0.4	154.0
		Operating expenses & net service charges	(3.4)	(0.0)	(3.4)	(5.4)	(0.0)	(5.4)
		Net rental income	**156.2**	**0.3**	**156.5**	**148.2**	**0.4**	**148.6**
		Contribution of affiliates	30.7	(0.1)	30.7	36.0	(0.2)	35.8
		Result Shopping Centres Central Europe	**186.9**	**0.2**	**187.1**	**184.2**	**0.2**	**184.4**
	SPAIN	Gross rental income	163.3	0.3	163.6	164.0	0.4	164.4
		Operating expenses & net service charges	(17.3)	(0.1)	(17.4)	(16.5)	(0.1)	(16.7)
		Net rental income	**146.0**	**0.2**	**146.2**	**147.5**	**0.3**	**147.7**
		Contribution of affiliates	0.5	(0.5)	-	1.1	(1.1)	0.0
		Result Shopping Centres Spain	**146.5**	**(0.3)**	**146.2**	**148.6**	**(0.8)**	**147.7**
	NORDIC	Gross rental income	158.4	-	158.4	126.4	-	126.4
		Operating expenses & net service charges	(18.5)	-	(18.5)	(20.4)	-	(20.4)
		Net rental income	**139.9**	**-**	**139.9**	**106.1**	**-**	**106.1**
		Result Shopping Centres Nordic	**139.9**	**-**	**139.9**	**106.1**	**-**	**106.1**
	AUSTRIA	Gross rental income	102.1	-	102.1	99.7	-	99.7
		Operating expenses & net service charges	(3.5)	-	(3.5)	(7.6)	-	(7.6)
		Net rental income	**98.6**	**-**	**98.6**	**92.1**	**-**	**92.1**
		Result Shopping Centres Austria	**98.6**	**-**	**98.6**	**92.1**	**-**	**92.1**
	GERMANY	Gross rental income	96.6	46.3	142.9	73.2	52.3	125.4
		Operating expenses & net service charges	(6.7)	(3.5)	(10.2)	(6.1)	(3.5)	(9.6)
		Net rental income	**89.9**	**42.8**	**132.7**	**67.1**	**48.8**	**115.9**
		Contribution of affiliates	28.5	(27.3)	1.2	32.9	(31.3)	1.6
		Result Shopping Centres Germany	**118.4**	**15.5**	**133.9**	**100.0**	**17.5**	**117.5**
	THE NETHERLANDS	Gross rental income	73.3	-	73.3	76.2	-	76.2
		Operating expenses & net service charges	(11.8)	-	(11.8)	(9.2)	-	(9.2)
		Net rental income	**61.5**	**-**	**61.5**	**67.0**	**-**	**67.0**
		Result Shopping Centres The Netherlands	**61.5**	**-**	**61.5**	**67.0**	**-**	**67.0**
		TOTAL RESULT SHOPPING CENTRES	**1,339.4**	**16.6**	**1,356.0**	**1,256.1**	**16.2**	**1,272.3**
OFFICES	FRANCE	Gross rental income	140.9	-	140.9	156.7	-	156.7
		Operating expenses & net service charges	(5.2)	-	(5.2)	(5.3)	-	(5.3)
		Net rental income	**135.7**	**-**	**135.7**	**151.4**	**-**	**151.4**
		Result Offices France	**135.7**	**-**	**135.7**	**151.4**	**-**	**151.4**
	OTHER COUNTRIES	Gross rental income	21.7	-	21.7	22.7	-	22.7
		Operating expenses & net service charges	(4.1)	-	(4.1)	(3.7)	-	(3.7)
		Net rental income	**17.6**	**-**	**17.6**	**19.0**	**-**	**19.0**
		Result Offices other countries	**17.6**	**-**	**17.6**	**19.0**	**-**	**19.0**
		TOTAL RESULT OFFICES	**153.3**	**-**	**153.3**	**170.4**	**-**	**170.4**
CONVENTION & EXHIBITION	FRANCE	Gross rental income	186.0	2.7	188.7	188.0	2.6	190.6
		Operating expenses & net service charges	(96.4)	(1.8)	(98.2)	(96.8)	(2.0)	(98.8)
		Net rental income	**89.6**	**0.9**	**90.5**	**91.2**	**0.6**	**91.8**
		Contribution of affiliates	0.7	(0.7)	-	0.5	(0.5)	-
		On site property services	**61.8**	**-**	**61.8**	**51.4**	**-**	**51.4**
		Hotels net rental income	**13.0**	**-**	**13.0**	**14.2**	**-**	**14.2**
		Exhibitions organising	**-**	**-**	**-**	**8.0**	**-**	**8.0**
		Valuation movements, depreciation, capital gains	(11.4)	-	(11.4)	(11.1)	-	(11.1)
		TOTAL RESULT CONVENTION & EXHIBITION	**153.6**	**0.3**	**153.9**	**154.1**	**0.1**	**154.2**
		Other property services net operating result	35.8	(1.4)	34.4	33.4	(1.6)	31.8
		Other net income	0.4	-	0.4	-	-	-
TOTAL OPERATING RESULT AND OTHER INCOME			**1,682.5**	**15.5**	**1,698.0**	**1,614.0**	**14.7**	**1,628.7**
		General expenses	(119.0)	(1.5)	(120.6)	(106.1)	(2.6)	(108.7)
		Development expenses	(5.9)	(0.8)	(6.7)	(4.5)	(0.0)	(4.6)
		Financing result	(254.9)	(13.0)	(267.9)	(299.5)	(13.6)	(313.1)
RESULT BEFORE TAX			**1,302.7**	**0.2**	**1,302.9**	**1,203.9**	**(1.6)**	**1,202.3**
		Income tax expenses	(11.1)	(0.2)	(11.3)	(24.8)	1.6	(23.2)
NET RESULT FOR THE PERIOD			**1,291.6**	**0.0**	**1,291.6**	**1,179.1**	**(0.0)**	**1,179.1**
		Non-controlling interests	177.4	-	177.4	148.7	-	148.7
NET RESULT - OWNERS OF THE PARENT			**1,114.2**	**0.0**	**1,114.2**	**1,030.4**	**(0.0)**	**1,030.4**
Average number of shares and ORA			99,160,738		99,160,738	98,496,508		98,496,508
RECURRING EARNINGS PER SHARE (€)			**11.24**		**11.24**	**10.46**		**10.46**
RECURRING EARNINGS PER SHARE GROWTH			**7.5%**		**7.5%**	**-4.2%**		**-4.2%**

Note: The columns "Joint control" reflect the impact of proportional consolidation instead of the equity method required by IFRS 11 of the following jointly controlled assets: CentrO, Rosny 2, Paunsdorf and Palais des Sports.

CONSOLIDATED INCOME STATEMENT **Presented under IFRS format** (€Mn)	**2016 Published**	**Joint control**	**Total 2016**	**2015 Published**	**Joint control**	**Total 2015**
Gross rental income	1,770.3	58.5	1,828.8	1,685.0	64.5	1,749.5
Ground rents paid	(17.4)	(2.0)	(19.4)	(17.5)	(2.2)	(19.7)
Net service charge expenses	(29.2)	(4.0)	(33.2)	(29.1)	(3.8)	(32.9)
Property operating expenses	(195.2)	(0.0)	(195.2)	(185.6)	(0.1)	(185.7)
Net rental income	**1,528.5**	**52.5**	**1,581.0**	**1,452.8**	**58.4**	**1,511.2**
Corporate expenses	(116.8)	(1.5)	(118.3)	(104.0)	(2.6)	(106.6)
Development expenses	(5.9)	(0.8)	(6.7)	(4.5)	(0.0)	(4.5)
Depreciation of other tangible assets	(2.2)	-	(2.2)	(2.2)	-	(2.2)
Administrative expenses	**(124.9)**	**(2.3)**	**(127.2)**	**(110.7)**	**(2.6)**	**(113.3)**
Acquisition and related costs	**(1.3)**	**(0.0)**	**(1.3)**	**(1.6)**	**(0.0)**	**(1.6)**
Revenues from other activities	261.3	-	261.3	293.4	-	293.4
Other expenses	(175.1)	(1.4)	(176.5)	(219.7)	(1.6)	(221.3)
Net other income	**86.2**	**(1.4)**	**84.8**	**73.7**	**(1.6)**	**72.1**
Proceeds from disposal of investment properties	973.9	0.6	974.5	342.4	-	342.4
Carrying value of investment properties sold	(882.7)	-	(882.7)	(341.0)	-	(341.0)
Result on disposal of investment properties	**91.2**	**0.6**	**91.8**	**1.4**	**-**	**1.4**
Proceeds from disposal of shares	25.9	-	25.9	114.4	-	114.4
Carrying value of disposed shares	(20.9)	-	(20.9)	(100.7)	-	(100.7)
Result on disposal of shares	**5.0**	**-**	**5.0**	**13.7**	**-**	**13.7**
Valuation gains on assets	2,244.0	37.9	2,281.9	2,137.4	106.5	2,243.9
Valuation losses on assets	(238.2)	(17.0)	(255.2)	(318.6)	(4.3)	(322.9)
Valuation movements on assets	**2,005.8**	**20.9**	**2,026.7**	**1,818.8**	**102.2**	**1,921.0**
Impairment of goodwill/Negative goodwill	**-**	**-**	**-**	**-**	**-**	**-**
NET OPERATING RESULT BEFORE FINANCING COST	**3,590.5**	**70.2**	**3,660.7**	**3,248.2**	**156.3**	**3,404.5**
Result from non-consolidated companies	0.4	(0.0)	0.4	-	0.0	0.0
Financial income	*88.8*	-	*88.8*	*86.3*	-	*86.3*
Financial expenses	*(343.7)*	*(13.0)*	*(356.7)*	*(385.8)*	*(13.6)*	*(399.4)*
Net financing costs	(254.9)	(13.0)	(267.9)	(299.5)	(13.6)	(313.1)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	37.0	-	37.0	(183.4)	-	(183.4)
Fair value adjustments of derivatives and debt	(276.8)	1.5	(275.3)	(178.0)	3.8	(174.2)
Debt discounting	(0.6)	-	(0.6)	(0.7)	-	(0.7)
Profit on disposal of associates	-	-	-	69.6	-	69.6
Share of the result of companies under the equity method	(13.3)	(55.5)	(68.8)	243.3	(119.9)	123.4
Income on financial assets	18.3	(1.6)	16.7	22.1	(2.0)	20.1
RESULT BEFORE TAX	**3,100.6**	**1.7**	**3,102.3**	**2,921.6**	**24.7**	**2,946.2**
Income tax expenses	(283.2)	(1.7)	(284.9)	(288.3)	(24.7)	(313.0)
NET RESULT FOR THE PERIOD	**2,817.4**	**(0.0)**	**2,817.4**	**2,633.3**	**0.0**	**2,633.3**
Non-controlling interests	408.4	-	408.4	299.3	-	299.3
NET RESULT (Owners of the parent)	**2,409.0**	**(0.0)**	**2,409.0**	**2,334.0**	**0.0**	**2,334.0**

Note: The columns "Joint control" reflect the impact of proportional consolidation instead of the equity method required by IFRS 11 of the following jointly controlled assets: CentrO, Rosny 2, Paunsdorf and Palais des Sports.

Consolidated Statement of financial position (€ Mn)	31/12/2016 Published	Joint control	31/12/2016	31/12/2015 Published	Joint control	31/12/2015
NON CURRENT ASSETS	**39,509.3**	**502.6**	**40,011.9**	**36,634.2**	**506.9**	**37,141.0**
Investment properties	**36,380.9**	**1,239.8**	**37,620.6**	**33,710.0**	**1,215.9**	**34,925.9**
Investment properties at fair value	*35,426.9*	*1,230.7*	*36,657.6*	*33,001.8*	*1,198.0*	*34,199.8*
Investment properties at cost	*954.0*	*9.0*	*963.0*	*708.2*	*17.9*	*726.1*
Other tangible assets	219.8	0.2	219.9	216.3	0.2	216.5
Goodwill	539.9	90.5	630.4	542.8	90.5	633.3
Intangible assets	229.4	0.0	229.4	242.1	0.0	242.1
Loans and receivables	113.3	0.1	113.3	41.1	0.1	41.2
Financial assets	25.1	-	25.1	17.1	-	17.1
Deferred tax assets	24.0	25.5	49.5	31.6	26.3	57.9
Derivatives at fair value	268.8	-	268.8	297.2	-	297.2
Shares and investments in companies under the equity method	1,708.2	(853.4)	854.8	1,536.0	(826.1)	709.9
CURRENT ASSETS	**1,235.8**	**51.5**	**1,287.2**	**1,475.7**	**38.9**	**1,514.6**
Properties or shares held for sale	**-**	**-**	**-**	**268.8**	**-**	**268.8**
Trade receivables from activity	**369.0**	**16.3**	**385.3**	**393.6**	**5.3**	**399.0**
Other trade receivables	**466.6**	**11.0**	**477.7**	**470.6**	**11.5**	**482.1**
Tax receivables	217.7	1.1	218.8	159.6	1.3	160.9
Other receivables	136.4	8.2	144.6	218.3	7.5	225.8
Prepaid expenses	112.5	1.7	114.2	92.7	2.7	95.4
Cash and cash equivalents	**400.1**	**24.1**	**424.2**	**342.6**	**22.1**	**364.7**
Available for sale investments	38.2	2.3	40.5	98.4	2.3	100.7
Cash	362.0	21.8	383.8	244.2	19.8	264.0
TOTAL ASSETS	**40,745.0**	**554.1**	**41,299.1**	**38,109.8**	**545.8**	**38,655.6**
Shareholders' equity (Owners of the parent)	**17,465.3**	**-**	**17,465.3**	**16,042.1**	**-**	**16,042.1**
Share capital	497.0	-	497.0	493.5	-	493.5
Additional paid-in capital	6,402.3	-	6,402.3	6,310.2	-	6,310.2
Bonds redeemable for shares	1.2	-	1.2	1.2	-	1.2
Consolidated reserves	8,349.3	-	8,349.3	6,967.3	-	6,967.3
Hedging and foreign currency translation reserves	(193.4)	-	(193.4)	(64.1)	-	(64.1)
Consolidated result	2,409.0	-	2,409.0	2,334.0	-	2,334.0
Non-controlling interests	**3,554.4**	**-**	**3,554.4**	**3,196.5**	**-**	**3,196.5**
TOTAL SHAREHOLDERS' EQUITY	**21,019.7**	**-**	**21,019.7**	**19,238.6**	**-**	**19,238.6**
NON CURRENT LIABILITIES	**16,209.9**	**518.6**	**16,728.5**	**15,127.8**	**521.8**	**15,649.6**
Long-term commitment to purchase non-controlling interests	40.9	-	40.9	45.4	-	45.4
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,049.4	-	1,049.4	1,087.8	-	1,087.8
Long-term bonds and borrowings	12,223.7	392.9	12,616.6	11,522.9	397.8	11,920.7
Long-term financial leases	355.4	-	355.4	361.4	-	361.4
Derivatives at fair value	327.9	0.0	327.9	263.9	0.0	263.9
Deferred tax liabilities	1,690.2	122.7	1,812.9	1,465.6	121.3	1,586.9
Long-term provisions	33.6	0.5	34.1	35.3	0.2	35.5
Employee benefits	9.2	-	9.2	8.7	-	8.7
Guarantee deposits	208.1	2.5	210.6	201.4	2.5	203.9
Tax liabilities	0.1	-	0.1	0.0	-	0.0
Amounts due on investments	271.4	-	271.4	135.4	-	135.4
CURRENT LIABILITIES	**3,515.4**	**35.5**	**3,551.0**	**3,743.4**	**24.0**	**3,767.4**
Amounts due to suppliers and other current debt	**1,314.3**	**30.5**	**1,344.7**	**1,117.8**	**20.2**	**1,138.0**
Amounts due to suppliers	150.4	12.3	162.7	162.2	9.9	172.1
Amounts due on investments	326.5	0.1	326.6	415.0	0.0	415.0
Sundry creditors	625.0	15.9	641.0	337.7	8.1	345.8
Other liabilities	212.3	2.1	214.5	202.9	2.2	205.1
Current borrowings and amounts due to credit institutions	**2,005.6**	**2.7**	**2,008.3**	**2,447.7**	**0.9**	**2,448.6**
Current financial leases	**6.1**	**-**	**6.1**	**6.0**	**-**	**6.0**
Tax and social security liabilities	**179.1**	**2.4**	**181.5**	**153.8**	**2.8**	**156.6**
Short-term provisions	**10.3**	**-**	**10.3**	**18.1**	**0.1**	**18.2**
TOTAL LIABILITIES AND EQUITY	**40,745.0**	**554.1**	**41,299.1**	**38,109.8**	**545.8**	**38,655.6**

Note: The columns "Joint control" reflect the impact of proportional consolidation instead of the equity method required by IFRS 11 of the following jointly controlled assets: CentrO, Rosny 2, Paunsdorf and Palais des Sports.

Average cost of debt: recurring financial expenses (excluding the ones on financial leases and the ones related to partners' current accounts) + capitalized financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact) / average net debt over the period.

Buyer's Net Initial Yield: annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the TAC.

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

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

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

EPRA: European Public Real estate Association.

EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV less the estimated transfer taxes and deferred capital gain taxes.

EPRA NIY: annualized rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the Gross Market Value of the portfolio. For a reconciliation of Unibail-Rodamco's NIY with the EPRA net initial yield definitions, refer to the EPRA Performance Measures (Item 3).

EPRA topped-up yield: EPRA Net Initial Yield adjusted in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent periods and step rents).

EPRA vacancy rate: Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.

4 Star label: the "4 Star label" for a shopping centre is based on a 684 point quality referential and audited by SGS, the world leader in service certification.

Going Concern Net Asset Value (NAV): the amount of equity needed to replicate the Group's portfolio with its current financial structure.

Interest Cover Ratio (ICR): Recurring EBITDA / Recurring Net Financial Expenses (including capitalised interest); Recurring EBITDA is calculated as total recurring operating results and other income less general expenses, excluding depreciation and amortisation.

International Premium Retailer (IPR): retailer with strong and international brand recognition, and a differentiating store design and product approach, which the Group believes will increase the appeal of the shopping centres.

IVSC: International Valuation Standards Council.

Large malls: standing shopping centres with more than six million visits per annum.

Like-for-like NRI: Net Rental Income excluding acquisitions, divestments, transfers to and from pipeline (extensions, brownfields or redevelopment of an asset when operations are stopped to enable works), all other changes resulting in any change to the square meters and currency exchange rate differences in the periods analysed.

Loan-to-Value (LTV): net financial debt / Total portfolio valuation, including transfer taxes. Please refer to EPRA Performance Measures (Item 7) for the calculation and reconciliation of the Group's LTV with its Balance Sheet.

Maintenance capital expenditure (Maintenance CAPEX): maintenance Capex relates to works either on equipment or the structure of a standing asset. The primary purpose of Maintenance Capex is to ensure that the asset is in good working order and / or to make minor improvements. These investments can be triggered by obsolescence, maintaining technical performance at market levels or compliance with regulatory requirements.

Minimum Guaranteed Rent uplift: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.

Net Disposal Price (NDP): Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.

Net Initial Yield (NIY): annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs.

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

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

Occupancy Cost Ratio (OCR): (rental charges + service charges including marketing costs for tenants, all including VAT) / (tenants' sales, including VAT). As tenant turnover is not known for all tenants for The Netherlands, no reliable OCR can be calculated for this country.

ORA (Obligations Remboursables en Actions): bonds redeemable for shares.

RICS: Royal Institution of Chartered Surveyors.

Rotation rate: (number of relettings and number of assignments and renewals with new concepts) / number of stores. Short term leases are excluded.

SBR: Sales Based Rent.

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

SIIC: Société d'Investissement Immobilier Cotée (in France).

Tenant sales: performance in Unibail-Rodamco's shopping centres (excluding The Netherlands) in portfolio of shopping centres in operation, including extensions of existing assets, and excluding deliveries of new brownfield projects, acquisition of new assets and assets under heavy refurbishment.

Total Acquisition Cost (TAC): the total amount a buyer shall pay to acquire an asset or a company. TAC equals the price agreed between the seller and the buyer plus all transfer taxes and transaction costs.

TIC: Total Investment Cost equals the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, technical fees, tenant fit-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) tenants' lease incentives and opening marketing expenses. Does not include capitalized interests and internal costs capitalized.

Yield on cost: contracted rents for the 12 months following the opening (for the delivered projects) or annualized expected rents (for the on-going projects), net of expenses, divided by the Total Investment Cost.

LIST OF GROUP'S STANDING ASSETS

1.1. FRANCE: SHOPPING CENTRES

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*
SHOPPING CENTRES IN THE PARIS REGION	
Les Quatre Temps (La Défense)	139,600
Carré Sénart (Lieusaint)	120,500
Rosny 2 (Rosny-sous-Bois)	111,600
Parly 2 (Le Chesnay)	107,200
Vélizy 2 (Vélizy-Villacoublay)	104,000
Aéroville (Roissy-en-France)	83,300
Le Forum des Halles (Paris 1)	73,200
So Ouest (Levallois-Perret)	54,300
Ulis 2 (Les Ulis)	53,900
Bobigny 2 (Bobigny)	26,900
CNIT (La Défense)	25,800
L'Usine Mode et Maison (Vélizy-Villacoublay)	20,600
Boutiques Palais des Congrès (Paris 17)	18,900
Galerie Gaité (Paris 15)	14,300
Carrousel du Louvre (Paris 1)	13,100
SHOPPING CENTRES IN THE FRENCH PROVINCES	
La Part-Dieu (Lyon)	132,000
La Toison d'Or (Dijon)	78,000
Polygone Riviera (Cagnes-sur-Mer)	73,400
Euralille (Lille)	66,700
Villeneuve 2 (Villeneuve-d'Ascq)	57,100
Lyon Confluence (Lyon)	53,500
Rennes Alma (Rennes)	46,100
La Valentine (Marseille)	30,000
L'Usine Roubaix (Roubaix)	19,300
Channel Outlet Store (Coquelles)	13,700
OTHER ASSETS	
Bel-Est (Bagnolet)	48,800
Aquaboulevard (Paris)	38,400
Maine Montparnasse (Paris)	35,500
Villabe (Corbeil)	35,300
Grigny 2 (Grigny)	10,700
Go Sport (Saintes)	2,500

1.2. FRANCE: CONVENTION & EXHIBITION

Portfolio as at December 31, 2016	Total floor space of the asset *(m²)*
PARIS REGION	
PROPERTY AND OPERATION	
Paris Porte de Versailles (Paris 15)	220,000
Paris Nord (Villepinte)	245,000
CNIT (La Défense)	24,000
Espace Grande Arche (La Défense)	5,000
Espace Champerret (Paris 17)	9,100
Le Palais des Congrès de Paris	32,000
Carrousel du Louvre (Expos) (Paris 1)	7,100
Hilton CNIT (La Défense)	10,700
Pullman Paris-Montparnasse Hotel (Paris 14)	57,400
OPERATION	
Paris, Le Bourget (Le Bourget)	80,000
Palais des Congrès de Versailles (Versailles)	3,200
Palais des Congrès d'Issy-les-Moulineaux (Issy-les-Moulineaux)	3,000
Hôtel Salomon de Rothschild (Paris 8)	1,600
Palais des Sports (Paris 15)	n.a.
OUTSIDE PARIS	
Novotel Lyon Confluence (Lyon)	7,100

1.3. FRANCE: OFFICES

Portfolio as at December 31, 2016	Total floor space of the asset *(m²)*
Capital 8 (Monceau/Murat) (Paris 8)	45,300
Le Sextant (Paris 15)	13,400
7 Adenauer (Paris 16)	12,100
Les Villages de l'Arche (La Défense)	42,100
Tour Ariane (La Défense)	63,600
CNIT (Offices) (La Défense)	37,100
Majunga (La Défense)	65,600
Michelet-Galilée (La Défense)	32,700
So Ouest Plaza (Levallois-Perret)	36,600
Issy Guynemer (Issy-les-Moulineaux)	30,600
Gaîté-Montparnasse (Offices) (Paris 15)	9,900
29, rue du Port (Nanterre)	10,300
Le Blériot (Rueil Malmaison)	3,400

1.4. CENTRAL EUROPE: SHOPPING CENTRES

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*
CZECH REPUBLIC	
Centrum Cerny Most (Prague)	106,700
Centrum Chodov (Prague)	62,400
POLAND	
Arkadia (Warsaw)	116,000
Galeria Mokotow (Warsaw)	68,500
Zlote Tarasy[89] (Warsaw)	66,400
CH Ursynow (Warsaw)	46,600
Wilenska (Warsaw)	39,900
SLOVAK REPUBLIC	
Aupark (Bratislava)	56,800

1.5. CENTRAL EUROPE: OFFICES

Portfolio as at December 31, 2016	Total floor space of the asset *(m²)*
Zlote Tarasy Lumen (Warsaw)	23,700
Zlote Tarasy Skylight (Warsaw)	22,000
Wilenska Offices (Warsaw)	13,400

1.6. SPAIN: SHOPPING CENTRES

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*
Parquesur (Madrid)	151,200
Bonaire (Valencia)	135,000
La Maquinista (Barcelona)	95,000
La Vaguada (Madrid)	85,500
Glòries (Barcelona)	68,800
El Faro (Badajoz)	66,300
Bahía Sur (Cádiz)	59,300
Splau (Barcelona)	55,000
Los Arcos (Sevilla)	44,000
Barnasud (Barcelona)	43,700
Garbera (San Sebastian)	40,000
Equinoccio (Madrid)	36,800
Vallsur (Valladolid)	36,000

[89] Not managed by Unibail-Rodamco.

1.7. NORDICS: SHOPPING CENTRES

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*
SWEDEN	
Mall of Scandinavia (Greater Stockholm)	103,200
Täby Centrum (Greater Stockholm)	81,400
Nacka Forum (Greater Stockholm)	56,800
Solna Centrum (Greater Stockholm)	50,000
Eurostop Arlanda (Greater Stockholm)	33,200
Arninge Centrum (Greater Stockholm)	20,200
Eurostop Örebro (Örebro)	15,300
DENMARK	
Fisketorvet (Copenhagen)	59,600
FINLAND	
Jumbo (Helsinki)	85,100

1.8. NORDICS: OFFICES

Portfolio as at December 31, 2016	Total floor space of the asset *(m²)*
SWEDEN	
Solna Centrum (Greater Stockholm)	29,900
Täby Centrum (Greater Stockholm)	21,500
Nacka Forum (Greater Stockholm)	13,800
Eurostop Arlanda (Greater Stockholm)	10,500
Eurostop Örebro (Örebro)	4,700

1.9. AUSTRIA: SHOPPING CENTRES

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*
Shopping City Süd (SCS) (Vienna)	199,900
Donau Zentrum (Vienna)	123,900

1.10. AUSTRIA: OFFICES

Portfolio as at December 31, 2016	Total floor space of the asset *(m²)*
Donau Zentrum (Vienna)	10,700
Shopping City Süd (SCS) (Vienna)	9,200

1.11. GERMANY: SHOPPING CENTRES

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*
CentrO (Oberhausen)	241,900
Ruhr Park (Bochum)	115,800
Paunsdorf Center (Leipzig)	113,300
Gropius Passagen (Berlin)	93,700
Höfe am Brühl (Leipzig)	54,600
Pasing Arcaden (Munich)	52,900
Palais Vest (Recklinghausen)	43,100
Minto (Mönchengladbach)	41,800
Gera Arcaden (Gera)	38,600
Ring-Center 1 (Berlin)	20,600

1.12. NETHERLANDS: SHOPPING CENTRES

Portfolio as at December 31, 2016	GLA of the whole complex *(m²)*
SHOPPING CENTRES	
Stadshart Almere (Almere)	89,500
Stadshart Amstelveen (Amstelveen)	83,500
Stadshart Zoetermeer (Zoetermeer)	77,400
Leidsenhage[90] (The Hague region)	75,400
OTHER ASSETS	
De Els (Waalwijk)	14,500
Kerkstraat (Hilversum)	12,200
In den Vijfhoek (Oldenzaal)	8,100
Zoetelaarpassage (Almere)	6,700
Carleijspassage10 (Venlo)	1,900
Oosterdijk (Sneek)	1,500

1.13. NETHERLANDS: OFFICES

Portfolio as at December 31, 2016	Total floor space of the asset *(m²)*
Stadshart Zoetermeer (Zoetermeer)	11,500
Stadshart Amstelveen (Amstelveen)	6,800

[90] Undergoing a substantial extension and renovation in connection with the Mall of The Netherlands project.