Paris, Amsterdam, January 31, 2018

Press release

FULL-YEAR RESULTS 2017

A year of exceptional achievements for Unibail-Rodamco
Recurring Earnings per Share (recurring EPS) of €12.05 exceeds guidance of €11.80 - €12.00 announced in February 2017.

- **Recurring EPS grew +7.2%** to **€12.05** from €11.24 in 2016
- Net Rental Income (NRI) like-for-like growth in Shopping Centres: **+4.3%,** +**360 bps above indexation**
- Cost of debt at an all-time low of **1.4%**, average debt maturity of **7.2** years
- Total portfolio value of **€43.1 Bn**, up **+6.3%**
- Net asset values per share:
  - Going Concern NAV: **€219.20**, up +8.8%
  - EPRA NNNAV: **€200.50**, up +9.1%
  - EPRA NAV: **€211.00**, up +7.9%
- Development pipeline **(€7.9 Bn)** refuelled with new projects, after €0.9 Bn of deliveries in 2017
- Cash **dividend** of **€10.80** per share(1)
- **Announcement of the Westfield acquisition**

	2017	**2016**	**Growth**	**Like-for-like growth**
Net Rental Income (in € Mn)	**1,583**	**1,529**	+3.5%	**+4.2%**
Shopping Centres	**1,346**	**1,273**	+5.8%	**+4.3%**
France	610	581	*+5.0%*	*+3.7%*
Central Europe	172	156	*+10.4%*	*+4.2%*
Spain	161	146	*+10.3%*	*+4.6%*
Nordics	146	140	*+4.2%*	*+7.6%*
Austria	103	99	*+4.6%*	*+3.9%*
Germany	93	90	*+2.9%*	*+3.2%*
The Netherlands	62	62	*+0.2%*	*+3.8%*
Offices	**141**	**153**	-8.1%	**+13.5%**
Convention & Exhibition	**95**	**103**	-6.9%	**-6.9%**
Recurring net result (in € Mn)	**1,202**	**1,114**	+7.9%	
Recurring EPS (in €)	**12.05**	**11.24**	+7.2%	
	Dec. 31, 2017	**Dec. 31, 2016**	**Growth**	**Like-for-like growth**
Total portfolio valuation (in € Mn)	**43,057**	**40,495**	+6.3%	+3.9%
Going Concern Net Asset Value (in € per share)	**219.20**	**201.50**	+8.8%	
EPRA Triple Net Asset Value (in € per share)	**200.50**	**183.70**	+9.1%	
EPRA Net Asset Value (in € per share)	**211.00**	**195.60**	+7.9%	

Figures may not add up due to rounding

"Thanks to the exceptional performance of the teams, 2017 was an outstanding year for Unibail-Rodamco, with very strong operating results, the successful delivery of five major retail developments and the agreement to acquire Westfield Corporation. Recurring earnings per share were up by +7.2%. Like-for-like NRI growth of +4.2% was strong, driven by continued solid leasing activity in retail and a record leasing year in offices. One year after the launch of Better Places 2030, the Group made excellent progress in its CSR strategy. Unibail-Rodamco is very well positioned to deliver on its proven growth strategy in 2018 and in the medium and long term, with its best in class portfolio and development pipeline, the secured low cost of debt, its talented professionals and clear strategic focus. We also look forward to closing the Westfield acquisition and creating the world's premier developer and operator of flagship shopping destinations." **Christophe Cuvillier, CEO and Chairman of the Management Board**

2017 RECURRING EPS OF €12.05, UP +7.2%

Recurring EPS came to €12.05, an increase of +7.2% from 2016. The Group exceeded its recurring EPS guidance of €11.80 - €12.00 announced in February 2017.

STRONG OPERATING PERFORMANCE

Shopping Centres

Tenant sales(2) increased by +3.7% compared to 2016. Through November 2017, tenant sales outperformed the national sales indices(3) by +180 bps. France (+410 bps), the Nordics (+300 bps) and Central Europe (+160 bps) performed particularly well.
In 2017, Shopping Centre like-for-like NRI grew by +4.3%, +360 bps above indexation, equalling its best performance since 2008. The Group signed 1,350 leases on consolidated standing assets with a Minimum Guaranteed Rent uplift of +14.7%, of which +16.8% for flagship assets(4). The tenant rotation rate was 11.0% and the EPRA vacancy rate was 2.4% (including 0.2% of strategic vacancy). The Group accelerated its push to directly connect with visitors. Unibail-Rodamco signed up +1.8 million new customers to its loyalty program in 2017, of which 85% through its digital channels, to reach a total of 4.2 million members.

Offices

With 2.6 million m² of office space let, the 2017 take-up in the Paris region was at the highest level of the last 10 years. 67% of transactions were in new or refurbished-as-new buildings.
The Group leased more than 72,000 m² in standing assets in the Paris region. Like-for-like NRI increased by +13.5%. In addition, the Group has entered into exclusive negotiations with Nestlé to prelet the entire 44,566 m² Shift building, to be concluded during Q1 2018, more than one year prior to delivery. The Group also disposed of So Ouest Plaza for a Net Disposal Price of €473.8 Mn(5).

Convention & Exhibition

On November 22, 2017, the Group inaugurated the new Paris Convention Centre, concluding the first phase of the Paris Expo Porte de Versailles refurbishment project. With a total capacity of 35,000 participants, it can now host world-class congresses: 15 large scale congresses have already booked the venue for the coming years. Recurring NOI decreased by -2.1% compared to FY-2015(6), the last comparable period, which was favourably impacted by COP 21 held in Paris Le Bourget.

BETTER PLACES 2030

In 2017, the Group made significant progress in its ambitious CSR strategy: as at December 31, 2017, 146 partnerships were signed with tenants (15.6% of total retail GLA(7)) to use LED lighting. Following the contracts signed in 2017 for France and Central Europe, all the Group's regions are now supplied with Green Electricity(8). 719 employees volunteered in the Group's annual Solidarity Days and the UR for Jobs programme, which fosters employment of disadvantaged youth by tenants and suppliers in the Group's shopping centres.

VALUE CREATION OF €27.14 PER SHARE

The Gross Market Value (GMV) of the Group's assets as at December 31, 2017, amounted to €43.1 Bn, up +6.3% in total, and +3.9% on a like-for-like basis, from December 31, 2016.
The Shopping Centre division GMV grew by 7.0% in total and by +3.9% on a like-for-like basis, driven by the rent effect. The average net initial yield of the retail portfolio stood at 4.3% (vs. 4.4% as at year-end 2016).
The GMV of the Office division reached €4.2 Bn, representing a +10.1% increase on a like-for-like basis. The valuation of the office portfolio benefitted primarily from a yield effect of +6.5% driven by reference transactions in Paris CBD and La Défense.
The GMV of the Convention & Exhibition division decreased -2.4% on a like-for-like basis.
Going Concern NAV per share stood at €219.20 as at December 31, 2017, an increase of +€17.70 (+8.8%) compared to December 31, 2016. This increase was the sum of (i) the value creation of €27.14 per share, (ii) the impact of the dividend paid in March and July 2017 of -€10.20, and (iii) the impact of the +€0.76 mark-to-market of the fixed-rate debt and derivatives.

€7.9 Bn PIPELINE REFUELLED AFTER SUCCESSFUL DELIVERIES

The Group delivered five major retail projects for a total GLA of 172,395 m² and a Total Investment Cost (TIC) of €0.9 Bn: the new shopping centre Wroclavia in Poland, the extensions and renovations of Centrum Chodov, Carré Sénart and Parly 2, and the full redevelopment of Glòries. 99% let at opening, these projects generated an aggregate yield on cost of 7.7%.
The pipeline was refuelled with the Vitam project, a 69,621 m² leisure and retail redevelopment in France, near Geneva, and the extension of Fisketorvet.
As at December 31, 2017, the aggregate TIC of the development pipeline amounted to €7.9 Bn.

AVERAGE COST OF DEBT AT 1.4% AND A 7.2-YEAR AVERAGE MATURITY

The financial structure of the Group is strong with a Loan-to-Value ratio of 33% and an interest coverage ratio of 6.7x (5.9x in 2016). The average cost of debt of the Group in 2017 was 1.4%, an all-time low, while the average debt maturity as at December 31, 2017, was 7.2 years.

ASSET ROTATION DISCIPLINE

In 2017, the Group divested €710 Mn of assets for an aggregate NIY of 4.6% and a 15% premium to the last unaffected appraisal values.
The proceeds of the divestments were partly reinvested in asset acquisitions (€364 Mn), including the remaining 50% stake in Polygone Riviera[9] and a 50% stake in the Metropole Zličín shopping centre in Prague.

WESTFIELD ACQUISITION

On December 12, 2017, the Group announced that it had entered into an agreement to acquire Westfield Corporation, to create the world's premier developer and operator of flagship shopping destinations. Since announcement, Unibail-Rodamco has obtained the unanimous positive opinions of its works councils regarding the proposed acquisition. The Transaction Documentation is expected to be published in March / April 2018. The closing is expected to take place in Q2-2018 upon approval of shareholders of both companies and satisfaction of the conditions precedent.

OUTLOOK

The Group expects to grow its recurring EPS in 2018 to between **€12.75 and €12.90** on a standalone basis.

For the medium term and on a standalone basis, Unibail-Rodamco expects to grow its recurring EPS at a compound annual growth rate of between **+6% and +8%**. This medium-term outlook is derived from the annual business plan exercise for Unibail-Rodamco. This results in annual growth rates which vary from year to year. The key inputs in the Group's business plan, which is built on an asset by asset basis and based on economic conditions as at year-end 2017, are estimates and assumptions relating to indexation, rental uplifts, disposals of approximately €3 Bn over the next several years, timely delivery of pipeline projects, cost of debt and taxation. Variations in these assumptions will also cause growth rates to vary from one plan to the next. The Group's current business plan does not assume any acquisitions, nor the Westfield transaction.

DIVIDEND

For the fiscal year 2017, the Group will propose a **cash dividend of €10.80 per share** for approval by its Annual General Meeting (AGM). Further to the announcement of the agreement to acquire Westfield Corporation, the Group will reschedule this AGM, originally planned on April 18, 2018, to a date expected to be in May 2018.
The dividend payment schedule will be as follows:

- an interim dividend of €5.40 per share on March 29, 2018 (ex-dividend date March 27, 2018); and
- a final dividend of €5.40 per share(1). The final dividend will be paid to Unibail-Rodamco shareholders of record prior to the closing of the Westfield acquisition.

FINANCIAL SCHEDULE

The next financial events on the Group's calendar will be:
April 23, 2018: 2018 1st Quarter Revenues (after market close)
July 25, 2018: 2018 Half-year results (after market close)(10)

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(1) Subject to approval by the AGM
(2) Tenant sales data include shopping centres accounted for using the equity method (Rosny 2, CentrO and Paunsdorf) but not Jumbo, Zlote Tarasy and Metropole Zličín as they are not managed by the Group. Tenant sales performance in Unibail-Rodamco's shopping centres (excluding The Netherlands) in portfolio of shopping centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For 2017, shopping centres excluded due to delivery or ongoing works were Carré Sénart and Carré Sénart Shopping Park, Galerie Gaité, Les Boutiques du Palais, La Part-Dieu, Parly 2, Glòries, Bonaire, Centrum Chodov, Wroclavia, CH Ursynow and Gropius Passagen. Primark sales are based on estimates.
(3) Based on latest national indices available (year-on-year evolution) as at November 2017: France: Institut Français du Libre Service (IFLS) - excluding food; Spain: Instituto Nacional de Estadistica; Central Europe: Česky statisticky urad (Czech Republic), Polska Rada Centrow Handlowych (Poland) (as at October 2017), Eurostat (Slovakia); Austria: Eurostat; the Nordics: HUI Research (Sweden), Danmarks Statistik (Denmark); Germany: Destatis-Genesis, excluding online only operators and fuel sales (Federal Statistical Office). Including online only sales for France, Spain, Austria, the Czech Republic and Slovakia and excluding online only sales for Germany, the Nordics and Poland.
(4) Flagship assets: Les Quatre Temps, Aéroville, Parly 2, Vélizy 2, Carré Sénart, Rosny 2, Le Forum des Halles, Carrousel du Louvre, CNIT, Confluence, La Part-Dieu, Villeneuve 2, Euralille, Polygone Riviera, La Vaguada, Parquesur, Bonaire, Splau, La Maquinista, Glòries, Donau Zentrum, Shopping City Süd, Centrum Cerny Most, Centrum Chodov, Wroclavia, Galeria Mokotow, Zlote Tarasy, Arkadia, Aupark, Jumbo, Fisketorvet, Mall of Scandinavia, Täby Centrum, Stadshart Amstelveen, Leidsenhage, Ruhr Park, Gropius Passagen, CentrO, Pasing Arcaden.
(5) Including the cinema.
(6) Restated for the Intermat triennial show.
(7) Total owned and managed retail GLA.
(8) Common parts of owned and managed shopping centres.
(9) On December 29, 2017, the Group acquired a 45% stake in the companies holding the shopping centre Polygone Riviera from its joint-venture partner. As at December 31, 2017, the Group owned a 95% interest in this asset. On January 4, 2018, the Group acquired the remaining 5% stake in the asset.
(10) Subject to the date of Westfield acquisition completion.

About Unibail-Rodamco

Created in 1968, Unibail-Rodamco SE is Europe's largest listed commercial property company, with a presence in 11 Continental European countries, and a portfolio of assets valued at €43.1 billion as of December 31, 2017. As an integrated operator, investor and developer, the Group aims to cover the whole of the real estate value creation chain. With the support of its 2,011 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 unibail·rodamco

APPENDIX TO THE PRESS RELEASE
January 31, 2018

CONSOLIDATED FINANCIAL STATEMENTS:

MANAGEMENT DISCUSSION & ANALYSIS:

OTHER INFORMATION:

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)			2017 Recurring activities	2017 Non-recurring activities [1]	2017 Result	2016 Recurring activities	2016 Non-recurring activities [1]	2016 Result
SHOPPING CENTRES	FRANCE	Gross rental income	682.1	-	682.1	651.2	-	651.2
		Operating expenses & net service charges	(72.4)	-	(72.4)	(70.7)	-	(70.7)
		Net rental income	**609.8**	**-**	**609.8**	**580.5**	**-**	**580.5**
		Contribution of affiliates	8.1	5.7	13.9	7.0	8.8	15.8
		Gains/losses on sales of properties	-	15.1	15.1	-	6.1	6.1
		Valuation movements	-	513.3	513.3	-	520.2	520.2
		Result Shopping Centres France	**617.9**	**534.2**	**1,152.0**	**587.5**	**535.2**	**1,122.6**
	CENTRAL EUROPE	Gross rental income	179.0	-	179.0	159.6	-	159.6
		Operating expenses & net service charges	(6.5)	-	(6.5)	(3.4)	-	(3.4)
		Net rental income	**172.4**	**-**	**172.4**	**156.2**	**-**	**156.2**
		Contribution of affiliates	46.6	28.3	74.9	30.7	(74.2)	(43.5)
		Gains/losses on sales of properties	-	0.0	0.0	-	3.1	3.1
		Valuation movements	-	296.2	296.2	-	410.9	410.9
		Result Shopping Centres Central Europe	**219.0**	**324.5**	**543.5**	**186.9**	**339.8**	**526.7**
	SPAIN	Gross rental income	178.0	-	178.0	163.3	-	163.3
		Operating expenses & net service charges	(16.9)	-	(16.9)	(17.3)	-	(17.3)
		Net rental income	**161.0**	**-**	**161.0**	**146.0**	**-**	**146.0**
		Contribution of affiliates	0.2	(0.1)	0.1	0.5	(0.1)	0.5
		Gains/losses on sales of properties	-	(0.6)	(0.6)	-	20.8	20.8
		Valuation movements	-	141.2	141.2	-	370.1	370.1
		Result Shopping Centres Spain	**161.2**	**140.5**	**301.7**	**146.5**	**390.8**	**537.3**
	NORDICS	Gross rental income	159.1	-	159.1	158.4	-	158.4
		Operating expenses & net service charges	(13.3)	-	(13.3)	(18.5)	-	(18.5)
		Net rental income	**145.8**	**-**	**145.8**	**139.9**	**-**	**139.9**
		Gains/losses on sales of properties	-	0.1	0.1	-	(0.5)	(0.5)
		Valuation movements	-	132.0	132.0	-	161.6	161.6
		Result Shopping Centres Nordics	**145.8**	**132.1**	**277.9**	**139.9**	**161.1**	**301.0**
	AUSTRIA	Gross rental income	109.1	-	109.1	102.1	-	102.1
		Operating expenses & net service charges	(5.9)	-	(5.9)	(3.5)	-	(3.5)
		Net rental income	**103.2**	**-**	**103.2**	**98.6**	**-**	**98.6**
		Valuation movements	-	79.4	79.4	-	141.0	141.0
		Result Shopping Centres Austria	**103.2**	**79.4**	**182.5**	**98.6**	**141.0**	**239.6**
	GERMANY	Gross rental income	99.7	-	99.7	96.6	-	96.6
		Operating expenses & net service charges	(7.1)	-	(7.1)	(6.7)	-	(6.7)
		Net rental income	**92.6**	**-**	**92.6**	**89.9**	**-**	**89.9**
		Contribution of affiliates	29.1	1.5	30.6	28.5	3.9	32.4
		Valuation movements	-	58.1	58.1	-	124.4	124.4
		Result Shopping Centres Germany	**121.6**	**59.6**	**181.3**	**118.4**	**128.3**	**246.7**
	THE NETHERLANDS	Gross rental income	70.2	-	70.2	73.3	-	73.3
		Operating expenses & net service charges	(8.5)	-	(8.5)	(11.8)	-	(11.8)
		Net rental income	**61.7**	**-**	**61.7**	**61.5**	**-**	**61.5**
		Gains/losses on sales of properties	-	1.9	1.9	-	0.1	0.1
		Valuation movements	-	(53.1)	(53.1)	-	1.3	1.3
		Result Shopping Centres The Netherlands	**61.7**	**(51.2)**	**10.5**	**61.5**	**1.4**	**62.9**
		TOTAL RESULT SHOPPING CENTRES	**1,430.4**	**1,219.1**	**2,649.5**	**1,339.4**	**1,697.6**	**3,037.0**
OFFICES	FRANCE	Gross rental income	126.8	-	126.8	140.9	-	140.9
		Operating expenses & net service charges	(3.2)	-	(3.2)	(5.2)	-	(5.2)
		Net rental income	**123.6**	**-**	**123.6**	**135.7**	**-**	**135.7**
		Gains/losses on sales of properties	-	57.2	57.2	-	61.4	61.4
		Valuation movements	-	336.0	336.0	-	219.8	219.8
		Result Offices France	**123.6**	**393.2**	**516.8**	**135.7**	**281.2**	**416.9**
	OTHER COUNTRIES	Gross rental income	20.9	-	20.9	21.7	-	21.7
		Operating expenses & net service charges	(3.7)	-	(3.7)	(4.1)	-	(4.1)
		Net rental income	**17.2**	**-**	**17.2**	**17.6**	**-**	**17.6**
		Gains/losses on sales of properties	-	0.0	0.0	-	5.2	5.2
		Valuation movements	-	6.5	6.5	-	15.0	15.0
		Result Offices other countries	**17.2**	**6.5**	**23.8**	**17.6**	**20.2**	**37.8**
		TOTAL RESULT OFFICES	**140.8**	**399.7**	**540.5**	**153.3**	**301.4**	**454.7**
CONVENTION & EXHIBITION	FRANCE	Gross rental income	181.7	-	181.7	186.0	-	186.0
		Operating expenses & net service charges	(97.8)	-	(97.8)	(96.4)	-	(96.4)
		Net rental income	**83.9**	**-**	**83.9**	**89.6**	**-**	**89.6**
		Contribution of affiliates	0.5	(1.4)	(0.8)	0.7	(0.7)	(0.1)
		On site property services	**50.0**	**-**	**50.0**	**61.8**	**-**	**61.8**
		Hotels net rental income	**11.6**	**-**	**11.6**	**13.0**	**-**	**13.0**
		Valuation movements, depreciation and capital gains	(12.2)	(142.8)	(155.0)	(11.4)	43.8	32.4
		Impairment of Goodwill	-	(9.2)	(9.2)	-	-	-
		TOTAL RESULT CONVENTION & EXHIBITION	**133.8**	**(153.3)**	**(19.5)**	**153.6**	**43.0**	**196.7**
		Other property services net operating result	42.0	(2.4)	39.6	35.8	(2.4)	33.4
		Other net income	0.9	-	0.9	0.4	-	0.4
TOTAL OPERATING RESULT AND OTHER INCOME			**1,747.9**	**1,463.1**	**3,211.0**	**1,682.5**	**2,039.6**	**3,722.2**
		General expenses	(119.5)	(62.4)	(181.8)	(119.0)	(1.3)	(120.4)
		Development expenses	(3.6)	-	(3.6)	(5.9)	-	(5.9)
		Financing result	(228.0)	(0.9)	(228.8)	(254.9)	(240.4)	(495.3)
RESULT BEFORE TAX			**1,396.8**	**1,399.9**	**2,796.7**	**1,302.7**	**1,797.9**	**3,100.6**
		Income tax expenses	(17.7)	(56.5)	(74.2)	(11.1)	(272.1)	(283.2)
NET RESULT FOR THE PERIOD			**1,379.1**	**1,343.5**	**2,722.5**	**1,291.6**	**1,525.8**	**2,817.4**
		Non-controlling interests	176.9	106.0	283.0	177.4	231.0	408.4
NET RESULT - OWNERS OF THE PARENT			**1,202.1**	**1,237.4**	**2,439.5**	**1,114.2**	**1,294.8**	**2,409.0**
Average number of shares and ORA			99,752,597			99,160,738		
RECURRING EARNINGS PER SHARE (€)			**12.05**			**11.24**		
RECURRING EARNINGS PER SHARE GROWTH			**7.2%**			**7.5%**		

[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)	2017	2016
Gross rental income	1,822.3	1,770.3
Ground rents paid	(18.1)	(17.4)
Net service charge expenses	(22.8)	(29.2)
Property operating expenses	(198.7)	(195.2)
Net rental income	**1,582.6**	**1,528.5**
Corporate expenses	(117.3)	(116.8)
Development expenses	(3.6)	(5.9)
Depreciation of other tangible assets	(2.2)	(2.2)
Administrative expenses	**(123.1)**	**(124.9)**
Acquisition and related costs	**(62.4)**	**(1.3)**
Revenues from other activities	256.1	261.3
Other expenses	(176.3)	(175.1)
Net other income	**79.8**	**86.2**
Proceeds from disposal of investment properties	592.5	973.9
Carrying value of investment properties sold	(518.7)	(882.7)
Result on disposal of investment properties	**73.8**	**91.2**
Proceeds from disposal of shares	27.3	25.9
Carrying value of disposed shares	(27.3)	(20.9)
Result on disposal of shares	**0.0**	**5.0**
Valuation gains on assets	1,770.0	2,244.0
Valuation losses on assets	(405.6)	(238.2)
Valuation movements on assets	**1,364.4**	**2,005.8**
Impairment of goodwill/Negative goodwill	**(9.2)**	**-**
NET OPERATING RESULT BEFORE FINANCING COST	**2,906.0**	**3,590.5**
Result from non-consolidated companies	0.9	0.4
Financial income	*119.5*	*88.8*
Financial expenses	*(347.5)*	*(343.7)*
Net financing costs	(228.0)	(254.9)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	21.1	37.0
Fair value adjustments of derivatives and debt	(21.3)	(276.8)
Debt discounting	(0.7)	(0.6)
Share of the result of companies under the equity method	91.6	(13.3)
Income on financial assets	27.0	18.3
RESULT BEFORE TAX	**2,796.7**	**3,100.6**
Income tax expenses	(74.2)	(283.2)
NET RESULT FOR THE PERIOD	**2,722.5**	**2,817.4**
Non-controlling interests	283.0	408.4
NET RESULT (Owners of the parent)	**2,439.5**	**2,409.0**

Average number of shares (undiluted)	99,744,934	99,153,052
Net result for the period (Owners of the parent)	2,439.5	2,409.0
Net result for the period per share (Owners of the parent) (€)	**24.5**	**24.3**
Net result for the period restated (Owners of the parent) (1)	2,418.4	2,372.0
Average number of shares (diluted)	103,155,132	102,762,477
Diluted net result per share (Owners of the parent) (€)	**23.4**	**23.1**

NET COMPREHENSIVE INCOME (€Mn)	2017	2016
NET RESULT FOR THE PERIOD	**2,722.5**	**2,817.4**
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries	(16.9)	(130.0)
Cash flow hedge	-	0.7
Revaluation of shares available for sale	-	(0.4)
Other comprehensive income which can be reclassified to profit or loss	**(16.9)**	**(129.7)**
Employee benefits - will not be reclassified into profit or loss	**0.2**	**-**
OTHER COMPREHENSIVE INCOME	**(16.7)**	**(129.7)**
NET COMPREHENSIVE INCOME	**2,705.8**	**2,687.7**
Non-controlling interests	283.1	408.4
NET COMPREHENSIVE INCOME (OWNERS OF THE PARENT)	**2,422.7**	**2,279.3**

(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)	**Dec. 31, 2017**	**Dec. 31, 2016**
NON CURRENT ASSETS	**41,650.8**	**39,509.3**
Investment properties	**38,524.3**	**36,380.9**
Investment properties at fair value	*37,181.5*	*35,426.9*
Investment properties at cost	*1,342.8*	*954.0*
Other tangible assets	216.3	219.8
Goodwill	522.4	539.9
Intangible assets	172.2	229.4
Loans and receivables	76.8	113.3
Financial assets	30.8	25.1
Deferred tax assets	21.9	24.0
Derivatives at fair value	172.8	268.8
Shares and investments in companies under the equity method	1,913.3	1,708.2
CURRENT ASSETS	**1,590.2**	**1,235.8**
Derivatives at fair value	**57.9**	**-**
Trade receivables from activity	**416.5**	**369.0**
Other trade receivables	**541.1**	**466.6**
Tax receivables	216.2	217.7
Other receivables	251.6	136.4
Prepaid expenses	73.3	112.5
Cash and cash equivalents	**574.7**	**400.1**
Available for sale investments	297.9	38.2
Cash	276.8	362.0
TOTAL ASSETS	**43,241.0**	**40,745.0**
Shareholders' equity (Owners of the parent)	**18,916.2**	**17,465.3**
Share capital	499.3	497.0
Additional paid-in capital	6,470.7	6,402.3
Bonds redeemable for shares	1.1	1.2
Consolidated reserves	9,715.9	8,349.3
Hedging and foreign currency translation reserves	(210.3)	(193.4)
Consolidated result	2,439.5	2,409.0
Non-controlling interests	**3,777.0**	**3,554.4**
TOTAL SHAREHOLDERS' EQUITY	**22,693.2**	**21,019.7**
NON CURRENT LIABILITIES	**16,851.6**	**16,209.9**
Long-term commitment to purchase non-controlling interests	-	40.9
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,020.5	1,049.4
Long-term bonds and borrowings	12,889.6	12,223.7
Long-term financial leases	353.2	355.4
Derivatives at fair value	315.8	327.9
Deferred tax liabilities	1,752.5	1,690.2
Long-term provisions	30.5	33.6
Employee benefits	9.3	9.2
Guarantee deposits	223.9	208.1
Tax liabilities	0.1	0.1
Amounts due on investments	256.2	271.4
CURRENT LIABILITIES	**3,696.2**	**3,515.4**
Current commitment to purchase non-controlling interests	**7.0**	**-**
Amounts due to suppliers and other current debt	**1,161.6**	**1,314.3**
Amounts due to suppliers	187.5	150.4
Amounts due on investments	425.9	326.5
Sundry creditors	340.5	625.0
Other liabilities	207.7	212.3
Current borrowings and amounts due to credit institutions	**2,301.9**	**2,005.6**
Current financial leases	**2.0**	**6.1**
Tax and social security liabilities	**210.5**	**179.1**
Short-term provisions	**13.2**	**10.3**
TOTAL LIABILITIES AND EQUITY	**43,241.0**	**40,745.0**

Consolidated statement of cash flows (€ Mn)	2017	2016
Operating activities		
Net result	**2,722.5**	**2,817.4**
Depreciation & provisions [1]	(7.9)	(0.1)
Impairment of goodwill/Negative goodwill	9.2	-
Changes in value of property assets	(1,364.4)	(2,005.8)
Changes in value of financial instruments	0.2	239.8
Discounting income/charges	0.7	0.6
Charges and income relating to stock options and similar items	9.2	9.8
Net capital gains/losses on disposal of shares	0.0	(5.0)
Net capital gains/losses on sales of properties [2]	(73.8)	(91.2)
Share of the result of companies under the equity method	(91.6)	13.3
Income on financial assets	(27.0)	(18.3)
Dividend income from non-consolidated companies	(0.1)	(0.4)
Net financing costs	228.0	254.9
Income tax charge	74.2	283.2
Cash flow before net financing costs and tax	**1,479.2**	**1,498.2**
Income on financial assets	27.0	18.3
Dividend income and result from companies under equity method or non consolidated	5.3	7.4
Income tax paid	(25.5)	(12.6)
Change in working capital requirement	0.5	46.7
Total cash flow from operating activities	**1,486.5**	**1,558.0**
Investment activities		
Property activities	**(1,017.2)**	**(377.5)**
Acquisition of consolidated shares	(85.1)	(13.6)
Amounts paid for works and acquisition of property assets	(1,368.2)	(1,343.7)
Exit tax payment	-	(0.1)
Repayment of property financing	23.2	54.4
Increase of property financing	(300.6)	(29.4)
Disposal of shares/consolidated subsidiaries	121.0	31.6
Disposal of investment properties	592.5	923.3
Financial activities	**(7.7)**	**(9.5)**
Acquisition of financial assets	(10.0)	(11.3)
Disposal of financial assets	2.5	1.7
Change in financial assets	(0.2)	0.1
Total cash flow from investment activities	**(1,024.9)**	**(386.9)**
Financing activities		
Capital increase of parent company	77.9	95.4
Purchase of own shares	(7.3)	-
Change in capital from companies with non controlling shareholders	2.2	0.1
Distribution paid to parent company shareholders	(1,018.3)	(963.1)
Dividends paid to non-controlling shareholders of consolidated companies	(66.2)	(54.8)
New borrowings and financial liabilities	1,941.4	2,519.0
Repayment of borrowings and financial liabilities	(990.1)	(2,311.9)
Financial income	95.9	82.3
Financial expenses	(318.8)	(336.3)
Other financing activities	(10.1)	(114.1)
Total cash flow from financing activities	**(293.4)**	**(1,083.4)**
Change in cash and cash equivalents during the period	**168.2**	**87.8**
Cash at the beginning of the year	**396.0**	**320.1**
Effect of exchange rate fluctuations on cash held	**1.5**	**(11.9)**
Cash at period-end	**565.7**	**396.0**

(1) Includes straightlining of key money and lease incentives.

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

1. BUSINESS REVIEW AND 2017 RESULTS

I. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

Accounting principles

Unibail-Rodamco's consolidated financial statements as at December 31, 2017 were prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable in the European Union as at such date.

No changes were made to the accounting principles applied for the year ended December 31, 2016.

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

Scope of consolidation

The principal changes in the scope of consolidation since December 31, 2016 were:

- On October 2, the disposal of the So Ouest Plaza office building;
- On October 23, the creation of a joint venture with Commerz Real pursuant to which the Group acquired 50% of the shopping centre Metropole Zlicin, located in Prague, with a GLA of approximately 56,000 m². This asset is accounted for using the equity method;
- On November 8, the disposal of Barnasud;
- On December 22, the disposal of the Channel Outlet Store and L'Usine Roubaix;
- On December 29, the acquisition of a 45% stake in the companies holding the shopping centre Polygone Riviera. As at December 31, 2017, the Group owned a 95% interest in this asset; and
- The disposal of a number of non-core assets in Sweden, including Eurostop Arlanda, Arninge Centrum and Eurostop Örebro.

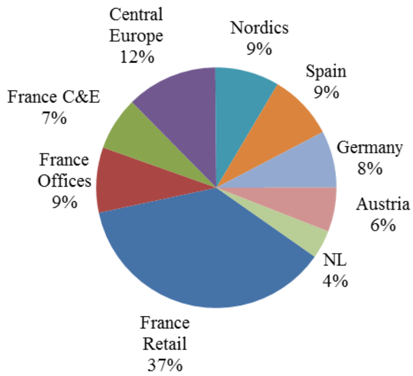
As at December 31, 2017, 307 companies were fully consolidated, six companies were consolidated under "joint operation" (as defined by IFRS 11) and 23 companies were accounted for using the equity method[2].

Operational reporting

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

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

The chart below shows the split of Gross Market Values (GMV) per region as at December 31, 2017, including assets accounted for using the equity method[4].



Figures may not add up due to rounding.

[1] EPRA Best Practices Recommendations are available on the EPRA website: www.epra.com.
[2] Mainly the Rosny 2 shopping centre in France, the Zlote Tarasy complex in Poland, the Metropole Zlicin shopping centre in the Czech Republic and the CentrO, Gropius Passagen, Paunsdorf Center and Ring-Center shopping centres in Germany.
[3] Central Europe includes Ring-Center, accounted for using the equity method.
[4] Except property service companies (Espace Expansion and Unibail-Rodamco Germany property services).

II. BUSINESS REVIEW BY SEGMENT

1. Shopping Centres

1.1 Shopping centre activity in 2017

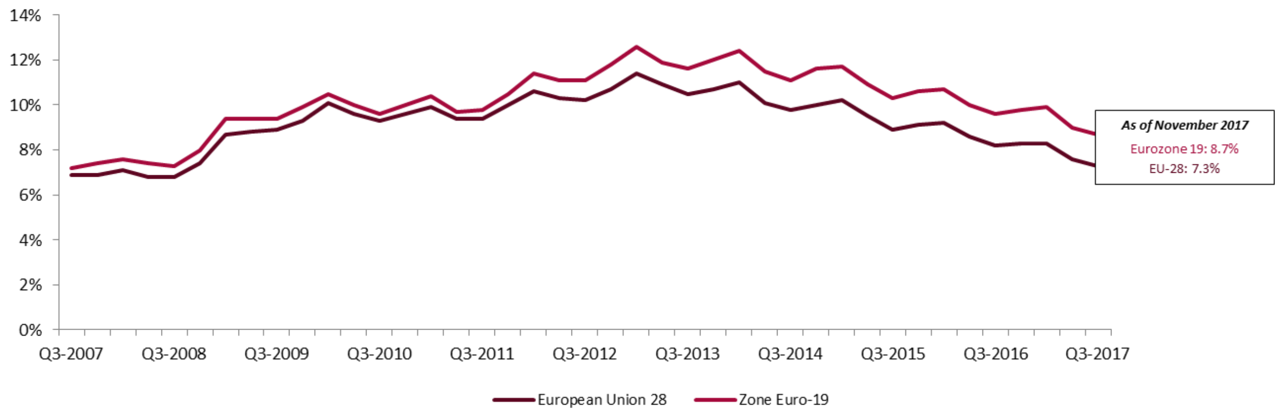
Economic environment

The European economy continued to grow steadily. GDP growth in 2017[5] for the European Union (EU-28) and the Eurozone-19 is forecast to have reached +2.3% and +2.2%, respectively, compared to +1.9% and +1.8% in 2016.

Growth is propelled by resilient private consumption, a global upturn in economic activity and improvements in labour markets. Investment, which had been lagging, also showed signs of recovery.

Unemployment levels[6] as at November 2017 have decreased to 7.3% in the EU-28 (-100 bps compared to November 2016) and 8.7% in the Eurozone-19 (-110 bps compared to November 2016). These are the lowest recorded rates since December 2008 for the EU and March 2009 for the Eurozone-19. Employment creation is boosted by continuous domestic-demand driven expansion, moderate wage growth and structural reforms introduced by some EU countries. Nevertheless, job creation is impacted by the shortage of skilled labour in some EU countries and the decline of temporary fiscal incentives in others.

Unemployment rates in the EU-28 and the Eurozone-19 (2007-2017)



	Max	Date	November-17 vs. Max
Zone Euro-19	12.6%	Q1 2013	-31%
European Union 28	11.4%	Q1 2013	-36%

[5] Source: European Commission, European Economic Forecast, autumn 2017 (released in November 2017). https://ec.europa.eu/info/sites/info/files/economy-finance/ip063_en.pdf

[6] Source: Eurostat, November 2017 (released on Jan. 9, 2018). http://ec.europa.eu/eurostat/documents/2995521/8571046/3-09012018-AP-EN.pdf/0d35bf38-0dcc-4f3c-b3e8-5dbcdbe6908e

Region / Country	GDP	
	2017 Forecast	2016 Actual
European Union (EU-28)	**2.3%**	**1.9%**
Eurozone-19	**2.2%**	**1.8%**
France	1.6%	1.2%
Czech Republic	4.3%	2.4%
Poland	4.2%	2.7%
Slovakia	3.3%	3.3%
Spain	3.1%	3.2%
Sweden	3.2%	3.3%
Finland	3.3%	1.4%
Denmark	2.3%	1.3%
Austria	2.6%	1.5%
Germany	2.2%	1.9%
Netherlands	3.2%	2.2%

Source: European Economic Forecast, autumn 2017.

The expectation for GDP growth in 2018 for the EU-28 is +2.1%, absent a major political or economic shock. The weighted average forecast for 2018 GDP growth in Unibail-Rodamco's regions is +2.3%. The main downside risks to these forecasts are related to both external factors, such as geopolitical tensions (e.g., the Korean peninsula and the Middle-East), the trade policies of the US administration and the economic adjustment in China, and internal ones, such as the outcome of the Brexit negotiations, an appreciating euro and higher interest rates. Inflation in 2018[7] is expected to reach +1.7% in the EU-28 and +1.4% in the Eurozone-19, vs. +1.7% and +1.5% in 2017, respectively.

Footfall[8]

The number of visits to Unibail-Rodamco's shopping centres through December 31, 2017, was up by +0.9% compared to the same period in 2016.

In France, footfall grew by +1.1% through November 30, 2017, outperforming the French national footfall index[9] by +270 bps. Footfall in the Group's Parisian[10] shopping centres increased by +1.7% during the same period.

Footfall growth in Germany (+1.7%), Central Europe (+1.3%), the Nordics (+2.9%) and Austria (+1.7%) was partly offset by a drop in footfall in Spain (-0.6%), outperforming the Spanish national footfall index by +30 bps. Footfall in the Group's Dutch shopping centres was almost flat (-0.2%) despite the impact of the vacancy of certain of the former V&D department stores for most of 2017 following their closure in 2016[11].

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[7] Source: European Commission, European Economic Forecast, autumn 2017 (released in November 2017). https://ec.europa.eu/info/sites/info/files/economy-finance/ip063_en.pdf

[8] Footfall data include shopping centres accounted for using the equity method (Rosny 2, CentrO and Paunsdorf Center) but not Jumbo, Zlote Tarasy and Metropole Zlicin, as they are not managed by the Group. Footfall in Unibail-Rodamco's shopping centres in portfolio of shopping centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For the 2017 reporting period, shopping centres excluded due to delivery or ongoing works were Carré Sénart and Carré Sénart Shopping Park, Galerie Gaîté, Les Boutiques du Palais, La Part-Dieu, Parly 2, Glòries, Bonaire, Centrum Chodov, Wroclavia, CH Ursynow, Mall of The Netherlands and Gropius Passagen. Footfall data for Galeria Mokotow, Fisketorvet, Pasing Arcaden, Höfe am Brühl and Palais Vest are excluded due to footfall counter issues.

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

[10] Les Quatre Temps, CNIT, Le Forum des Halles and Carrousel du Louvre.

[11] Closing of the V&D department stores in Amstelveen, Zoetermeer and Almere in H1-2016.

Tenant sales[12]

Through November 30, 2017, Unibail-Rodamco's tenant sales in all regions increased by +3.9% compared to the same period last year, +181 bps better than the aggregate national sales index[13]. The continuous trend of tenant sales increasing at a higher pace than footfall reflects the steady increase of conversion rates since 2013[14].

Region	**Tenant Sales Growth (%) (Through Nov. 30, 2017)**	**Performance versus National Sales Index (bps)**
France	+4.6	+413
Central Europe	+5.9	+162
Spain	+1.8	-90
Nordics	+5.3	+303
Austria	+1.7	-80
Germany	+2.3	-125
Total	**+3.9**	**+181**

- In France, tenant sales increased by +4.6% through November 2017, outperforming the IFLS index by +413 bps and the CNCC index by +570 bps. Main contributors to sales growth are Forum des Halles (+20.4%), Polygone Riviera (+12.1%) and Vélizy 2 (+6.7%). This was partially offset by So Ouest (-3.3%) and Aéroville (-0.5%), due primarily to the closing of Marks & Spencer in these shopping centres in September 2017.

- In Central Europe, tenant sales increased by +5.9%, outperforming the national sales index by +162 bps. All assets delivered positive sales growth.

- Spanish tenant sales growth (+1.8%) was affected by the Catalonian political situation, although sales in all of the Group's assets in Catalonia remained positive, demonstrating their resilience. Tenant sales growth in the Group's assets located in the secondary cities were strong, with Vallsur (+14.5%), Los Arcos (+6.4%), El Faro (+5.1%) and Bahia Sur (+2.3%).

- In the Nordics, overall sales increased by +5.3%, outperforming the national sales index by +303 bps. The success of Mall of Scandinavia (+14.2%) was a strong driver; however partially at the expense of sales growth in Solna (-1.8%). Täby Centrum and Nacka Forum recorded positive tenant sales growth also.

- In Germany, tenant sales grew by +2.3%. Strong tenant sales growth in Ruhr Park (+5.7%), Paunsdorf Center (+5.4%), Minto (+4.2%), Höfe am Brühl (+4.1%) and Palais Vest (+3.7%) was partially offset by CentrO (-1.0%), mainly due to re-letting operations (stores closed during their fitting out).

In terms of sectors, sport (+13.4%), dining (+6.4%), health & beauty (+6.1%) and entertainment (+3.2%) posted the highest sales increases, illustrating the importance of the Group's approach to offering visitors a differentiating experience. Sales of fashion apparel, the sector with the most GLA (29.2% as at December 31, 2017) within the Group, increased by +2.9%. Negative sales growth was recorded in gifts (-1.3%) and department stores & luxury (-0.7%).

Tenant sales in the Group's shopping centres increased by +3.7% through December 31, 2017, compared to the same period in 2016.

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[12] Tenant sales data include shopping centres accounted for using the equity method (Rosny 2, CentrO and Paunsdorf Center) but not Jumbo, Zlote Tarasy and Metropole Zlicin, as they are not managed by the Group. Tenant sales performance in Unibail-Rodamco's shopping centres (excluding The Netherlands) in portfolio of shopping centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For 2017, shopping centres excluded due to delivery or ongoing works were Carré Sénart and Carré Sénart Shopping Park, Galerie Gaîté, Les Boutiques du Palais, La Part-Dieu, Parly 2, Glòries, Bonaire, Centrum Chodov, Wroclavia, CH Ursynow and Gropius Passagen. Primark sales are based on estimates.

[13] Based on latest national indices available (year-on-year evolution) as at November 2017: France: Institut Français du Libre Service (IFLS)-excluding food; Spain: Instituto Nacional de Estadistica; Central Europe: Česky statisticky urad (Czech Republic), Polska Rada Centrow Handlowych (Poland) (as at October 2017), Eurostat (Slovakia); Austria: Eurostat; the Nordics: HUI Research (Sweden), Danmarks Statistik (Denmark); Germany: Destatis-Genesis, excluding online only operators and fuel sales (Federal Statistical Office). Including online only sales for France, Spain, Austria, the Czech Republic and Slovakia and excluding online only sales for Germany, the Nordics and Poland.

[14] Constant perimeter from 2013 to 2017 (49 shopping centres). Conversion rate: percentage of visitors who have made at least one purchase in the shopping centre.

Unibail-Rodamco's top ten tenants as a percentage of total retail rents

% of total rents	15.5%
Largest tenant	4.7%
Inditex	
H&M	
Mango	
Fnac Darty	
Printemps	
Vivarte	
Sephora	
Media Markt / Saturn	
Go Sport	
UGC	

Leasing

In 2017, the Group signed 1,350 deals (compared to 1,479 deals in 2016) with a Minimum Guaranteed Rent uplift[15] of +14.7% (+16.8% in the Group's flagship[16] assets). The rotation rate[17] in 2017 amounted to 11%, above the Group's target of +10%.

With a strategy based on differentiation and exclusive retail destinations, leasing teams signed 223 leases with International Premium Retailers (IPR[18]), an increase of +13.8% compared to the 196 deals signed in 2016. The share of the IPRs in the Group's rotation reached 16.7% in 2017.

Many IPRs have chosen to enter new European markets with stores located in the Group's shopping centres including:

- Jo Malone, in the Czech Republic (Centrum Chodov);
- Daniel Wellington, in Poland (Galeria Mokotow) and the Czech Republic (Centrum Chodov);
- Lacoste, in Sweden (Täby Centrum);
- Rituals, in Slovakia (Aupark);
- Bialetti, in Austria (Donau Zentrum);
- Nespresso, first new boutique store concept in Europe in Poland (Galeria Mokotow);
- O'Learys, in the Netherlands (Mall of The Netherlands).

In addition, the Group's portfolio has been a platform for IPRs to open their first store in a shopping centre in a country, including:

- Uniqlo in Spain (Glòries);
- COS in the Czech Republic (Centrum Chodov);
- NYX in Germany (CentrO);
- Aesop in France (Parly 2);
- Five Guys and Wagamama in Spain (Parquesur);
- Asics in the Netherlands (Mall of The Netherlands);
- Joe & The Juice in The Netherlands (Amstelveen).

Finally, the Group continued to strengthen its partnerships by accelerating the expansion of IPRs, such as Flying Tiger with 14 new store openings, O bag with ten new stores, and L'Occitane, Armani Exchange and Snipes with seven new stores each.

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

[16] The Group's flagship assets are: Les Quatre Temps, Aéroville, Parly 2, Vélizy 2, Carré Sénart, Rosny 2, Le Forum des Halles, Carrousel du Louvre, CNIT, Confluence, La Part-Dieu, Villeneuve 2, Euralille, Polygone Riviera, La Vaguada, Parquesur, Bonaire, Splau, La Maquinista, Glòries, Donau Zentrum, Shopping City Süd, Centrum Cerny Most, Centrum Chodov, Wroclavia, Galeria Mokotow, Zlote Tarasy, Arkadia, Aupark, Jumbo, Fisketorvet, Mall of Scandinavia, Täby Centrum, Stadshart Amstelveen, Leidsenhage, Ruhr Park, Gropius Passagen, CentrO and Pasing Arcaden.

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

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

Brand Event activities

Specialty leasing revenues amounted to €25.7 Mn in 2017, an increase of +13.9% compared to 2016.

The Group accelerated the deployment of new spectacular large digital screens throughout Europe, leading to an increase in advertising revenues by 24.5% (+€1.7 Mn) compared to 2016.

In 2017, revenues from pop-up stores and roadshows increased by +15.9% (+€1.8 Mn) compared to 2016, primarily due to several cross-border deals with health & beauty brands such as Solaris and Chanel. The Group also reinforced partnerships through roadshows organised with several electronics brands such as Samsung and Huawei.

Extension, renovation and brownfield projects

2017 was a very active year with five deliveries (99% let at opening), highlighting yet again the importance of the Group's development pipeline to fuel NRI growth.

- The grand opening of the fully let Centrum Chodov extension on October 10 drew more than 70,000 visitors. Following a 3-year construction phase, Centrum Chodov is now the largest shopping centre in the Czech Republic with 101,600 m² GLA and 301 units[19]. The tenant mix includes new market entries, such as Zara Home, Oysho and Converse. It also hosts the largest and most modern multiplex in the country, an 18-screen Cinema City with three VIP screens and a 4DX auditorium[20]. On November 7, Centrum Chodov received the "Best of Realty 2017" award as the best shopping centre project from The Association for Real Estate Market Development.

- Wroclavia opened on October 17 in Wroclaw and has attracted over 3.1 million visits as at December 31, 2017. The 81,000 m² mixed-use project (65,000 m² dedicated to retail) has 177 shops, restaurants and entertainment units. The tenant mix includes retailers such as Sfera, Blue Frog, La Mallorquina, Vapiano, Uterqüe and Steve Madden.

- The grand opening of the Carré Sénart extension took place on October 25. With an extra 31,310 m² (151,800 m² in total, including the shopping park), the shopping centre now includes a Galeries Lafayette department store and 68 new shops, including iconic brands such as Uniqlo, NYX, Armani Exchange, Superdry, Hema, Rituals, and Sostrene Grene. Since the opening, a +20% increase in average daily footfall compared to 2016 was recorded. Since late October, Carré Sénart is now open on Sundays.

- The grand opening of the completely renovated Glòries occurred on November 9. It hosts 130 shops over 67,000 m² (+10,501 m²) including a 3,000 m² Fresh! as well as the first Uniqlo in a shopping centre in Spain, the newest and largest Mango concept in Spain, the largest H&M in a shopping centre in Spain and the first H&M Home in Barcelona.

- On November 29, Parly 2 inaugurated the new 3,500 m² GLA "Pont Neuf" extension which creates a loop that facilitates the customer journey. It offers 16 new stores including Uniqlo, Armani Exchange, New Balance, Bensimon, Marlette[21], Rituals and Aesop. In addition, Monoprix (extended on a 6,000 m² sales surface) and BHV opened completely renewed anchor stores.

Destinations and innovation

The roll-out of destination concepts continued in 2017, including:

- The Dining Experience™: two new projects were opened in October in Poland, in Wroclavia and Arkadia;
- The Designer Gallery™: a fourth Designer Gallery opened in Centrum Chodov on October 11;
- The Family Experience: a third Family Experience was launched in Centrum Cerny Most on October 30.

The 4 Star label has been awarded to Wroclavia, Parly 2, Bonaire, Centrum Chodov and Glòries this year. These additions bring to 31 the total number of 4 Star labeled shopping centres in the Group.

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[19] Cushman & Wakefield; GLA grading excluding retail parks, self-standing shops with furniture/home/garden offer even when they are connected and owned by the shopping centre.
[20] Cinema technology augmented with environmental effects such as seat motion, wind, rain, lights, and scents, designed to create a more immersive experience for the viewer.
[21] Winner of the "Grand Prize of the Young Retail Entrepreneurs" in 2014, the contest created by the Group in 2007 to support the creation of new businesses.

The deployment of Connect, the smartphone application launched in 2016 to communicate directly with all employees working in stores in the Group's shopping centres, continued in 2017 with 33 shopping centres now equipped (compared to six as at December 31, 2016).

The third season of UR Link, the Group's start-up accelerator, was focused around three main themes: develop more sustainable and social places, create new destinations and services, and better know and engage the Group's visitors. Selected start-ups included Phenix (waste management in shopping centres), Combo Solutions (simulating the carbon impact of the construction and operations of new buildings) and Jam (development of a chatbot to communicate with Millenials in Le Forum des Halles).

Unibail-Rodamco's efforts to collaborate with start-ups were recognised in 2017: the Group was nominated as one of the three finalists for the prestigious "David avec Goliath" prize, and selected by "La French Tech" in its 2017 Barometer.

Marketing and digital

The Group strengthened its media and events efforts in 2017, initiating its first personalized email campaigns by leveraging its new data and CRM capabilities.

The Unexpected Shopping advertising strategy was amplified with "Unexpected Smile", a Europe-wide advertising movie released in October in 33 of the Group's assets. The campaign's objective was to reinforce the image of Unibail-Rodamco's shopping centres by inviting viewers to discover the amazing experiences they offer. Over 5.5 million views were recorded on social networks all over Europe.

The Group continued to leverage its exclusive partnership with Niantic Inc. and The Pokémon Company with "spawning moments" in August, including never-seen-before "Pokémon creatures" in Europe. The footfall increased by +9% over three weekends in August, compared to 2016[22]. The first worldwide "Pokémon Go Safari Zone" events were held in Les Quatre Temps, La Maquinista, CentrO, Fisketorvet, Centrum Cerny Most and Mall of Scandinavia. This had a major impact and increased footfall:

- +60%[23] in Fisketorvet (best day in 2017);
- +36% in Centrum Cerny Most (best footfall ever);
- +33% in Mall of Scandinavia;
- +22% in La Maquinista (third best day ever);
- +21% in Les Quatre Temps;
- +19% in CentrO.

These events also had a positive impact on customer recruitment and sales, as 56% of the participants who answered a post-event survey in Mall of Scandinavia and Fisketorvet declared having never visited the centre before and 93% said that they had made at least one purchase during the day.

On the digital side, Unibail-Rodamco signed up almost +1.8 million new customers to its loyalty program in 2017 to reach a total of 4.2 million members. 85% of these new members came through digital channels (web and apps) compared to 37% in 2016.

In 2017, the audience on the Group's digital channels also showed a favourable increase with:

- 53 million web sessions;
- 235,000 app users on average per month (vs. 120,000 in 2016) with a peak reached in December (400,000 users, three times more than in December 2016).

The Group also continued the roll out and improvements of its digital services:

- New map in mobile apps introduced in Q4-2017 for all shopping centres;
- "Find my car" rolled out, now in 16 shopping centres (vs. four as at December 31, 2016).

2017 was also marked by the roll-out of Salesforce, the B2C CRM tool that will be at the heart of Unibail-Rodamco's "visitor farming" strategy in 2018:

- 55% of the portfolio (37 centres around Europe) equipped with the Salesforce CRM capability;
- 237 email campaigns launched, with 7 million emails sent and an opening rate of 21.9% (vs. the retail benchmark of 20%) and click rates of 3.8% (vs. the retail benchmark of 2.5%).

[22] On a perimeter of 36 shopping centres.
[23] Vs. same Saturday in 2016.

1.2. Net Rental Income

As at December 31, 2017, the Group owned 79 retail assets, of which 67 are shopping centres. 57 of these host six million or more visits per annum and represent 97% of the Group's retail portfolio[24] GMV. Unless otherwise indicated, all references to rents, contributions from affiliates and leases signed relate to the period ended December 31, 2017, and comparisons relate to the full year 2016.

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

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

Figures may not add up due to rounding.

The total net change in NRI amounted to +€73.8 Mn due to:

- +€34.1 Mn from the delivery of shopping centres or new units, mainly in Spain (Glòries and Bonaire), France (mainly Le Forum des Halles, Carré Sénart and Parly 2) and Central Europe (mainly Centrum Chodov and Wroclavia).
- +€2.6 Mn from the acquisition of additional units, mainly in France.
- -€2.5 Mn due to a negative currency translation effect from SEK.
- -€3.3 Mn due to assets moved to the pipeline, mainly in France and The Netherlands (Mall of The Netherlands project).
- -€7.2 Mn due to disposals of assets, mainly the Nordics (Eurostop Arlanda, Arninge Centrum and Eurostop Örebro in 2017), in Spain (Sant Cugat in December 2016 and Barnasud in November 2017) and Central Europe (Europark in April 2016).
- +€50.1 Mn of like-for-like growth. The +4.3% like-for-like NRI[25] growth exceeded indexation by +360 bps, above the Group's objective of like-for-like NRI growth of between 200 and 300 bps above indexation.

Region	Net Rental Income (€Mn) Like-for-like		
	2017	**2016**	**%**
France	528.3	509.2	3.7%
Central Europe	153.2	147.0	4.2%
Spain	142.9	136.6	4.6%
Nordics	140.5	130.6	7.6%
Austria	102.4	98.6	3.9%
Germany	92.5	89.6	3.2%
Netherlands	51.2	49.3	3.8%
TOTAL NRI Lfl	**1,211.1**	**1,161.0**	**4.3%**

Figures may not add up due to rounding.

[24] On standing assets, including value of equity in the companies accounted for using the equity method.

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

Region	Net Rental Income Like-for-like evolution (%)			
	Indexation	Renewals, relettings net of departure	Other (a)	Total
France	0.2%	1.4%	2.1%	3.7%
Central Europe	1.2%	2.8%	0.2%	4.2%
Spain	0.4%	3.9%	0.3%	4.6%
Nordics	1.9%	2.4%	3.3%	7.6%
Austria	1.0%	2.6%	0.3%	3.9%
Germany	1.0%	2.4%	-0.1%	3.2%
Netherlands	0.4%	-3.9%	7.4%	3.8%
TOTAL	**0.7%**	**1.9%**	**1.7%**	**4.3%**

(a) Other income net of operating expenses.

The +4.3% like-for-like NRI growth reflects indexation of +0.7% (+0.3% in 2016), the solid performance in renewals and relettings (+1.9% vs. +2.2% in 2016) and the positive impact of "Other" (+1.7% vs. +0.9% in 2016). The growth in "Other" was due primarily to a Sales Based Rent (SBR) increase (primarily in the Nordics and France), indemnities received from departing tenants in France and a reversal of provisions related to litigation in The Netherlands.

Across the portfolio, SBR represented 3.0% (€40.5 Mn) of NRI, vs. 2.6% (€33.0 Mn) in 2016. This increase is mainly due to the success of Mall of Scandinavia and Fisketorvet in the Nordics.

1.3. Contribution of affiliates

The total recurring Contribution of affiliates[26] for the shopping centre portfolio amounted to €84.0 Mn, compared to €66.7 Mn in 2016.

Region	Contribution of affiliates (€Mn)		
	2017 Recurring activities	**2016 Recurring activities**	**Change**
France	8.1	7.0	1.1
Central Europe	46.6	30.7	15.9
Spain	0.2	0.5	-0.3
Germany	29.1	28.5	0.6
TOTAL	**84.0**	**66.7**	**17.3**

Figures may not add up due to rounding.

The total net increase of +€17.3 Mn is mainly due to:

- In France, a good performance in Rosny 2;
- In Central Europe, the Group reimbursed in January 2017 a participating loan held by funds managed by CBRE Global Investors, resulting in a positive impact on the Contribution of affiliates for the region; the acquisition of Metropole Zlicin also had a positive impact;
- In Spain, the decrease is due to the full consolidation of Benidorm since June 2016; and
- In Germany, the good performance in Paunsdorf Center was offset by the impact of higher vacancy in CentrO during reletting periods and the refurbishment of Gropius Passagen.

[26] 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.

1.4. Leasing activity in 2017

The Group signed 1,350 leases on consolidated standing assets (1,479 in 2016) for €159.7 Mn of MGR. The average MGR uplift on renewals and relettings was +14.7% (+17.4% in 2016), exceeding the Group's targets for the period. The uplift in 2017 was the result of the reversion in Spain, Austria and France, partially offset by a lower MGR uplift in Germany, Central Europe and the Nordics and the negative uplift in The Netherlands. In 2016, the Group's MGR uplift was particularly high, primarily due to exceptionally strong leasing in France (in the Le Forum des Halles standing part, Parly 2 and Les Quatre Temps).

Region	Lettings / re-lettings / renewals excl. Pipeline				
	nb of leases signed	m²	MGR (€ Mn)	MGR uplift	
				€ Mn	%
France	332	106,642	55.3	7.0	19.0%
Central Europe	302	47,161	28.8	2.7	11.7%
Spain	264	52,532	28.9	5.1	23.9%
Nordics	178	54,327	19.3	0.2	1.4%
Austria	108	22,226	12.7	2.0	20.7%
Germany	75	10,288	4.8	0.4	12.4%
Netherlands	91	42,219	10.0	- 0.4	-5.1%
TOTAL	**1,350**	**335,394**	**159.7**	**17.1**	**14.7%**

MGR: Minimum Guaranteed Rent

Figures may not add up due to rounding.

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

As at December 31, 2017, the total annualised MGR from Unibail-Rodamco's shopping centre portfolio increased to €1,341.2 Mn (€1,279.6 Mn as at December 31, 2016).

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

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	38.4	2.9%	38.4	2.9%
2018	242.6	18.1%	88.4	6.6%
2019	272.4	20.3%	109.2	8.1%
2020	281.1	21.0%	134.2	10.0%
2021	135.1	10.1%	120.9	9.0%
2022	138.8	10.4%	181.3	13.5%
2023	66.8	5.0%	120.8	9.0%
2024	38.5	2.9%	83.7	6.2%
2025	40.6	3.0%	117.4	8.8%
2026	20.9	1.6%	85.7	6.4%
2027	17.9	1.3%	90.6	6.8%
2028	4.9	0.4%	23.6	1.8%
Beyond	43.1	3.2%	146.8	10.9%
TOTAL	**1,341.2**	**100%**	**1,341.2**	**100%**

Figures may not add up due to rounding.

The Estimated Rental Values (ERV) of vacant space in operation on the total portfolio increased to €37.8 Mn (from €35.2 Mn as at December 31, 2016).

The EPRA vacancy rate[27] increased to 2.4% as at December 31, 2017 (2.3% as at December 31, 2016) and includes 0.2% of strategic vacancy. The increase of vacancy in The Netherlands is due mainly to the strategic vacancy in Stadshart Amstelveen, and in the Nordics to departures in Täby Centrum.

Region	Vacancy (Dec. 31, 2017)		% Dec. 31, 2016
	€Mn	%	
France	20.0	2.8%	2.8%
Central Europe	0.7	0.4%	0.1%
Spain	2.2	1.0%	1.0%
Nordics	6.8	4.2%	3.3%
Austria	1.1	1.0%	1.2%
Germany	2.8	2.6%	2.2%
Netherlands	4.1	6.5%	6.0%
TOTAL	**37.8**	**2.4%**	**2.3%**

Excluding pipeline

Figures may not add up due to rounding.

The OCR[28] for the Group increased to 15.1% as at December 31, 2017, compared to 14.7% as at December 31, 2016.

Region	OCR	
	Dec. 31, 2017	Dec. 31, 2016
France	15.4%	15.4%
Central Europe	16.4%	15.9%
Spain	13.1%	12.2%
Nordics	15.4%	13.8%
Austria	16.7%	15.9%
Germany	13.6%	13.7%
Netherlands (1)	-	-
TOTAL	**15.1%**	**14.7%**

(1) Tenant sales not available in The Netherlands.

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

[28] 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.

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 *"Property portfolio and Net Asset Value"* note provided pursuant to IFRS 13, in order to provide readers with incremental data on the Group's consolidated assets.

Shopping Centres - Dec. 31, 2017		Rent in € per sqm (a)	CAGR of NRI (b)
France	Max	901	11.8%
	Min	122	1.6%
	Weighted average	537	4.2%
Central Europe	Max	583	3.2%
	Min	205	2.3%
	Weighted average	416	2.5%
Spain	Max	813	3.7%
	Min	117	2.3%
	Weighted average	320	3.3%
Nordics	Max	488	5.3%
	Min	201	2.9%
	Weighted average	387	3.3%
Germany	Max	471	4.1%
	Min	252	2.4%
	Weighted average	310	3.3%
Austria	Max	395	3.0%
	Min	377	2.7%
	Weighted average	386	2.9%
The Netherlands	Max	406	4.7%
	Min	124	2.8%
	Weighted average	256	3.3%
Group	**Max**	**901**	**11.8%**
	Min	**117**	**1.6%**
	Weighted average	**406**	**3.5%**

(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. Overview of German operations[29]

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

To provide a better understanding of the operational performance of the Group's German assets, the following paragraph describes a number of key performance indicators[30] on a pro-forma and 100% basis:

- The total GMV of the German portfolio (fully or partly owned) amounted to €5.4 Bn as at December 31, 2017 (€5.0 Bn as at December 31, 2016);
- The Pipeline amounted to €1.3 Bn as at December 31, 2017 (€1.2 Bn as at December 31, 2016);
- The GLA managed amounted to 1.4 million m² and includes 0.8 million m² of owned assets;
- NRI amounted to €202.2 Mn, an increase of +€1.9 Mn compared to 2016;
- On a like-for-like basis, NRI grew by +1.8% (with indexation of +0.8%);
- 140 leases were signed for standing assets (154 in 2016), with an average MGR uplift of +2.8%;
- EPRA vacancy rate as at December 31, 2017 was 4.0% compared to 4.9% as at December 31, 2016, mainly driven by a decrease in CentrO thanks to several successful relettings;
- OCR for tenants as at December 31, 2017 was 15.5%, compared to 15.1% as at December 31, 2016.

[29] Includes Office assets, representing 0.7% of total GMV-group share. Excludes Ring-Center.
[30] These operating data are for 100% of the assets for the years 2016 and 2017, and therefore cannot be reconciled with the Group's financial statements and key performance indicators.

2. Offices

2.1 Office property market in 2017

Take-up

With 2.6 million[31] m² of office space let in 2017, take-up in the Paris region was at the highest since 2007. This is mostly due to transactions in the Western crescent and to those over 5,000 m². 88 transactions[32] above 5,000 m² were recorded in 2017 (65 in 2016) and accounted for 1.1 million m² (+23% vs. 2016). 67% concerned new or refurbished as new buildings.

Nearly 1.1 million[32] m² were rented in Paris in 2017, stable compared to 2016. Take-up in the Paris Central Business District (CBD) was 481,000 m² (+8% vs. 2016).

The La Défense market saw transactions in line with the 10-year average, with 177,000 m² rented out in 2017. No significant transactions were recorded, mainly due to the lack of large and prime premises delivered in 2017. No change is expected for 2018.

Available supply[32]

The available supply in the Paris region as at December 31, 2017, remained stable at around 3.4 million m², of which 15% of new or refurbished as new buildings.

The vacancy rate in the Paris region has decreased steadily since 2014 and reached 6.5% at year-end 2017 (compared to 6.8% at year-end 2016).

The differences remain significant from sector to sector with, for example, a vacancy rate of around 2.9% in Paris CBD and a steep drop in La Défense from 8.2% as at December 31, 2016, to 7.3%. For other sectors such as Peri-Défense and the Northern Rim, vacancy rates remain over 15%.

Rental values

Rental values increased in the Paris Region throughout 2017, especially in Paris CBD, where recorded rents have exceeded €800 / m², up to €850 / m² on the Champs-Elysées (Paris 8).

In La Défense, there was no new or refurbished as new supply. Consequently, the highest rent did not exceed €520 / m² (Cœur Défense).

Despite a favourable market context, the Paris region lease incentives stayed high in 2017 with significant variations depending on volume and quality of the immediately available supply in the different sectors.

Investment market

The total volume of transactions closed in the Paris region during 2017 amounted to €16.4 Bn[33] (stable compared to 2016). This volume was driven by €11.8 Bn of transactions in H2, compared to €4.6 Bn in H1.

45 large transactions (over €100 Mn) were recorded in 2017, compared to 46 in 2016. The largest were:
- Cœur Défense (approximately €1.7 Bn) and Tour Hekla (approximately €575 Mn) in La Défense;
- So Ouest Plaza in Levallois;
- Tours Duo and Parc Avenue in Paris 13;
- 92 Gambetta in Paris 20;
- In & Out in Boulogne-Billancourt and West Plaza in Colombes.

As in 2016, with some exceptions, French investors, primarily investment funds, insurance companies and SCPIs, drove the market in 2017.

Strong demand, ample availability of financing and the limited supply of high quality office buildings continued to compress yields for prime office assets in La Défense, where prime yields fell by about 50 bps to around 4.00-4.25%, as illustrated by the sale of Tour Hekla. In Paris CBD, prime yields were stable vs. 2016 at around 3.00-3.25%.

[31] Source: Immostat.
[32] Source: BNP Paribas Real Estate.
[33] Source: Cushman & Wakefield.

2.2. Office division activity in 2017

Unibail-Rodamco's consolidated NRI from its offices portfolio amounted to €140.8 Mn, a -8.1% decrease compared to 2016 due primarily to the disposals in 2016 and 2017.

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

Figures may not add up due to rounding.

The decrease of -€12.5 Mn breaks down as follows:

- +€1.7 Mn mainly due to the delivery in March 2016 of Village 3;
- -€0.4 Mn due to currency effects in Sweden and other minor effects;
- -€6.8 Mn mainly due to the transfer of Shift (formerly "Issy Guynemer") to the pipeline;
- -€22.1 Mn mainly due to disposals of 2-8 Ancelle in March 2016, So Ouest offices in July 2016, 70-80 Wilson and Nouvel Air in October 2016 and So Ouest Plaza in October 2017;
- The like-for-like NRI growth was +€15.1 Mn (+13.5%) mainly due to good leasing performance in France and the full year impact of the Deloitte lease in Majunga (commenced in April 2016).

Region	Net Rental Income (€Mn) Like-for-like		
	2017	2016	%
France	111.0	95.8	15.9%
Nordics	11.7	11.4	2.7%
Other countries	4.6	5.0	-6.7%
TOTAL NRI Lfl	**127.3**	**112.2**	**13.5%**

Figures may not add up due to rounding.

A record 97,144 weighted square meters (wm²) were leased in standing assets, including 72,266 wm² in France. Lease agreements were signed with AEW, Paul Hastings, Arsene and Dior in Capital 8, with In'Li in Tour Ariane, with Orange in Les Villages 4 and 6, as well as the renewals of SNCF in CNIT and Marsh in Tour Ariane.

In addition, the Group has entered into exclusive negotiations with Nestlé to prelet the entire 44,566 m² Shift building, to be concluded during Q1-2018, more than one year prior to delivery.

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

Office	Lease expiry schedule			
	MGR (€Mn) at date of next break option	As a % of total	MGR (€Mn) at expiry date	As a % of total
Expired	1.8	1.1%	1.8	1.1%
2018	15.1	8.9%	10.5	6.2%
2019	37.6	22.2%	23.0	13.5%
2020	11.1	6.5%	4.2	2.5%
2021	9.6	5.7%	2.5	1.5%
2022	10.1	5.9%	6.8	4.0%
2023	8.6	5.0%	15.2	9.0%
2024	0.6	0.3%	5.9	3.5%
2025	40.8	24.1%	11.8	6.9%
2026	5.6	3.3%	8.4	5.0%
2027	1.3	0.8%	21.8	12.9%
2028	17.4	10.2%	37.8	22.3%
Beyond	10.1	5.9%	19.9	11.8%
TOTAL	**169.7**	**100%**	**169.7**	**100%**

Figures may not add up due to rounding.

ERV of vacant office space in operation amounted to €8.4 Mn as at December 31, 2017, corresponding to a financial vacancy[34] of 4.6% (13.1% as at year-end 2016), including €5.2 Mn and 3.3% (13.4% at year-end 2016) in France. This decrease is mainly due to the lettings of vacant areas in Capital 8 and Les Villages. The remaining vacancy as at year-end 2017 is mainly in Les Villages and Tour Ariane.

3. Convention & Exhibition

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

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

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

2017 has been characterized by the following shows:

Annual shows:

- The International Agriculture's show ("SIA") attracted 619,000 visitors, +1.3% vs. 2016;
- The 2017 edition of the "Foire de Paris" attracted 525,800 visitors, +1.5% vs. 2016;
- The 2nd edition of Vivatech held in Paris Expo Porte de Versailles attracted over 60,000 visitors (+33% vs. 2016), 500 international speakers and over 6,000 start-ups and exhibitors from over 50 countries.

Biennial shows:

- The 52nd edition of the "Le Bourget International Air Show" (SIAE) was a record-breaking event with almost 2,400 exhibitors from 48 countries and $150 Bn of new orders announced;
- The "Paris International Agri-Business Show" (SIMA) welcomed 1,770 exhibitors from 42 countries. It attracted approximately 232,000 visits (-3.0% vs. 2015), including 23% from outside of France;

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

- Le “Mondial du Bâtiment”, one of the world’s leading construction shows welcomed 319,200 visitors (20% were international) in November.

In March, Samsung chose the Carrousel du Louvre to host the worldwide presentation of its new TV range “The Frame”.

EuroPCR, the official congress of the European Association of Percutaneous Cardiovascular Interventions (EAPCI), is the world’s leading annual congress in its field. Held in May in Paris, in Palais des Congrès, this event drew more than 12,000 participants.

“IFOS”, the international congress of the International Federation of Oto-Rhino-Laryngological Societies, was held in Paris in June, in Paris Expo Porte de Versailles. Last hosted in Paris in 1961, this rotating congress drew more than 8,000 specialists, double the number of participants of the previous edition in Seoul in 2013.

In October, the Palais des Congrès de Paris welcomed the Google Cloud Summit with 2,500 delegates.

The new Paris Convention Centre was opened on November 22 and welcomed its first congress in December: the 30th Rheumatology congress with 5,000 participants.

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

Viparis’s EBITDA[35] came to €134.4 Mn, flat compared to 2015 adjusted for the impact of the triennial Intermat exhibition. Growth in the turnover of the corporate events[36] (+13.6%) and congresses (+19.4%) segments was offset by the decline in the exhibition segment and the negative impact of the security costs post the 2015 terrorist attacks. The EBITDA decreased by -€8.7 Mn (-6.1%) compared to the reported EBITDA (€143.1 Mn) for 2015.

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

The NRI from hotels amounted to €11.6 Mn for the period, compared to €13.0 Mn in 2016, as a result of the closure in August 2017 of the Pullman Montparnasse hotel for renovation works.

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.

The Group has taken up a new long-term challenge, with a set of objectives to be achieved by 2030: “Better Places 2030”, a program launched in September 2016. The Group aims to reduce by -50% its carbon footprint by 2030. This strategy is now incorporated into the entire value chain, with a wide spectrum of initiatives covering the emissions resulting from the activities of the Group as well as its stakeholders. In doing so, the Group is the first listed real estate company to address the wide scope of indirect carbon emissions resulting from construction works, consumption of energy by tenants and transportation used by all users of its sites (employees and visitors).

“Better Places 2030” addresses the main challenges facing commercial real estate by 2030: moving toward a low-carbon economy, anticipating new modes of sustainable mobility, fully integrating the Group’s business activities with the local communities, and engaging all of the Group’s teams as well as its stakeholders. This global approach revolves around four pillars with ambitious and tangible objectives for each of them:

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

[35] EBITDA (Viparis): “Net rental income “and “Other site property services operating result” + “Recurring contribution of affiliates” of Viparis venues.
[36] Excluding CNIT, currently not operated due to the EOLE works.

In order to ensure the achievement of the Better Places 2030 ambitions, a clear governance has been set up, both at strategic and operational levels, with the support and expertise of the CSR team.

The main achievements[37] in 2017 are:

- Pillar 1 - "Better Buildings":
    - The carbon assessment methodology for construction and operations has been defined and has been applied to all active development projects at design stage in 2017 (Trinity, Val Tolosa, Benidorm, Phare-Sisters, 3 Pays, Überseequartier, Mall of Europe and the extensions of Garbera, La Part-Dieu and Vélizy 2), and a dedicated training has been rolled out across development teams.
    - Following the contracts signed in 2017 for France and Central Europe, all the Group's regions are now supplied with Green Electricity[38]. As at December 31, 2017, 146 LED partnerships were signed with tenants, accounting for 15.6% of the total retail GLA[39].
    - The updated "Green Lease", which includes a mandatory requirement for the tenants to source green electricity and install LED lighting sources from 2020 onwards, is being implemented in all regions since May 1, 2017.

- Pillar 2 - "Better Connectivity":
    - 98% of the Group's standing assets[40] are now equipped with electrical vehicle charging spaces and six pilot assets have been equipped with next generation charging stations.
    - In partnership with Tesla, the Group is also rolling out Tesla chargers in its shopping centres (20 equipped).
    - Three shopping centres implemented Mobility Action Plans that will be further rolled out throughout the Group in 2018, to improve global accessibility of shopping centres while reducing the associated carbon footprint.

- Pillar 3 - "Better Communities":
    - "UR for Jobs" program: this initiative which aims to create job opportunities for young people was conducted in 15 shopping centres, resulting in 250 young people having been hired[41] by the Group's tenants and suppliers.
    - "Solidarity Days": 12 initiatives took place to raise awareness amongst youth and visitors about local priority issues such as education, health and sustainability. 3,230 young people were supported.
    - 719 of the Group's employees dedicated at least one day to volunteer for one of these initiatives.

- Pillar 4 - "Better Collective Power":
    - CSR quantitative objectives tied to Short Term Incentives schemes were in place for the Management Board, the Group Management Team and Country Management teams.
    - Specific CSR criteria and KPIs are included in all the Group's business decisions (e.g., investments, developments and annual asset reviews).
    - The Group is gradually replacing all company cars with hybrid or electrical vehicles. The Group is also engaged in a program of carbon offsets for its business travel carbon emissions (airplanes and trains).
    - UR Link #3: two French startups, focusing on waste recycling (Phenix) and carbon impact simulation for building design (Combo), have been selected for the Group's 2017 start-up acceleration programme to support the Better Places 2030 priorities. The Group's innovation partnership with Engie to accelerate the low carbon transition of its assets and activities is bearing fruit, with 13 projects underway at year end, such as energy performance contracts or the sourcing of green electricity for the common areas of the Group's French assets as of January 1, 2018.

Along with this long-term plan, Unibail-Rodamco continued to implement its policy of energy efficiency. In 2017, the Group's energy intensity remained stable[42] compared to 2016. This represents a cumulative -17.0% decrease of energy intensity since 2012, in line with the objective of a -25% decrease by 2020 from the 2012 baseline.

The Group also continued its programme of environmental certification of its assets. For its development projects, the Group obtained three new BREEAM Excellent certificates (design stage): Wroclavia Offices and Retail, and the Centrum Chodov extension. Regarding its standing portfolio, 23 shopping centres obtained a BREEAM In-Use certificate in 2017 (seven newly certified and 16 renewed), of which ten at the "Outstanding" level for the "Building Management (part 2)".

[37] The data communicated in this paragraph are under review by auditors.
[38] In the common areas of owned and managed shopping centres.
[39] For owned and managed assets.
[40] For the shopping centres for which the Group owns and manages the car parks.
[41] Including integration in a training programme.
[42] In kWh/visit for the owned and managed shopping centre portfolio, on a like-for-like basis.

As at December 31, 2017, the Group had 52 managed shopping centres certified 'BREEAM In-Use' in Europe, of which 63% rated 'Outstanding' (Part 2 'Building Management'), representing 3.4 million m² of total GLA. In comparison, only 10% of the European real estate[43] market has obtained the same certification. Unibail-Rodamco's portfolio has the highest certification profile in the European retail real estate market.

2017 was also an active year in terms of investor relations, with 43 meetings dedicated to Unibail-Rodamco's ESG performance, during conferences, one-on-one meetings and site visits. The Group also signed the first ever green credit facility in Europe.

The Group was again included in the main Environmental, Social and Governance indices in 2017 and is ranked among the top companies in the Real Estate sector in ESG benchmarks and profiles. Unibail-Rodamco ranked first among the financial services – real estate sector of Vigeo Eiris 2017 ESG rating and was confirmed as of December 2017 in the Euronext Vigeo indexes: World 120, Eurozone 120, Europe 120 and France 20. The Group was confirmed in June as industry leader in the updated Sustainalytics rating and remains a member of the STOXX® Global ESG Leaders indices for the sixth consecutive year. The Group was also confirmed as a member of the FTSE4Good Index series and as a member of the Ethibel® Sustainability Indexes Excellence Europe and Excellence Global in 2017. In 2017, the Group was ranked 3rd out of 243 real estate companies rated by Oekom research. It achieved a C+ (Prime status). In the 2017 GRESB Survey (Global Real Estate Sustainability Benchmark – the only sustainability benchmark dedicated to the real estate sector), Unibail-Rodamco was rated 'Green Star' for the seventh year in a row.

The Group's reporting complies with the EPRA Best Practice Recommendations for Sustainability Reporting and received its sixth consecutive EPRA Sustainability Gold Award with this regard, and with the new GRI (Global Reporting Initiative) sustainability reporting standards.

IV. 2017 RESULTS

Other property services net operating result from property services companies in France, Spain and Germany was €39.6 Mn. The recurring part amounted to €42.0 Mn, an increase of +€6.2 Mn compared to 2016, mainly due to Germany.

Other Income of +€0.9 Mn is related to one-off items resulting mainly from litigation.

General expenses amounted to -€181.8 Mn (including -€62.4 Mn of non-recurring expenses related to the Westfield acquisition announcement incurred in 2017), compared to -€120.4 Mn in 2016 (including -€1.3 Mn non-recurring). As a percentage of NRI from shopping centres and offices, recurring general expenses were 8.0% (vs. 8.3% in 2016). As a percentage of GMV of shopping centres and offices, recurring expenses stood at 0.30% (0.32% for 2016).

Development expenses incurred for feasibility studies of projects and potential acquisitions amounted to -€3.6 Mn in recurring expenses (-€5.9 Mn in 2016).

Recurring financial result totalled -€228.0 Mn (after deduction of capitalised financial expenses of €18.7 Mn allocated to projects under construction). This represents a -€26.9 Mn decrease compared to 2016.

The Group's average cost of debt[44] decreased to 1.4% (vs. 1.6% for 2016).
Unibail-Rodamco's financing policy is described in section *"Financial Resources"*.

[43] Source: BRE Global BREEAM In-Use Data, BREEAM ES and BREEAM NL data as at Dec. 31, 2017 – 309 retail assets certified under BREEAM In-Use international 2015 (Part 2).
[44] Average cost of debt = Recurring financial expenses (excluding those on financial leases and related to partners' current accounts) + capitalized financial expenses (excluding non-recurring financial expenses such as mark-to-market and termination costs of financial instruments including bonds repurchased, currency impact) / average net debt over the period.

Non-recurring financial result amounted to -€0.9 Mn, which breaks down as follows:

- -€90.1 Mn due to the marking-to-market of derivatives, including the impact of the marking-to-market of the EUR/USD swaptions related to the Westfield acquisition. Unibail-Rodamco recognises the change in value of its derivatives directly in the income statement;
- +€21.1 Mn mark-to-market of the ORNANEs issued in 2012, 2014 and 2015;
- +€70.3 Mn of currency impact mainly resulting from the revaluation of bank accounts and debt issued in foreign currencies. The offsetting cost of the cross currency swap was recorded in the mark-to-market of derivatives as these transactions were fully hedged;
- -€2.2 Mn of debt discounting and other minor items.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies[45] do not exist and from activities in France not eligible for the SIIC regime, mainly in the Convention & Exhibition business.

Income tax allocated to the recurring net result amounted to -€17.7 Mn compared to -€11.1 Mn in 2016.

Non-recurring income tax expenses amounted to -€56.5 Mn (-€272.1 Mn in 2016), reflecting mainly the increase in deferred tax liabilities as a result of the revaluation of the Group's real estate assets. This amount also includes the benefit of the +€30.6 Mn refund claimed from the French tax authorities for the 3% tax levied on cash dividends paid by French companies between 2012 and 2016.

Non-controlling interests in the consolidated recurring net result after tax amounted to €176.9 Mn compared to €177.4 Mn in 2016. Minority interests mainly relate to French shopping centres (€94.3 Mn, mainly Les Quatre Temps, Parly 2 and Le Forum des Halles), to the stake of CCIR in Viparis (€42.8 Mn) and to Unibail-Rodamco Germany and Ruhr-park (€33.3 Mn). The non-recurring non-controlling interests amounted to €106.0 Mn, down from €231.0 Mn in 2016, due primarily to lower valuation movements in 2017.

Net result - owners of the parent was a profit of €2,439.5 Mn. This figure breaks down as follows:

- €1,202.1 Mn of recurring net result (+7.9% compared to 2016) as a result of strong NRI growth and lower interest expenses, partially offset by the impact of disposals in 2016 and 2017 and higher taxes;
- €1,237.4 Mn of non-recurring result[46] (compared to €1,294.8 Mn in 2016).

The average number of shares and ORAs[47] outstanding during 2017 was 99,752,597, compared to 99,160,738 in 2016. The increase is mainly due to stock options exercised in 2016 and 2017 and to the issuance of performance shares in 2016 and 2017, partially offset by the cancellation of 34,870 shares repurchased in 2017.

Recurring Earnings per Share (recurring EPS) for 2017 came to €12.05 compared to €11.24 for 2016, representing an increase of +7.2%.

V. POST-CLOSING EVENTS

None.

VI. WESTFIELD CORPORATION ACQUISITION

On December 12, 2017, Unibail-Rodamco announced it had entered into an agreement to acquire Westfield Corporation. Since the announcement, Unibail-Rodamco has obtained the unanimous positive opinions of its works councils, in accordance with Clause 2 of the Implementation Agreement dated December 12, 2017. The transaction remains subject to the conditions precedent described in the Implementation Agreement.

[45] In France: SIIC (Société d'Investissements Immobiliers Cotée).
[46] 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.
[47] It has been assumed here that the ORAs have a 100% equity component.

The Group expects to file the draft EU listing and Document E prospectuses and materials with the relevant regulatory authorities shortly. Unibail-Rodamco expects approval of the transaction documentation in March / April and to convene the Annual and Extraordinary shareholder meetings in Q2-2018. Westfield is expected to issue its Explanatory Memorandum in respect of the transaction to its security holders in Q1-2018 and convene its security holder meetings in Q2-2018.

The closing is expected to take place in Q2-2018 upon approval of shareholders of both companies and satisfaction of the conditions precedent.

VII. DIVIDEND[48]

For the fiscal year 2017, the Group will propose a cash dividend of €10.80 per share for approval by its Annual General Meeting (AGM). Further to the announcement of the agreement to acquire Westfield Corporation, the Group will reschedule this AGM, originally scheduled on April 18, 2018, to a date expected to be in May 2018.

The dividend payment schedule will be as follows:

- An interim dividend of €5.40 per share on March 29, 2018 (ex-dividend date March 27, 2018); and
- A final dividend of €5.40 per share, subject to approval of the AGM. The final dividend will be paid to Unibail-Rodamco shareholders of record prior to the closing of the Westfield acquisition.

The total amount of dividends paid with respect to 2017 would be €1,078.5 Mn for the 99,856,676 shares issued as at December 31, 2017. This represents a 90% pay-out ratio of the net recurring result, in line with the Group's 85%-95% dividend pay-out policy.

The statutory 2017 result of Unibail-Rodamco SE (parent company) was a profit of €1,191.8 Mn. The 2017 result of Unibail-Rodamco SE's SIIC sector amounted to €511.5 Mn. The dividend distribution obligation will be €414.7 Mn. After payment of the proposed dividend, the SIIC distribution requirement will have been met for 2018.

Assuming approval by the Annual General Meeting expected to be held in May 2018:

(i) €4.15 of the dividend will have been paid from Unibail-Rodamco's tax exempt real estate activities (the "SIIC dividend"). This dividend corresponds to the distribution obligation under the SIIC regime.

- For French tax residents, the SIIC dividend will not be eligible for the tax exemption provided for under the parent-subsidiary regime when received by institutional shareholders that are subject to corporate income tax. A 12.8% flat tax, plus 17.2% of social charges, will be withheld for individual shareholders. Individual shareholders may elect to pay income tax at the standard progressive rate (without the benefit of the 40% rebate) instead of paying the flat tax at 12.8%;
- For non-French tax residents, the SIIC dividend will bear French withholding tax (30% for institutional shareholders and 12.8% for individual shareholders) reduced by the provisions of applicable double tax treaties;
- For French Undertakings for Collective Investments (UCI) and comparable non-French UCIs, a 15% withholding tax will be levied on the SIIC dividend.

(ii) The remaining €6.65 will have been paid from Unibail-Rodamco's non-tax exempt activities (the "non-SIIC dividend").

- For French tax residents, the non-SIIC dividend will be eligible for the tax exemption provided for under the parent-subsidiary regime when received by institutional shareholders subject to French corporate income tax. The 12.8% flat tax, plus 17.2% of social charges, will be withheld for individual shareholders. Individual shareholders may elect to pay income tax at the standard progressive rate (with the benefit of the 40% rebate) instead of paying the flat tax at 12.8%;
- For non-French tax residents, the non-SIIC dividend will bear applicable French withholding tax (30% for institutional shareholders and 12.8% for individual shareholders) reduced by the provisions of applicable double tax treaties. Non-French UCIs could be exempt from the withholding tax if certain conditions are met.

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

VIII. OUTLOOK

The macroeconomic environment in 2017 improved on the back of the recovery in investment, manufacturing and trade which in turn strengthened consumer confidence. Looking ahead, the outcome of elections in certain European countries, including Italy, the formation of a government in Germany, the Brexit process, trade policies enacted by the United States administration, responses thereto from its trading partners, adverse geopolitical events or further terrorist threats could affect economic growth in Europe and the Group's business.

The Group expects to grow its recurring EPS in 2018 to between €12.75 and €12.90 on a standalone basis.

For the medium term and on a standalone basis, **Unibail-Rodamco expects to grow its recurring EPS at a compound annual growth rate of between +6% and +8%**. This medium-term outlook is derived from the annual business plan exercise for Unibail-Rodamco. This results in annual growth rates which vary from year to year. The key inputs in the Group's business plan, which is built on an asset by asset basis and based on economic conditions as at year-end 2017, are estimates and assumptions relating to indexation, rental uplifts, disposals of approximately €3 Bn over the next several years, timely delivery of pipeline projects, cost of debt and taxation. Variations in these assumptions will also cause growth rates to vary from one plan to the next. The Group's current business plan does not assume any acquisitions, nor the Westfield transaction.

2. INVESTMENTS AND DIVESTMENTS

In 2017, Unibail-Rodamco invested €1,223.4 Mn, group share, in acquisitions of assets and in construction, extension and refurbishment projects, compared to €1,136.1 Mn in 2016. The Group also invested €146.0 Mn in acquisition of shares in two assets, in Prague and Cagnes-sur-Mer[49]. The Group divested a total amount of €709.9 Mn at an average premium of +15.0% above the last unaffected appraisal value.

1. Shopping centres

Unibail-Rodamco invested €1,020.8 Mn[50] in its shopping centre portfolio in 2017:

- New acquisitions amounted to €57.0 Mn, mainly units in Parquesur, La Valentine, Le Forum des Halles and Mall of The Netherlands;
- €744.2 Mn were invested in construction, extension and refurbishment projects, including the Carré Sénart, Parly 2, Glòries, Centrum Chodov, Wroclavia and Überseequartier projects (see also section *"Development projects"*).
- Replacement Capex[51] amounted to €93.2 Mn;
- Financial, eviction and other costs were capitalised for €11.4 Mn, €83.7 Mn and €31.3 Mn, respectively.

The Group disposed of a number of non-core assets, including:

- In September, two Swedish assets, Eurostop Arlanda and Arninge Centrum. The total GLA disposed of was almost 64,000 m², including approximately 17,500 m² of hotel and office space;
- In October, Eurostop Örebro (GLA of 15,300 m²);
- In November, Barnasud (GLA of 35,800 m²);
- In December, two outlet centres located in France: the Channel Outlet Store and L'Usine Roubaix.

Collectively, the Group disposed retail assets for a total Net Disposal Price (NDP)[52] of €250.8 Mn at an average premium of +12.3% above the last unaffected appraisal value.

On October 23, the Group formed a joint venture with Commerz Real and acquired 50% of the shopping centre Metropole Zlicin for a Total Acquisition Cost (TAC)[53] of €110 Mn. Metropole Zlicin, located in Prague, has a GLA of approximately 56,000 m². This asset is accounted for using the equity method.

On December 29, the Group acquired a 45% stake in the companies holding the shopping centre Polygone Riviera from its joint-venture partner. As at December 31, 2017, the Group owned a 95% interest in this asset. On January 4, 2018, the Group acquired the remaining 5% stake in the asset.

2. Offices

Unibail-Rodamco invested €114.4 Mn[50] in its office portfolio in 2017:

- €100.8 Mn were invested in works and minor acquisitions, mainly in France for the Trinity project in La Défense and for the Versailles Chantiers project (see also section *"Development Projects"*);
- Replacement Capex amounted to €1.4 Mn;
- Financial and other costs capitalised amounted to €12.2 Mn.

On October 2, 2017, further to the agreement (*promesse de vente*) entered into in February 2017, Unibail-Rodamco disposed of the 36,600 m² So Ouest Plaza building, located in Levallois-Perret, to an institutional investor represented by BNP Paribas Real Estate Investment Services.

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[49] Payment for the acquisition of the 50% stake in Polygone Riviera was made on Jan. 4, 2018.
[50] Total capitalised amount in asset value Group share.
[51] Replacement Capex relates to works either on equipment or the structure of a standing asset. The primary purpose of Replacement Capex is to ensure that the asset is in good working order and / or to make minor improvements. These investments can be triggered by obsolescence, maintaining technical performance at market levels or compliance with regulatory requirements. These amounts do not include Replacement Capex spent as part of the TIC of extension and / or renovation projects and on which the Group's standard Return On Investment (ROI) is expected.
[52] Net Disposal Price (NDP): Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs.
[53] 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.

Collectively, the Group disposed for a total NDP of €459.1 Mn of office assets, at an average premium of +16.6% above the last unaffected appraisal value.

Further to its annual Business Plan review, the Group has identified ca. €3 Bn of assets to be disposed of in the next several years.

3. Convention & Exhibition

Unibail-Rodamco invested €88.2 Mn[54] in its Viparis sites in 2017:

- €56.9 Mn were invested for works, mainly in Porte de Versailles.
- Financial and other costs capitalised amounted to €31.3 Mn.

The first phase of renovation works (2015-2017) on the Porte de Versailles site was completed with the grand opening of the 44,000 m² Hall 7 on November 22, to create the new Paris Convention Centre, including a 5,200-seat plenary room. It is the largest in Europe and can accommodate the biggest national and international events with space for 35,000 participants. The construction of Phase 2 began in H2-2017 with the demolition of Pavilions 6 and 8 and the construction of a new Pavilion 6.

[54] Total capitalised amount in asset value Group share.

3. DEVELOPMENT PROJECTS AS AT DECEMBER 31, 2017

As at December 31, 2017, Unibail-Rodamco's consolidated development project pipeline amounted to €7.9 Bn (€7.3 Bn in group share), corresponding to a total of 1.6 Mn m² Gross Lettable Area (GLA), to be re-developed or added to the Group's standing assets. The Group retains significant flexibility on its consolidated development portfolio (67% of the total investment cost[55]).

1. Development projects portfolio evolution

2017 was a very active year, with five deliveries in Q4:
- The new 81,032 m² shopping centre Wroclavia;
- The renovation and 41,948 m² extension of Centrum Chodov;
- The renovation and 31,310 m² extension of Carré Sénart;
- The full redevelopment and extension of Glòries, with 10,501 m² of new GLA; and
- The 7,604 m² extension of Parly 2.

Two new extension and renovation projects were added to Unibail Rodamco's development pipeline:
- The Vitam project, with a total investment cost (TIC)[56] of €322 Mn and a GLA of 69,621 m², encompassing the renovation and extension of an existing leisure and retail centre organized around an aquatic park in France, close to Geneva; and
- The 15,693 m² extension of Fisketorvet.

The Group made significant progress on existing pipeline projects. After final administrative authorizations were obtained, works started in July for Villeneuve 2 and Gaîté Montparnasse, in August for the Parly 2 Cinema, and in December for the La Part-Dieu extension. The final building permit for the Carré Sénart leisure extension was obtained in November.

2. Overview of development projects

The estimated TIC[56] of the consolidated development pipeline[57] as at year-end 2017, amounts to €7.9 Bn. The pipeline does not include projects under development by companies accounted for using the equity method[58] (circa €0.2 Bn in Group share), Convention & Exhibition projects and projects under consideration or for which the Group is competing.

The €7.9 Bn development pipeline compares with the €8.0 Bn as at year-end 2016. The changes in the TIC (-€0.1 Bn) and in the aggregate GLA (-50,822 m²) result from: (i) the delivery of five projects (-€0.9 Bn; -171,091[59] m²), (ii) modifications in the program of existing projects and indexation, discounting and currency movements (+€0.3 Bn; +34,955 m²), and (iii) new projects added (+€0.5 Bn; +85,314 m²).

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

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

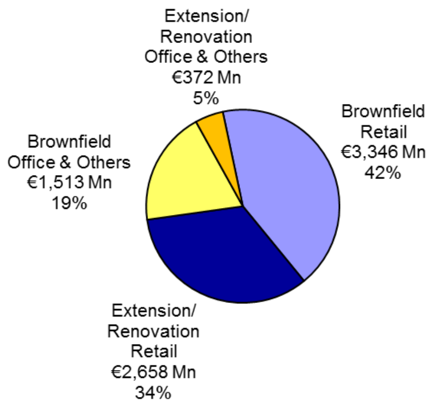
[57] The development pipeline includes only the projects in the shopping centre and office divisions of the Group. The Porte de Versailles renovation project TIC remaining to be spent is €453 Mn.

[58] Mainly the extension a shopping centre located in Central Europe and the renovation of Gropius shopping centre, except for Vitam accounted for under the equity method but presented here at full consolidation, as full control of the project by Unibail-Rodamco will be obtained before start of works.

[59] GLA as reported as at Dec. 31, 2016. Square meters delivered may vary from the last pipeline report, as a result of adjustments during the development of a project.

The pipeline categories are as follows:

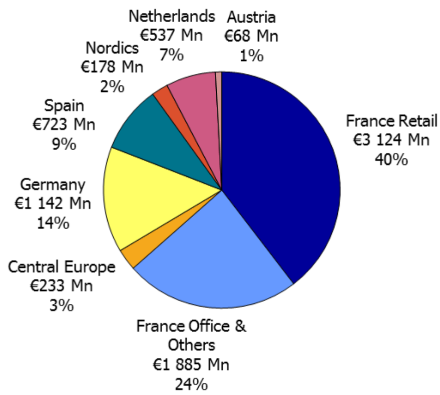
Consolidated development pipeline by category[60]



The €6.0 Bn Retail pipeline is split between brownfield projects (56%) and extensions and renovations (44%). The Group currently expects to add 1.1 million m² of retail GLA, representing an increase of ca. 32% of the Group's existing retail GLA. Out of the Retail pipeline, €1.2 Bn (20%) are committed.

Development projects in the Office & Others sector amount to €1.9 Bn. Brownfield projects represent 80% and correspond to some 240,000 m^2 of new GLA, of which 73% are expected to be delivered after 2021. The remainder will be invested in the redevelopment or refurbishment of almost 106,000 m² of existing assets. Out of the €1.9 Bn Office & Others pipeline, €746 Mn (40%) are committed.

Consolidated development pipeline by region[60]



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

3. A secured and flexible development pipeline

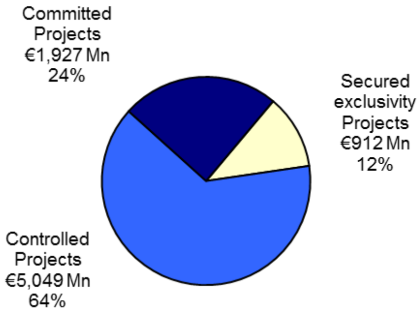
The table below shows the evolution of the development pipeline between December 31, 2016, and December 31, 2017, by commitment categories:

In € Bn	Dec. 31, 2017	Dec. 31, 2016
"Committed" projects [61]	1.9	1.9
"Controlled" projects[62]	5.0	4.9
"Secured Exclusivity" projects[63]	0.9	1.2
Consolidated Total Investment Cost	**7.9**	**8.0**

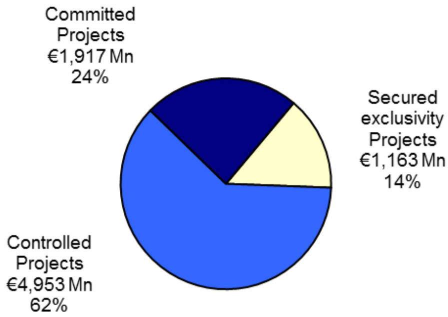
Figures may not add up due to rounding.

Consolidated development pipeline by phase[60]

December 31, 2017



December 31, 2016



Of the €1.9 Bn "Committed" development pipeline, €0.6 Bn have already been spent, with €1.3 Bn still to be invested over the next 3 years. Of this amount, €0.6 Bn have been contracted.

The "Committed" category now includes Villeneuve 2, Gaîté Montparnasse, the Parly 2 Cinema, and the La Part-Dieu extension.

The "Controlled" category now includes the Carré Sénart leisure extension, the Garbera extension and 3 Pays, following progress on administrative authorizations.

In 2017, the Vitam and the Fisketorvet extension projects were added to the "Secured Exclusivity" projects.

The "Controlled" and "Secured exclusivity" development pipeline represents options to create significant value for the Group. €0.7 Bn have already been spent on these two categories.

4. Changes in development pipeline projects in 2017

In 2017, two projects were added to the development pipeline:
- The Vitam renovation and extension, with a TIC of ca. €0.3 Bn;
- The Fisketorvet extension, with a TIC of ca. €0.2 Bn.

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61 "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.
62 "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.
63 "Secured exclusivity" projects: projects for which Unibail-Rodamco has the exclusivity but where negotiations for building rights or project definition are still underway.

Since December 31, 2016, the delivery dates of some of the Group's projects have been pushed back, for example:

- The Maquinext extension was delayed by 44 months due to ongoing negotiations with the City;
- The Triangle development was delayed by 21 months because of claims against the building permit;
- SCS West extension was delayed by 15 months due to ongoing negotiations with co-owners;
- The Garbera extension project was delayed by 15 months due to an additional environmental study required by the municipality;
- The Mall of The Netherlands extension project was delayed by 14 months because of construction delays;
- The Val Tolosa project was delayed by 13 months due to further claims against the project.

5. Investments in 2017

See section *"2. Investments and divestments"*.

6. Delivered projects in 2017

The following five retail projects, representing a TIC of €929.9 Mn and a total GLA of 172,395 m², were delivered in 2017:

- The 81,032 m² new Wroclavia Shopping Centre;
- The 41,948 m² extension of Centrum Chodov;
- The 31,310 m² extension of Carré Sénart;
- The 10,501 m² extension and refurbishment of Glòries;
- The 7,604 m² extension of Parly 2.

The weighted average yield on cost was 7.7%[64].

7. Deliveries expected in the next 12 months

Two projects representing an expected TIC of ca. €64 Mn are scheduled to be delivered in 2018:
- The complete refurbishment of Villeneuve 2 in July 2018;
- The 16,147 m² brownfield office project of Versailles Chantiers in October 2018.

The average pre-letting of Versailles Chantiers stands at 36%[65].

8. Projects overview (See table next page)

The aggregate TIC of existing projects increased due to:
- The mechanical effects of inflation, discounting and currency movements;
- Programme changes, mainly for Neo with the integration of the metro connection, Mall of The Netherlands and La Part-Dieu;
- Increase of construction costs and/or square meters in some projects (e.g., Shift, formerly "Issy Guynemer", the Vélizy 2 retail extension and the Phare-Sisters office project).

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[64] Annualized expected rents net of expenses divided by the TIC.
[65] Retail GLA signed, all agreed to be signed and financials agreed.

DEVELOPMENT PROJECTS – Dec. 31, 2017

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
VILLENEUVE 2 RENOVATION	Shopping Centre	France	Lille Region	Extension / Renovation	0 m²	0 m²	2	8	H2 2018		Fair value
VERSAILLES CHANTIERS	Office & others	France	Paris Region	Greenfield / Brownfield	16,147 m²	16,147 m²	18	55	H2 2018		Fair value
VELIZY 2 LEISURE EXTENSION	Shopping Centre	France	Paris Region	Extension / Renovation	19,968 m²	19,968 m²	27	118	H1 2019		At cost
SHIFT (6)	Office & others	France	Paris Region	Redevelopment / Extension	44,566 m²	44,566 m²	23	161	H1 2019		Fair value
TRINITY	Office & others	France	Paris	Greenfield / Brownfield	48,939 m²	48,939 m²	153	320	H1 2019		At cost
PARLY 2 CINEMA	Shopping Centre	France	Paris Region	Extension / Renovation	3,699 m²	3,699 m²	8	26	H2 2019		Fair value
MALL OF THE NETHERLANDS (7)	Shopping Centre	Netherlands	The Hague Region	Redevelopment / Extension	87,806 m²	87,806 m²	278	537	H1 2020		At cost
GAITE MONTPARNASSE RETAIL	Shopping Centre	France	Paris	Redevelopment / Extension	27,778 m²	27,778 m²	33	145	H1 2020		At cost
GAITE MONTPARNASSE OFFICES (8)	Office & others	France	Paris	Redevelopment / Extension	61,126 m²	61,126 m²	51	211	H1 2020		At cost
LA PART-DIEU EXTENSION	Shopping Centre	France	Lyon	Extension / Renovation	30,617 m²	30,617 m²	49	346	H1 2020		At cost
Committed Projects					**340,644 m²**	**340,644 m²**	**643**	**1,927**		**7.0% (10)**	
CARRE SENART LEISURE EXTENSION	Shopping Centre	France	Paris Region	Extension / Renovation	3 803 m²	3 803 m²	2	22	H1 2019		At cost
AUPARK EXTENSION	Shopping Centre	Slovakia	Bratislava	Extension / Renovation	7,083 m²	7,083 m²	0	14	H1 2020		At cost
BENIDORM	Shopping Centre	Spain	Benidorm	Greenfield / Brownfield	58,367 m²	58,367 m²	83	212	H1 2020		At cost
VAL TOLOSA	Shopping Centre	France	Toulouse	Greenfield / Brownfield	97,936 m²	65,308 m²	51	281	H2 2020		At cost
GARBERA EXTENSION	Shopping Centre	Spain	San Sebastián	Extension / Renovation	20,384 m²	20,384 m²	1	119	H1 2021		At cost
VELIZY 2 RETAIL EXTENSION	Shopping Centre	France	Paris Region	Extension / Renovation	18,380 m²	18,380 m²	1	189	H2 2021		At cost
ÜBERSEEQUARTIER	Shopping Centre	Germany	Hamburg	Greenfield / Brownfield	209,566 m²	209,566 m²	227	1,014	H2 2021		At cost
3 PAYS	Shopping Centre	France	Hésingue	Greenfield / Brownfield	86,600 m²	86,600 m²	5	401	H1 2022		At cost
PHARE - SISTERS	Office & others	France	Paris	Greenfield / Brownfield	89,259 m²	89,259 m²	65	616	H1 2022		At cost
NEO	Shopping Centre	Belgium	Brussels	Greenfield / Brownfield	125,352 m²	125,352 m²	12	591	Post 2022		At cost
TRIANGLE	Office & others	France	Paris	Greenfield / Brownfield	85,140 m²	85,140 m²	12	523	Post 2022		At cost
BUBNY	Shopping Centre	Czech Rep.	Prague	Greenfield / Brownfield	55,114 m²	55,114 m²	23	219	Post 2022		At cost
MAQUINEXT	Shopping Centre	Spain	Barcelona	Extension / Renovation	37,616 m²	37,616 m²	64	170	Post 2022		At cost
OTHERS					193,513 m²	193,513 m²	133	679			
Controlled Projects					**1,088,113 m²**	**1,055,485 m²**	**678**	**5,049**		**8% target**	
SCS WEST EXTENSION	Shopping Centre	Austria	Vienna	Extension / Renovation	7,125 m²	7,125 m²	0	68	H2 2022		At cost
FISKETORVET EXTENSION	Shopping Centre	Denmark	Copenhagen	Extension / Renovation	15,693 m²	15,693 m²	4	178	Post 2022		At cost
VITAM	Shopping Centre	France	Neydens	Extension / Renovation	69,621 m²	69,621 m²	0	322	Post 2022		At cost
OTHERS					71,040 m²	71,040 m²	12	344			
Secured Exclusivity Projects					**163,479 m²**	**163,479 m²**	**16**	**912**		**8% target**	
U-R Total Pipeline					**1,592,236 m²**	**1,559,608 m²**	**1,337**	**7,889**		**8% target**	
					Of which additionnal area	1,327,907 m²					
					Of which redevelopped area	231,701 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	94 m²	13	25	H2 2019	
Committed Projects					**471 m²**	**94 m²**	**13**	**25**		**8% target**
OTHERS (9)					105,424 m²	52,712 m²	5	182		
Controlled Projects					**105 424 m²**	**52 712 m²**	**5**	**182**		**8% target**
U-R Total Pipeline - Projects under equity method					**105,895 m²**	**52,806 m²**	**18**	**207**		**8% target**

(1) Figures subject to change according to the maturity of projects.
(2) Excluding financial costs and internal costs capitalized.
(3) Excluding financial costs and internal costs capitalized. The costs are discounted as at Dec. 31, 2017.
(4) In the case of staged phases in a project, the date corresponds to the opening of the last phase.
(5) Annualized expected rents net of expenses divided by the TIC.
(6) Previously Issy Guynemer.
(7) The extension and renovation of Leidsenhage. Units acquired for the project are included in the cost to date at their acquisition cost.
(8) Includes the refurbishment of a hotel of 49,276 m² valued at fair value.
(9) Under confidentiality agreement.
(10) The yield on cost for committed retail projects stands at 7.1%.

4. PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT DECEMBER 31, 2017

Unibail-Rodamco's EPRA triple Net Asset Value (NNNAV)[66] amounted to €200.50 per share as at December 31, 2017, an increase of +9.1%, or +€16.80, from €183.70 as at December 31, 2016. This increase of +€16.80 is the result of: (i) the value creation of +€26.24 per share representing the sum of: (a) the revaluation of property and intangible assets and capital gains on disposals of +€14.16 per share, (b) the Recurring Earnings Per Share of +€12.05, (c) foreign exchange movements and other items for -€0.90 per share, (d) the change of transfer taxes and deferred tax adjustments of +€0.78 per share, and (e) the accretive effect of the instruments giving access to Group's shares of +€0.15 per share; (ii) the impact of the payment of a total dividend of -€10.20 per share in March and July 2017; and (iii) the positive impact of the mark-to-market of debt and financial instruments of +€0.76 per share.

The Going Concern NAV[67] (GMV based), measuring the fair value on a long term, ongoing basis, came to €219.20 per share as at December 31, 2017, up by +8.8%, or +€17.70, compared to €201.50 as at December 31, 2016.

The Group's EPRA NAV per share increased by +7.9% to €211.00 as at December 31, 2017, compared to €195.60 as at December 31, 2016.

1. PROPERTY PORTFOLIO

Demand for real estate in 2017 remained at robust levels. Investment volumes in European commercial real estate[68] amounted to €265.0 Bn, an increase of +20% vs. 2016. Excluding the United Kingdom, volumes increased by +16%. Retail investment volumes accounted for 19% of total volumes, of which shopping centres represented 35%.

In Continental Europe, volumes were underpinned by transactions in Central and Eastern Europe. The Czech Republic was the largest market, with Poland and Hungary registering healthy levels of investment as well. Demand for prime and core property assets remained high across all sectors. Scarcity of prime assets has caused investors to move up the risk curve and look at non-prime assets in secondary cities. Recent transactions indicate further yield compression. Based on these transactions and strong rental growth, appraisers lowered yields further.

Unibail-Rodamco's shopping centre portfolio GMV increased by +3.9% or +€1,055 Mn on a like-for-like basis compared to 2016. The growth in retail GMV was exclusively driven by the rental effect (+3.9%). Shopping centres attracting six million or more visits per annum, which represent 97% of the Group's retail portfolio[69], experienced a like-for-like growth in GMV of +4.1%, while GMV of those with ten million or more visits increased by +5.4%. The value of the Group's Central Europe shopping centre portfolio experienced the highest increase with +6.0% on a like-for-like basis, of which +6.3% driven by the rental effect. The like-for-like GMV growth of the Group's Spanish, French, Nordics, Austrian and German shopping centres was +5.2%, +4.1%, +4.1%, +3.8% and +2.9%, respectively, while The Netherlands saw a like-for-like GMV decline of -5.1%.

The value of the Group's office portfolio increased by +10.1% on a like-for-like basis, primarily (+6.5%) as a result of yield compression driven by reference transactions in Paris CBD and La Défense. Unibail-Rodamco's office portfolio in the Paris region saw a like-for-like GMV growth of +11.0%, of which +7.6% due to the yield effect.

The Convention & Exhibition portfolio value decreased by -2.4% on a like-for-like basis as a result of capex spent on the Porte de Versailles development project.

Unibail-Rodamco's asset portfolio, including transfer taxes, amounted to €43,057 Mn as at December 31, 2017, compared to €40,495 Mn as at 2016. On a like-for-like basis, the GMV of the Group's portfolio increased by +3.9% or +€1,307 Mn net of investments.

[66] EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV per share less the estimated transfer taxes and capital gain taxes.
[67] Going Concern NAV: the amount of equity per share needed to replicate the Group's portfolio with its current financial structure.
[68] Source: JLL, estimates.
[69] In term of GMV as at December 31, 2017, including values of shares in assets accounted for using the equity method.

Asset portfolio valuation of UNIBAIL-RODAMCO (including transfer taxes) (a)	Dec. 31, 2017		Like-for-like change net of investment - 2017 (b)		Dec. 31, 2016	
	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	35,408	82%	1,055	3.9%	33,082	82%
Offices	4,171	10%	303	10.1%	4,045	10%
Convention & Exhibition	3,063	7%	- 68	-2.4%	2,970	7%
Services	415	1%	18	4.4%	397	1%
Total	**43,057**	**100%**	**1,307**	**3.9%**	**40,495**	**100%**

Figures may not add up due to rounding.
(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 Center shopping centres in Germany, the Zlote Tarasy complex in Poland, Metropole Zlicin in the Czech Republic and part of Rosny 2 in France). The equity value of Unibail-Rodamco's share investments in assets accounted for using the equity method amounted to €1,913 Mn as at Dec. 31, 2017, compared to €1,708 Mn as at Dec. 31, 2016.

The valuations take into account the negative cash flows related to rents paid on concessions or leaseholds, which are accounted for as financial debt on the consolidated balance sheet.
The portfolio does not include financial assets such as the €575 Mn of cash and cash equivalents on the Group's balance sheet as at Dec. 31, 2017.
(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 2017. Changes in scope consist mainly of:
- Acquisitions of retail units in Leidsenhage for the Mall of The Netherlands project, in La Valentine, in Toison d'Or, in La Part-Dieu and in Le Forum des Halles;
- Acquisition of land in Hamburg for the Überseequartier project;
- Acquisition of shares in a company holding Metropole Zlicin;
- Acquisition of office units in Rosny;
- Disposals of retail assets: L'Usine Roubaix, the Channel Outlet Store, Barnasud, Arninge Centrum, Eurostop Arlanda and Eurostop Örebro;
- Disposal of a hotel: Eurostop Arlanda;
- Disposal of an office asset: So Ouest Plaza;
- Extensions of Centrum Chodov, Carré Sénart and Parly 2 and Wroclavia, delivered in 2017.

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

Appraisers

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

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

Appraiser	Property location	% of total portfolio
Cushman & Wakefield	France / The Netherlands / Central Europe	49%
JLL	France / Germany / Nordics / Spain / Austria	41%
PwC	France / Germany	7%
At cost or under sale agreement.		3%
		100%

Figures may not add up due to rounding.

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

Valuation methodology

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

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

Valuation scope

As at December 31, 2017, 97% of Unibail-Rodamco's portfolio was appraised by independent appraisers.

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

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

IPUC were valued using a discounted cash flow or yield method approach (in accordance with RICS and IVSC standards[70]) as deemed appropriate by the independent appraiser. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The Parly 2 Cinema project, Gaîté Montparnasse hotel, Villeneuve 2 renovation and Versailles Chantiers Offices have been assessed at fair value for the first time as at December 31, 2017. The Shift project has been assessed at fair value since year-end 2016.

Refer to the table in the Section *"Development Projects as at December 31, 2017"* for an overview of valuation methods used for development projects.

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

- At cost for IPUC for which a reliable value could not yet be established. These include assets under development: Trinity, Vélizy 2 extension and renovation, Gaîté Montparnasse retail and office, Mall of The Netherlands, La Part-Dieu extension, as well as all development projects included in the "Controlled" and "Secured exclusivity" categories (see section "Development Projects" for more details);
- At acquisition price for assets acquired in 2017 that were not appraised.

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, except as noted above. This approach does not include the "portfolio value", which reflects the additional value of having a large group of unique assets in a single portfolio although it is certainly part of the appeal to the Group's shareholders.

Evolution of Unibail-Rodamco's shopping centre portfolio valuation

The value of Unibail-Rodamco's shopping centre portfolio grew from €33,082 Mn as at December 31, 2016, to €35,408 Mn as at December 31, 2017, including transfer taxes and transaction costs.

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

Valuation as at Dec. 31, 2016 (€ Mn)	33,082	
Like-for-like revaluation	1,055	
Revaluation of non like-for-like assets	280	(a)
Revaluation of shares	113	(b)
Capex / Acquisitions	1,156	
Disposals	- 236	(c)
Constant Currency Effect	- 43	(d)
Valuation as at Dec. 31, 2017 (€ Mn)	**35,408**	

Figures may not add up due to rounding.
(a) Non like-for-like assets include IPUC valued at cost or at fair value, projects such as the Parly 2 Cinema and assets delivered in 2017 such as the extension of Centrum Chodov, Carré Sénart, Parly 2 and the Wroclavia brownfield project.
(b) Revaluation of the shares in companies holding the assets accounted for using the equity method.
(c) Value as at Dec. 31, 2016.
(d) Currency impact of -€43 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 decreased to 4.3% as at December 31, 2017, from 4.4% as at December 31, 2016.

Shopping Centre portfolio by region - Dec. 31, 2017	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net inital yield (a) Dec. 31, 2017	Net inital yield (a) Dec. 31, 2016
France (b)	15,752	15,150	4.0%	4.1%
Central Europe (c)	5,063	5,020	4.9%	4.9%
Spain	3,764	3,685	4.7%	4.8%
Nordics	3,516	3,439	4.3%	4.4%
Germany	3,209	3,085	4.5%	4.5%
Austria	2,498	2,486	4.2%	4.3%
The Netherlands	1,607	1,528	5.0%	5.0%
Total (d)	**35,408**	**34,393**	**4.3%**	**4.4%**

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 have no impact on the net initial yield as at Dec. 31, 2017.
(c) Ring-Center is included in the Central Europe region.
(d) Valuation amounts include the Group's share equity investments in assets accounted for using the equity method.

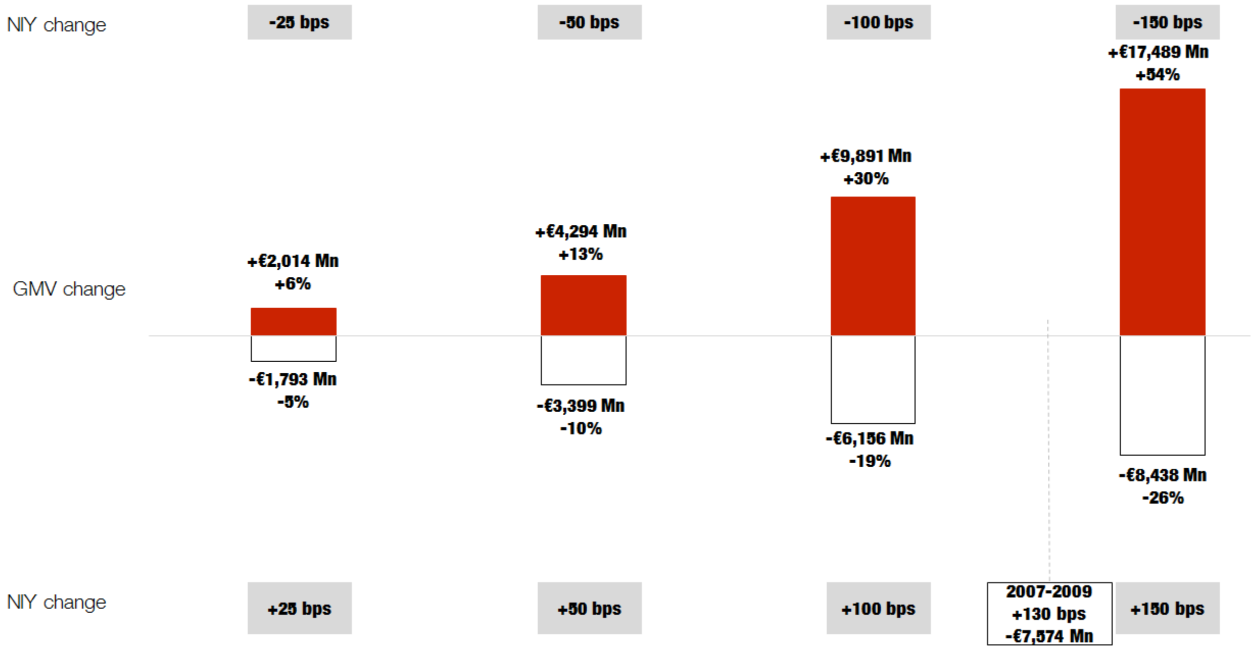
The following table shows the geographic split of the Group's retail assets:

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

Sensitivity to net initial yield change



Figures may not add up due to rounding.

A change of +25 basis points in net initial yield, the main output of the appraisal models, would result in a downward adjustment of -€1,793 Mn (or -5.5%) of the shopping centre portfolio value (excluding assets under development or accounted for using the equity method), including transfer taxes and transaction costs.

Like-for-like analysis

On a like-for-like basis, the value of the shopping centre portfolio, including transfer taxes and transaction costs and after accounting for works, capitalized financial and leasing expenses and eviction costs, increased by +€1,055 Mn (or +3.9%). This increase was the result of the rent impact of +3.9%.

Shopping Centre - Like for Like (LxL) change (a)				
2017	LxL change in € Mn	LxL change in %	LxL change - Rent impact	LxL change - Yield impact (b)
France	483	4.1%	2.3%	1.8%
Central Europe	166	6.0%	6.3%	-0.3%
Spain	175	5.2%	5.8%	-0.6%
Nordics	140	4.1%	5.8%	-1.7%
Germany	63	2.9%	2.5%	0.4%
Austria	90	3.8%	5.3%	-1.5%
The Netherlands	- 62	-5.1%	1.5%	-6.6%
Total	**1,055**	**3.9%**	**3.9%**	**0.0%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from Dec. 31, 2016 to Dec. 31, 2017, 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)				
2017	LxL change in € Mn	LxL change in %	LxL change - Rent impact	LxL change - Yield impact (b)
6 Mn visits and above	1,074	4.1%	4.2%	-0.1%
Below 6 Mn visits	- 19	-2.9%	-5.3%	2.3%
Total	**1,055**	**3.9%**	**3.9%**	**0.0%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from Dec. 31, 2016 to Dec. 31, 2017, 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 +5.4% (+5.2% rent impact and +0.2% yield impact).

Since December 31, 2011, the increase in the quality of the Group's shopping centres has resulted in a +53.7% increase in value[71] per square meter, from €6,102 to €9,379 as at December 31, 2017. On a like-for-like basis[72], the net revaluation amounted to +41.4% of which +25.0% due to a rent effect and +16.4% due to yield compression.

1.2. Office portfolio

Evolution of Unibail-Rodamco's office portfolio valuation

The value of the office portfolio increased to €4,171 Mn as at December 31, 2017 from €4,045 Mn as at December 31, 2016, including transfer taxes and transaction costs:

Valuation as at Dec. 31, 2016 (€ Mn)	4,045	
Like-for-like revaluation	303	
Revaluation of non like-for-like assets	115	(a)
Revaluation of shares	7	(b)
Capex / Acquisitions	101	
Disposals	- 398	(c)
Constant Currency Effect	- 3	(d)
Valuation as at Dec. 31, 2017 (€ Mn)	**4,171**	

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 Shift, Gaîté Montparnasse office, Trinity and Versailles Chantiers as at Dec. 31, 2017.
(b) Revaluation of the shares in Zlote Tarasy offices (Lumen and Skylight) accounted for using the equity method.
(c) Value as at Dec. 31, 2016.
(d) Currency impact of -€3 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)	Dec. 31, 2017		Dec. 31, 2016	
	€ Mn	%	€ Mn	%
France	3,738	90%	3,614	89%
Nordics	173	4%	190	5%
Other countries	260	6%	241	6%
Total	**4,171**	**100%**	**4,045**	**100%**

Figures may not add up due to rounding.

[71] Gross Market Value per m² of the Group's standing shopping centres, excluding assets consolidated under the equity method.
[72] Analysis made on a constant like-for-like standing perimeter from Dec. 31, 2011 to Dec. 31, 2017 (assets owned by the Group as of Dec. 31, 2011 through Dec. 31, 2017).

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the office division's net initial yield fell by -23 bps to 5.6% as at December 31, 2017.

Valuation of occupied office space - Dec. 31, 2017	Valuation including transfer taxes in € Mn (a) (b)	Valuation excluding estimated transfer taxes in € Mn (b)	Net inital yield (c) Dec. 31, 2017	Net inital yield (d) Dec. 31, 2016
France	3,295	3,203	5.5%	5.7%
Nordics	156	152	7.6%	7.5%
Other countries	240	238	5.9%	6.8%
Total	**3,691**	**3,593**	**5.6%**	**5.8%**

Figures may not add up due to rounding.
(a) Valuation of occupied office space as at Dec. 31, 2017, 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, is not included in this calculation. The 7 Adenauer office building (occupied by Unibail-Rodamco) is now included.
(d) 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, the main output of the appraisal models, would result in a downward adjustment of -€146 Mn (-4.4%) of the office portfolio value (occupied and vacant spaces, excluding assets under development or accounted for using the equity method), including transfer taxes and transaction costs.

Like-for-like analysis

The value of the office portfolio, including transfer taxes and transaction costs, and after accounting for the impact of works and capitalized financial and leasing expenses, increased by +€303 Mn (+10.1%) on a like-for-like basis, due to a rent effect of +3.7% and yield effect of +6.5%.

Offices - Like for Like (LxL) change (a)				
2017	**Like for Like change in € Mn**	**Like for Like change in %**	**LxL change - Rent impact**	**LxL change - Yield impact** (b)
France	299	11.0%	3.4%	7.6%
Nordics	3	2.1%	8.5%	-6.5%
Other countries	1	0.6%	-0.3%	0.9%
Total	**303**	**10.1%**	**3.7%**	**6.5%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from Dec. 31, 2016 to Dec. 31, 2017. 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

The French office portfolio split by sector is the following:

French Office portfolio by sector - Dec. 31, 2017	Valuation (including transfer taxes)	
	€ Mn	%
La Défense	2,193	59%
Paris CBD & others	1,545	41%
Total	**3,738**	**100%**

Figures may not add up due to rounding.

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the French office division's net initial yield came to 5.5%, reflecting a -23 bps yield compression during 2017.

Valuation of French occupied office space - Dec. 31, 2017	**Valuation including transfer taxes in € Mn** (a)	**Valuation excluding estimated transfer taxes in € Mn**	**Net inital yield Dec. 31, 2017 (b)**	**Average price €/m²** **(c)**
La Défense	2,151	2,093	6.1%	8,015
Paris CBD and others	1,144	1,110	4.4%	13,165
Total	**3,295**	**3,203**	**5.5%**	**9,356**

Figures may not add up due to rounding.
(a) Valuation of occupied office space as at Dec. 31, 2017, 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.
(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 Issy and €15,000 for other areas.

1.3. Convention & Exhibition portfolio

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

Valuation methodology

The valuation methodology adopted by PwC for the venues is mainly based on a discounted cash flow model applied to total net income projected over the life of the concession or leasehold (net of the amounts paid for the concession or leasehold) if it exists, or otherwise over a 10-year period, with an estimate of the asset value at the end of the given time period, based either on the residual contractual value for concessions or on capitalized cash flows over the last year, including the remaining capex to be spent on Porte de Versailles (€453 Mn).

The discounted cash flow methodology has been adopted for the CNIT Hilton, the Novotel Confluence and the Pullman Montparnasse hotels as at December 31, 2017.

Evolution of the Convention & Exhibition valuation

The value of Convention & Exhibition centres and hotels, including transfer taxes and transaction costs, grew to €3,063 Mn[73] as at December 31, 2017:

Valuation as at Dec. 31, 2016 (€ Mn)	**2,970**	(a)
Like-for-like revaluation	- 68	
Revaluation of non like-for-like assets	- 2	
Capex / Acquisitions	163	
Valuation as at Dec. 31, 2017 (€ Mn)	**3,063**	(b)

Figures may not add up due to rounding.
(a) Of which €2,747 Mn for Viparis (including Palais des Sports) and €223 Mn for hotels (including the hotel projects in Porte de Versailles). Excluding the convention & exhibition space in Carrousel du Louvre and CNIT, 100%-owned by Unibail-Rodamco, the valuation for Viparis (including Palais des Sports) was €2,555 Mn.
(b) Of which €2,783 Mn for Viparis (including Palais des Sports) and €280 Mn for hotels (including the hotel projects in Porte de Versailles). Excluding the convention & exhibition space in Carrousel du Louvre and CNIT, 100%-owned by Unibail-Rodamco, the valuation for Viparis (including Palais des Sports) is €2,624 Mn.

On a like-for-like basis, net of investments, the value of Convention & Exhibition properties and hotels is down -€68 Mn (-2.4%) compared to December 31, 2016.

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

Convention & Exhibition - Like-for-Like change net of investment	2017	
	€ Mn	%
Viparis and others (a)	- 74	-2.7%
Hotels	6	9.2%
Total	**- 68**	**-2.4%**

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's consolidated venues decreased by -8 basis points from December 31, 2016, to 5.3% as at December 31, 2017.

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.

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 - Dec. 31, 2017	€ Mn	%	€ Mn	%
Shopping centres	35,408	82%	31,018	83%
Offices	4,171	10%	4,146	11%
Convention & Exhibition	3,063	7%	1,747	5%
Services	415	1%	329	1%
Total	**43,057**	**100%**	**37,241**	**100%**

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

Like-for-like change - net of Investments - 2017	€ Mn	%	€ Mn	%
Shopping centres	1,055	3.9%	919	3.9%
Offices	303	10.1%	302	10.2%
Convention & Exhibition	- 68	-2.4%	- 48	-3.1%
Services	18	4.4%	11	3.4%
Total	**1,307**	**3.9%**	**1,184**	**4.1%**

Like-for-like change - net of Investments - 2017 - Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping centres	3.9%	0.0%	4.0%	-0.1%
Offices	3.7%	6.5%	3.7%	6.5%

Net Initial Yield	Dec. 31, 2017	Dec. 31, 2016	Dec. 31, 2017	Dec. 31, 2016
Shopping centres (a)	4.3%	4.4%	4.3%	4.4%
Offices - occupied space (b)	5.6%	5.8%	5.6%	5.9%

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, are not included in this calculation. The 7 Adenauer building was not included as at Dec. 31, 2016 and is now included as at Dec. 31, 2017.

1.6. Additional Valuation parameters - IFRS 13

Unibail-Rodamco complies with the IFRS 13 fair value measurement and the position paper[74] 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

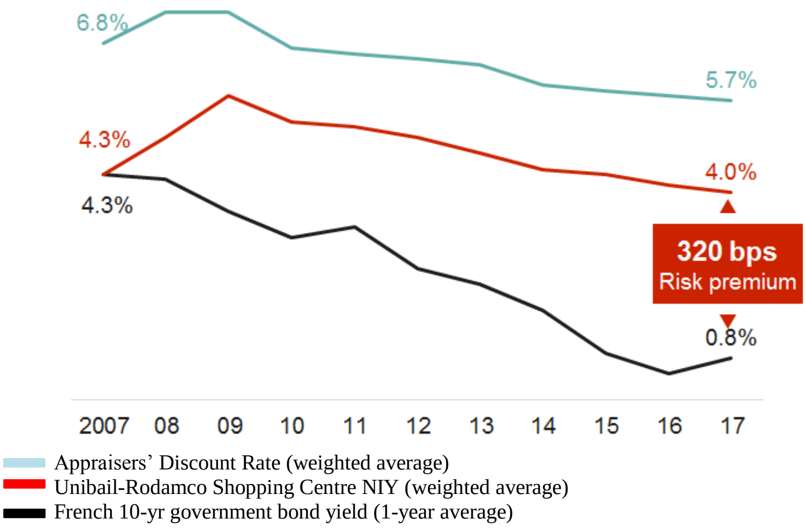
All shopping centres are valued using the discounted cash flow and / or yield methodologies.

Shopping Centres - Dec. 31, 2017		Net initial yield	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
France	Max	7.7%	901	13.0%	9.0%	11.8%
	Min	2.0%	122	5.3%	3.5%	1.6%
	Weighted average	4.0%	537	5.7%	4.0%	4.2%
Central Europe	Max	6.8%	583	7.9%	7.6%	3.2%
	Min	4.7%	205	6.4%	4.7%	2.3%
	Weighted average	4.9%	416	6.7%	5.0%	2.5%
Spain	Max	8.2%	813	11.3%	7.0%	3.7%
	Min	4.0%	117	7.0%	4.2%	2.3%
	Weighted average	4.7%	320	7.5%	4.7%	3.3%
Nordics	Max	5.2%	488	8.7%	5.0%	5.3%
	Min	4.0%	201	6.5%	3.9%	2.9%
	Weighted average	4.3%	387	6.8%	4.2%	3.3%
Germany	Max	7.2%	471	8.0%	6.6%	4.1%
	Min	3.9%	252	5.9%	3.9%	2.4%
	Weighted average	4.5%	310	6.4%	4.5%	3.3%
Austria	Max	4.4%	395	6.2%	4.1%	3.0%
	Min	4.1%	377	6.1%	4.1%	2.7%
	Weighted average	4.2%	386	6.2%	4.1%	2.9%
The Netherlands	Max	8.6%	406	9.0%	8.8%	4.7%
	Min	4.4%	124	5.8%	4.2%	2.8%
	Weighted average	5.0%	256	6.3%	5.0%	3.3%

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

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

France Shopping Centres



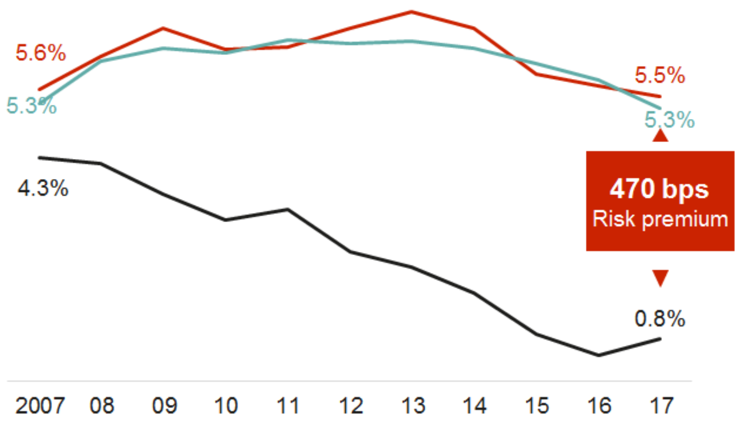
Offices

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

Offices - Dec. 31, 2017		Net initial yield on occupied space	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
France	Max	11.4%	734	9.5%	8.2%	2.4%
	Min	3.9%	106	4.2%	3.4%	-5.1%
	Weighted average	5.5%	502	5.3%	4.5%	0.2%
Nordics	Max	9.4%	219	9.4%	7.8%	2.6%
	Min	6.2%	108	7.1%	5.2%	1.4%
	Weighted average	7.6%	196	7.9%	6.3%	2.2%
Other countries	Max	11.7%	159	13.8%	9.8%	26.8%
	Min	2.7%	23	5.9%	4.1%	0.6%
	Weighted average	5.3%	114	7.4%	5.9%	11.1%

Net initial yield, discount rate and exit yield weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in this table.
(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).

France Offices



Appraisers' Discount Rate (weighted average)
Unibail-Rodamco Office NIY (weighted average; occupied offices)
French 10-yr government bond yield (1-year average)

To value the Group's assets, appraisers use discount rates they consider investors will require to generate target returns. For example, since 2007, the gap between discount rates used by appraisers for the Group's shopping centre and office assets in France and the French government bond yields has widened materially, despite a recent increase in French government bond yields. This and their judgment on appropriate exit cap rates have led to wide yield differentials between the Group's French shopping centre and office assets relative to French government bond yields.

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, 2017, consolidated shareholders' equity (Owners of the parent) came to €18,916.2 Mn.

Shareholders' equity (Owners of the parent) incorporated the net recurring profit of €1,202.1 Mn and the net positive impact of €1,237.4 Mn of fair value adjustments on property assets and financial instruments, as well as the capital gain on sales of properties.

2.2. Impact of rights giving access to share capital

Dilution from securities giving access to share capital as at December 31, 2017, was computed for such instruments "in the money" and having fulfilled the performance conditions.

The debt component of the ORAs[75], 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[76] were recorded on Unibail-Rodamco's statement of financial position at their fair value with the impact of the change in fair value included in the income statement and thus in the consolidated shareholders' equity.

The ORNANE issued in 2012 and not repurchased was "in the money" as at December 31, 2017, but only had a marginal impact on the NNNAV calculation and on the potential dilution (+263 shares) in the number of fully diluted shares outstanding as at December 31, 2017.

The ORNANEs issued in 2014 and 2015 were not restated for the NNNAV calculation as they are "out of the money" as at December 31, 2017, and therefore had no impact on the number of shares.

The exercise of "in the money" stock-options and performance shares with the performance conditions fulfilled as at December 31, 2017, would have led to a rise in the number of shares by +46,059, generating an increase in shareholders' equity of +€3 Mn.
As at December 31, 2017, the fully-diluted number of shares taken into account for the NNNAV calculation was 99,910,659.

2.3. Unrealized capital gains on intangible and operating assets

The appraisal of property service companies in France and Germany, of the operating asset of Unibail-Rodamco (7 Adenauer, Paris 16) and of the operations ("*fonds de commerce"*) of Viparis Porte de Versailles, Paris Nord Villepinte, Palais des Congrès de Paris, Palais des Congrès de Versailles and Issy-les-Moulineaux, gave rise to an unrealized capital gain of +€406 Mn, which was added for the purpose of the NAV calculation.

2.4. Adjustment of deferred taxes on capital gains

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at December 31, 2017.
For the purpose of the EPRA NAV calculation, deferred taxes on unrealized capital gains on assets not qualifying for tax exemption (€1,776 Mn) were added back. Goodwill booked on the balance sheet as a result of deferred taxes was accordingly excluded from the NAV for a total amount of €256 Mn.

For the calculation of the EPRA NNNAV, estimated taxes actually payable should a disposal take place (€823 Mn) were deducted.

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

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 (€232 Mn, excluding exchange rate hedging according to EPRA recommendation) was added back for the EPRA NAV calculation and then deducted for the EPRA NNNAV calculation.

The value of the fixed-rate debt on the balance sheet of the Group is equal to the nominal value for the ex-Unibail debt and the fair value of the ex-Rodamco debt at combination date (June 30, 2007). Taking fixed rate debt at its fair value would have had a negative impact of -€579 Mn. This impact was taken into account in the EPRA NNNAV calculation.

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

As at December 31, 2017, these estimated transfer taxes and other transaction costs compared to transfer taxes and costs already deducted from asset values on the statement of financial position (in accordance with IFRS) came to a positive net adjustment of €591 Mn.

2.7. EPRA Triple Net Asset Value

Unibail-Rodamco's EPRA NNNAV (Owners of the parent) stood at €20,035 Mn or €200.50 per share (fully-diluted) as at December 31, 2017.

The EPRA NNNAV per share increased by +2.7% (or +€5.20) compared to June 30, 2017 and increased by +9.1% (or +€16.80) compared to December 31, 2016.

The increase of +€16.80 compared to December 31, 2016 was the sum of: (i) the value creation of +€26.24 per share, (ii) the impact of the dividend paid in March and July 2017 of -€10.20, and (iii) the positive impact of the +€0.76 mark-to-market of the fixed-rate debt and derivatives.

3. GOING CONCERN NET ASSET VALUE

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

Going Concern NAV stood at €219.20 per share as at December 31, 2017, an increase of +€17.70 (+8.8%) compared to December 31, 2016.

This increase was the sum of: (i) the value creation of +€27.14 per share, (ii) the impact of the dividend paid in March and July 2017 of -€10.20, and (iii) the positive impact of the +€0.76 mark-to-market of the fixed-rate debt and derivatives.

The following tables show the calculation presented in compliance with EPRA best practices recommendations. A bridge from December 31, 2016 to December 31, 2017 is also presented.

EPRA NNNAV calculation (All figures are Group share, in €Mn)	**Dec. 31, 2016**		**June 30, 2017**		**Dec. 31, 2017**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
Fully diluted number of shares	100,535,706		100,242,464		99,910,659	
NAV per the financial statements	17,465		18,001		18,916	
Amounts owed to shareholders	0		510		0	
ORA and ORNANE	2		2		0	
Effect of exercise of options	191		74		3	
Diluted NAV	17,658		18,586		18,919	
Add						
Revaluation of intangible and operating assets	345		366		406	
Added back/deducted						
Fair value of financial instruments	253		265		232	
Deferred taxes on balance sheet	1,676		1,716		1,776	
Goodwill as a result of deferred taxes	-264		-264		-256	
EPRA NAV	19,667	195.60 €	20,669	206.20 €	21,078	211.00 €
Fair value of financial instruments	-253		-265		-232	
Fair value of debt	-655		-559		-579	
Effective deferred taxes	-792		-810		-823	
Impact of transfer taxes estimation	505		544		591	
EPRA NNNAV	**18,472**	**183.70 €**	**19,579**	**195.30 €**	**20,035**	**200.50 €**

% of change over 6 months	**5.3%**		**6.3%**		**2.7%**
% of change over 1 year	**8.1%**		**12.0%**		**9.1%**

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

Going Concern NAV calculation (All figures are Group share, in €Mn)	**Dec. 31, 2016**		**June 30, 2017**		**Dec. 31, 2017**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
EPRA NNNAV	18,472		19,579		20,035	
Effective deferred capital gain taxes	792		810		823	
Estimated transfer taxes	998		1,021		1,040	
GOING CONCERN NAV	**20,263**	**201.50 €**	**21,410**	**213.60 €**	**21,898**	**219.20 €**

% of change over 6 months	**5.1%**		**6.0%**		**2.6%**
% of change over 1 year	**7.9%**		**11.4%**		**8.8%**

The change in EPRA NNNAV and Going concern NAV between December 31, 2016 and December 31, 2017 broke down as follows (figures may not add up due to rounding):

Evolution of EPRA NNNAV and Going concern NAV			**EPRA NNNAV**	**Going concern NAV**
As at Dec. 31, 2016, per share (fully diluted)			**183.70 €**	**201.50 €**
Revaluation of property assets *			12.97	12.97
	Retail	10.27		
	Offices	3.60		
	Convention & Exhibition	- 0.90		
Revaluation of intangible and operating assets			0.45	0.45
Capital gain on disposals			0.74	0.74
Recurring Net Result			12.05	12.05
Distribution			-10.20	-10.20
Mark-to-market of debt and financial instruments			0.76	0.76
Variation in transfer taxes & deferred taxes adjustments			0.78	1.51
Variation in the fully diluted number of shares			0.15	0.27
Other (including foreign exchange difference)			-0.90	-0.85
As at Dec. 31, 2017, per share (fully diluted)			**200.50 €**	**219.20 €**

(*) Revaluation of property assets is €9.87 per share on like-for-like basis, of which +€9.22 is due to rental effect and +€0.65 is due to yield effect.

5. Financial Resources

In 2017, markets mainly focused on elections (The Netherlands, France and Germany) and on the monetary policy of the European Central Bank and the US Federal Reserve Bank. Monetary policy became less accommodative with the ECB deciding to reduce its QE programme while extending it until at least September 2018, and the Fed deciding to increase its Fund rate in March, June and December.

In this context, Unibail-Rodamco raised €3,506 Mn of medium to long-term funds in the bond and bank markets while maintaining its financial ratios at healthy levels. As at December 31, 2017:

- The Interest Coverage Ratio (ICR) was 6.7x (5.9x in 2016);
- The Loan to Value (LTV) ratio remained stable at 33%.

The average cost of debt decreased further to reach a new historic low of 1.4% for 2017 (1.6% for 2016).

The Group also proceeded to a share buy back, with 34,870 shares acquired for a total amount of €7.3 Mn, and cancelled these in October 2017.

1. Debt structure as at December 31, 2017

Unibail-Rodamco's consolidated nominal financial debt as at December 31, 2017, increased to €14,864 Mn[77] from €13,819 Mn as at December 31, 2016.

Financial debt includes €1,000 Mn of net share settled bonds convertible into new and/or existing shares of Unibail-Rodamco (ORNANE) issued in June 2014 and in April 2015 for 100% of their outstanding nominal value.

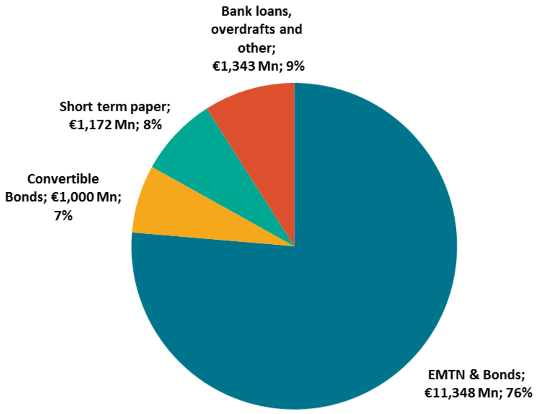
1.1. Debt breakdown

Unibail-Rodamco's nominal financial debt as at December 31, 2017, breaks down as follows[78]:

- €11,348 Mn in bonds under its Euro Medium Term Notes (EMTN);
- €1,000 Mn in ORNANE,
- €1,172 Mn in short term paper (*billets de trésorerie* and BMTN)[79],
- €1,343 Mn in bank loans, overdrafts and other including €350 Mn in unsecured corporate loans, €937 Mn in mortgage loans and €56 Mn of overdrafts and other.

No loans are subject to prepayment clauses linked to the Group's ratings[80].

The Group's debt remains well diversified with a predominant proportion of bond financing.



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

1.2. Funds raised

In 2017, the Group took advantage of favorable market windows to extend its maturity profile and secure attractive funding conditions through the following transactions:

- A new 20-year Euro bond with the lowest spread achieved by the Group for this maturity;
- New 11-year and 12-year benchmark Euro bonds;
- Two new 5-year benchmark SEK bonds.

In total, medium- to long-term financing transactions completed in 2017 amounted to €3,506 Mn and include:

- The signing of €1,651 Mn medium- to long-term bank loan and credit facilities with an average maturity of 5.0 years and an average margin of 33 bps[81], including the first ever "green" credit facility signed in Europe.
  The margin of the "green" facility depends on the achievement by the Group of three CSR objectives part of the Group's strategy.

- Five public EMTN bonds issued in February, May and June 2017 for a total amount of € 1,700 Mn with the following features:
  - ✓ €600 Mn with an 11-year maturity and a coupon of 1.5%,
  - ✓ €500 Mn with a 12-year maturity and a coupon of 1.5%,
  - ✓ €500 Mn with a 20-year maturity and a coupon 2.0%,
  - ✓ SEK 600 Mn, equivalent to €60 Mn, with a 5-year maturity and a coupon of 0.875%,
  - ✓ SEK 400 Mn Floating Rate Note (FRN), equivalent to €40 Mn, with a 5-year maturity and a spread of 80 bps above 3-months Stibor.

- The issue of two private placements under Unibail-Rodamco's EMTN program for a total equivalent amount of €155 Mn through two taps (€105 Mn and €50 Mn) of its outstanding 1.375% 2030 bond, increasing the size of the bond to €655 Mn.

In total, these bonds were issued at an average margin of 62 bps over mid-swaps for an average duration of ca. 14 years, vs. 74 bps on average in 2016 for an average duration of 12 years.

In addition, Unibail-Rodamco accessed the money market by issuing short term paper (BMTN, "*billets de trésorerie*" and "*US Commercial Paper*" (USCP)).

- The average amount of short term paper outstanding in 2017 was equivalent to €1,378 Mn (€1,252 Mn in 2016). This higher amount is due to an increase of the issuances in the first half of 2017 ahead of the French elections to secure additional liquidity.

- *Billets de trésorerie* were raised in 2017 at an average margin of 1 bp above Eonia[82] (vs. an average of 8 bps above Eonia in 2016).

As at December, 2017, the total amount of undrawn credit lines came to €6,203 Mn, and cash on-hand came to €575 Mn (€400 Mn as at December 31, 2016).

1.3. Bridge loan facility

In the context of the Westfield acquisition, the Group obtained commitments from Deutsche Bank and Goldman Sachs to finance the cash component of the transaction (including costs) and potential debt refinancing needs. The €6.1 Bn credit facility was signed on January 12, 2018. It was syndicated to over 29 banks. The Group received a total of €11.2 Bn of commitments from its banking partners.

Unibail-Rodamco expects to refinance the bridge facility through the issuance of €2.0 Bn of deeply subordinated perpetual hybrid securities and a combination of senior bond issuances and asset disposal proceeds.

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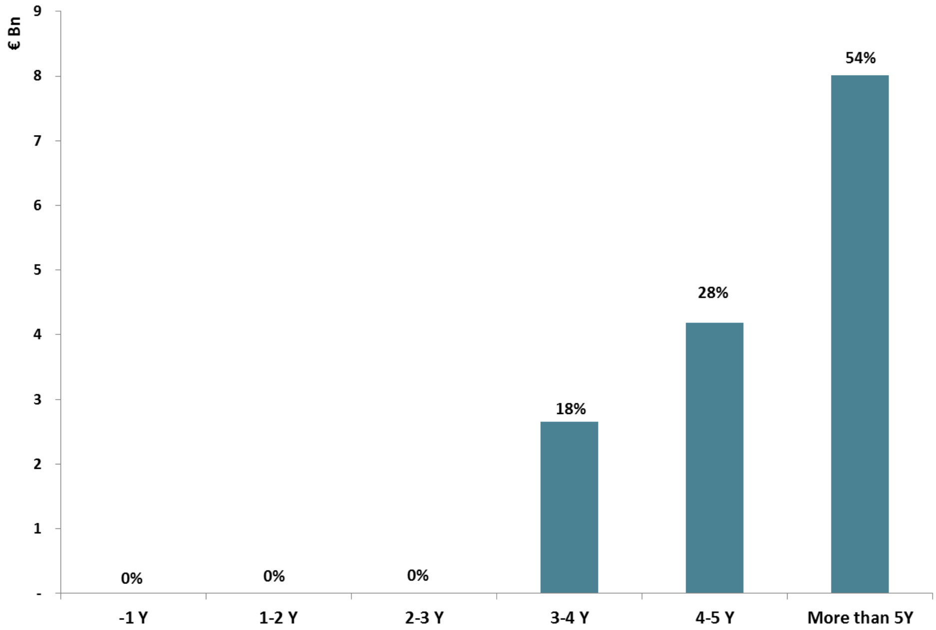
[81] Taking into account current rating and based on current utilization of these lines and the achievement of the Group's CSR targets set in the green line.
[82] The average Eonia rate in 2017 was -0.355%.

1.4. Debt maturity

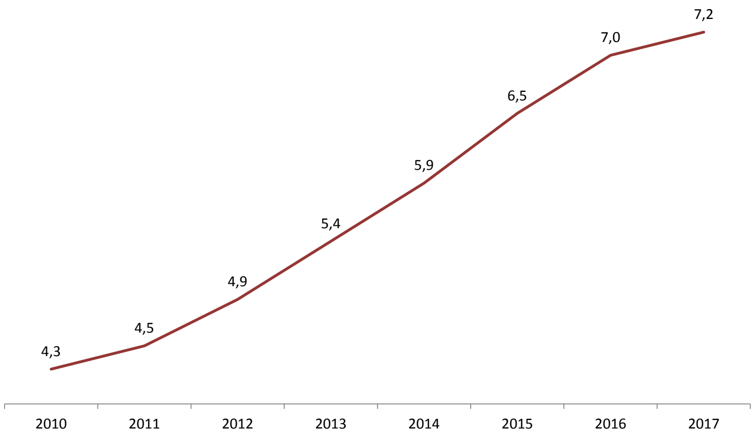
The following chart illustrates Unibail-Rodamco's debt as at December 31, 2017, after the allocation of the committed credit lines (including the undrawn part of the bank loans) by date of maturity and based on the residual life of its borrowings.



100% of the debt had a maturity of more than 3 years as at December 31, 2017 (after taking into account undrawn credit lines).

The average maturity of the Group's debt as at December 31, 2017, taking into account the unused credit lines increased to 7.2 years (7.0 years as at December 2016).

Average debt maturity (in years)



Liquidity needs

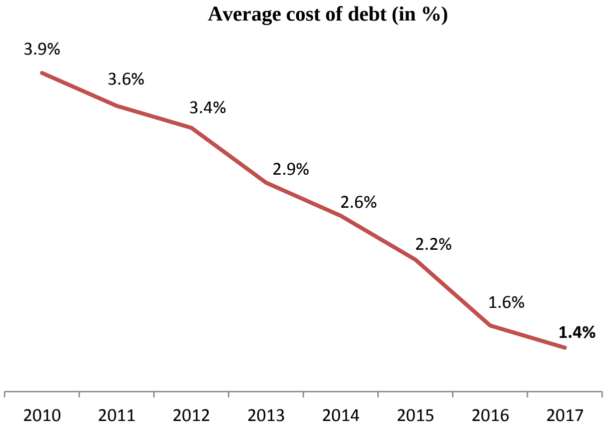
Unibail-Rodamco's debt repayment needs[83] for the next 12 months are covered by the available undrawn credit lines and cash on-hand. As at December 31, 2017, the amount of bonds and bank loans outstanding and maturing or amortising within a year was €1,024 Mn (including a total of €957 Mn of bonds maturing in August, September, October and December 2018) compared with €6,203 Mn of undrawn committed credit lines and €575 Mn of cash on-hand. In addition, to finance the Group's cash requirements for the Westfield transaction, it has entered into a €6.1 Bn credit facility in January 2018 (see paragraph 1.3).

[83] Excluding Commercial Paper and BMTN maturing in 2018 (€1,172 Mn), overdrafts and other.

1.5. Average cost of Debt

Unibail-Rodamco's average cost of debt decreased to 1.4% for 2017 from 1.6% for 2016. This new record low average cost of debt results from:

- Low coupon levels the Group achieved during the last years on its fixed rate debt;
- The level of margins on existing borrowings;
- The Group's active balance sheet management trough tender offer transactions;
- The hedging instruments in place;
- The cost of carry of the undrawn credit lines;
- The cost of placement of extra liquidity raised ahead of the French elections.



2. Ratings

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

In June 2017, both S&P and Fitch confirmed the Group's "A" long term rating with stable outlook and "A-1" and "F1", respectively, for its short term rating.

Following the announcement of the Westfield acquisition, rating agencies published reports indicating the rating for the new Group after the closing.

On December 12, 2017, Standard & Poor's affirmed its long term rating "A" and its short-term rating "A-1", and maintained its stable outlook for the new Group.

On December 12, 2017, Fitch placed the Group's "A" long term rating on Rating Watch Negative. Upon completion of the Westfield transaction, Fitch will downgrade the Group's rating by one notch to "A-". Should the transaction not close, Fitch said it would remove the negative watch and keep the "A" rating.

The Group appointed Moody's as an additional rating agency in connection with the Westfield acquisition, Westfield being currently rated by Moody's. On December 13, 2017, Moody's assigned to the new Group a long term rating of "A2" with stable outlook, which would also apply in case the transaction were not completed.

3. Market risk management

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

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

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

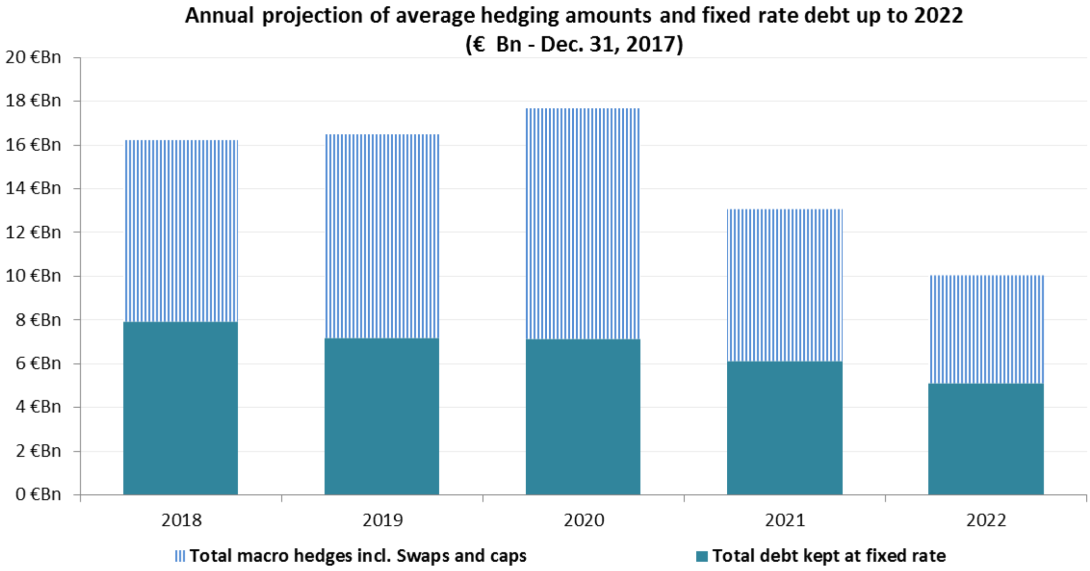
Due to its use of derivatives, the Group is exposed to potential counterparty defaults. The counterparty risk is the risk of replacing the derivative instruments at current market rates in the case of default. The Group implemented IFRS 13 for the mark-to-market calculations of its derivative instruments.

3.1. Interest rate risk management

In view of the Group's hedging program, the bonds issued at a fixed rate in 2017 were swapped back to variable rates, except the 20-year bond which was kept at fixed rate.

The Group also extended further its hedging programme and added caps for a total cost of €10 Mn.

In this context:
- The debt the Group expects to raise until 2020 (excluding the debt to be raised to finance the Westfield acquisition) is almost fully hedged,
- The debt the Group expects to raise in 2021 and 2022 is hedged at circa 80% and 60%, respectively.



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

Unibail-Rodamco in general does not classify its financial hedging instruments as a cash flow hedge. As a result, any fair value changes in these instruments are recognized in the Group's income statement.

Measuring interest rate exposure

As at December 31, 2017, net financial debt stood at €14,289 Mn (€13,419 Mn as at December 31, 2016), excluding partners' current accounts and after taking into account the cash surpluses of €575 Mn.

The outstanding debt was fully hedged against an increase in variable rates, based on debt outstanding as at December 31, 2017 through both:
- Debt kept at fixed rate,
- Hedging in place as part of Unibail-Rodamco's macro hedging policy.

Based on the estimated average debt position of Unibail-Rodamco in 2018, if interest rates (Euribor, Stibor or Pribor) were to rise by an average of +0.5%[84] (50 bps) during 2018, the estimated impact on financial expenses would be -€2.1 Mn,

[84] 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 Dec. 31, 2017 of -0.329%.

reducing the 2018 recurring net profit by a broadly similar amount. A further rise of +0.5% (50 bps) would reduce financial expenses by +€2.8 Mn. In total, a +1.0% (100 bps) increase in interest rates during 2018 would have a net positive impact on financial expenses of +€0.7 Mn. A -0.5% (50 bps) drop in interest rates (leading to further negative interest rates) would reduce the financial expenses by +€35.7 Mn and would increase the recurring net profit in 2018 by a broadly equivalent amount.

3.2. Other risk management

The Group has activities and investments in countries outside the euro zone (e.g. the Czech Republic, Poland and Sweden). When converted into euros, the income and value of the Group's net investment may be influenced by fluctuations in exchange rates against the euro. Wherever possible, the Group aims to match foreign currency income with expenses in the same currency, reducing the exchange effects on earnings volatility and net valuation of the investment. Translation risks can be hedged by either matching cash investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management-driven goal.

Currency risk during the building period of pipeline investments is covered as early as possible after signing of the actual building contract.

Other monetary assets and liabilities held in currencies other than the euro are managed by ensuring that net exposure is kept to an acceptable level by buying or selling foreign currencies at spot or forward rates where necessary to address short term balances.

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

Measure of the exposure to other risks (€ Mn)

(in € Mn) Currency	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
DKK	461	(69)	393	0	393
PLN	117	(0)	116	0	116
SEK	2,812	(1,029)	1,783	0	1,783
Other	47	(600)	(552)	600	47
Total	**3,438**	**(1,698)**	**1,739**	**600**	**2,339**

The main exposure kept is in Swedish Krona:

- A change of 10% in the EUR/SEK exchange rate (i.e. a +10% increase of EUR compared to SEK) would have a -€163.8 Mn negative impact on shareholders' equity,
- The sensitivity of the 2018 recurring result[85] to a 10% change in the EUR/SEK exchange rate is limited to -€10.3 Mn.

The SEK 1,750 Mn credit line signed in December 2017 is undrawn as at December 31, 2017.

3.3. The Westfield Corporation acquisition

As the cash component of the transaction is denominated in USD and in view of the EUR/USD volatility, the Group hedged the EUR/USD foreign exchange risk on the transaction on the announcement date. The Group's USD requirements are fully hedged.

[85] The sensitivity is measured by applying a change in exchange rate to the net revenues in SEK (net rents - administrative and financial expenses - taxes), based on an EUR/SEK exchange rate of 9.8438.

4. Financial structure

As at December 31, 2017, the portfolio valuation (including transfer taxes) of Unibail-Rodamco amounted to €43,057 Mn.

Debt ratio

As at December 31, 2017, the Loan-to-Value (LTV) ratio amounted to 33%, stable compared to year-end 2016.

Interest coverage ratio

The Interest Coverage Ratio (ICR) improved to 6.7x for 2017 as a result of strong rental growth and the lower cost of debt.

Financial ratios	Dec. 31, 2017	Dec. 31, 2016
LTV[86]	33%	33%
ICR[87]	6.7x	5.9x

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

As at December 31, 2017, 95% of the Group's credit facilities and bank loans allowed indebtedness up to 60% of the Group's total asset value or of the value of the asset of the borrowing entity, as the case may be.

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

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[86] Loan-to-Value (LTV) = Net financial debt / Total portfolio valuation including transfer taxes. Total Portfolio valuation includes consolidated portfolio valuation (€43,057 Mn as at Dec. 31, 2017 versus €40,495 Mn as at Dec. 31, 2016). The LTV excluding transfer taxes is estimated at 35%.

[87] 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.

6. EPRA PERFORMANCE MEASURES

In compliance with the EPRA[88] best practices recommendations[89], Unibail-Rodamco summarises below the Key Performance Measures over 2017.

1. EPRA earnings

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

		2017	2016
EPRA Earnings	€ Mn	1,202.1	1,114.2
EPRA Earnings / share	€ / share	12.05	11.24
Growth EPRA Earnings / share	%	7.2%	7.5%

Bridge between Earnings per IFRS Income Statement and EPRA Recurring Earnings:

	2017	2016
Earnings per IFRS income statement (Group share)	**2,439.5**	**2,409.0**
Adjustments to calculate EPRA Recurring Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	1,364.4	2,005.8
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	73.8	96.2
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0.0	0.0
(iv) Tax on profits or losses on disposals	-12.8	-2.0
(v) Negative goodwill / goodwill impairment	-9.2	0.0
(vi) Changes in fair value of financial instruments and associated close-out costs	-0.9	-240.4
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-62.4	-1.3
(viii) Deferred tax in respect of EPRA adjustments	-43.7	-270.1
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	34.1	-62.4
(x) Non-controlling interests in respect of the above	-106.0	-231.0
EPRA Recurring Earnings	**1,202.1**	**1,114.2**
Average number of shares and ORA	99,752,597	99,160,738
EPRA Recurring Earnings per Share (EPS)	**12.05 €**	**11.24 €**
EPRA Recurring Earnings per Share growth	**7.2%**	**7.5%**

[88] EPRA: European Public Real estate Association
[89] 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, 2017	Dec. 31, 2016
EPRA NAV	€ / share	211.00	195.60
EPRA NNNAV	€ / share	200.50	183.70
% change over 1 year	%	9.1%	8.1%

3. EPRA Net Initial Yields

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

	Dec. 31, 2017		Dec. 31, 2016	
	Retail [(3)]	**Offices [(3)]**	**Retail [(3)]**	**Offices [(3)]**
Unibail-Rodamco yields	**4.3%**	**5.6%**	**4.4%**	**5.8%**
Effect of vacant units	0.0%	-0.1%	0.0%	-1.0%
Effect of EPRA adjustments on NRI	0.1%	0.0%	0.1%	0.0%
Effect of estimated transfer taxes and transaction costs	-0.1%	-0.2%	-0.1%	-0.2%
EPRA topped-up yields [(1)]	**4.3%**	**5.3%**	**4.3%**	**4.7%**
Effect of lease incentives	-0.1%	-1.9%	-0.2%	-2.1%
EPRA Net Initial Yields [(2)]	**4.1%**	**3.4%**	**4.2%**	**2.6%**

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, 2017	Dec. 31, 2016
Retail		
France	2.8%	2.8%
Central Europe	0.4%	0.1%
Spain	1.0%	1.0%
Nordic	4.2%	3.3%
Austria	1.0%	1.2%
Germany	2.6%	2.2%
Netherlands	6.5%	6.0%
Total Retail	**2.4%**	**2.3%**
Offices		
France	3.3%	13.4%
Total Offices	**4.6%**	**13.1%**

5. EPRA Cost ratios

EPRA references		2017	2016
	Include:		
(i-1)	General expenses	-119.5	-119.0
(i-2)	Development expenses	-3.6	-5.9
(i-3)	Operating expenses	-111.6	-109.3
(ii)	Net service charge costs/fees	-22.8	-29.2
(iii)	Management fees less actual/estimated profit element	0.0	0.0
(iv)	Other operating income/recharges intended to cover overhead expenses	0.0	0.0
(v)	Share of Joint Ventures expenses	-10.0	-14.7
	Exclude (if part of the above):		
(vi)	Investment Property Depreciation	0.0	0.0
(vii)	Ground rents costs	0.0	0.0
(viii)	Service charge costs recovered through rents but not separately invoiced	23.3	21.8
	EPRA Costs (including direct vacancy costs) (A)	**-244.2**	**-256.3**
(ix)	Direct vacancy costs	-22.8	-29.2
	EPRA Costs (excluding direct vacancy costs) (B)	**-221.4**	**-227.1**
(x)	Gross Rental Income (GRI) less ground rents	1,633.8	1,577.8
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	-23.3	-21.8
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	113.2	111.2
	Gross Rental Income (C)	**1,723.7**	**1,667.1**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**14.2%**	**15.4%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**12.8%**	**13.6%**

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

6. Capital expenditure

in € Mn	2017		2016	
	100%	Group Share	100%	Group Share
Acquisitions (1)	67.2	62.9	146.7	98.6
Development (2)	472.3	465.7	367.2	356.7
Like-for-like portfolio (3)	627.0	524.9	663.9	541.1
Other (4)	188.8	169.9	175.0	139.7
Total Capital Expenditure	**1,355.3**	**1,223.4**	**1,352.7**	**1,136.1**

Notes:
1) In 2017, includes mainly the acquisitions of plots related to Parquesur, Le Forum des Halles and to the Mall of The Netherlands project.
2) In 2017, includes mainly the capital expenditures related to investments in the Carré Sénart and Centrum Chodov extension projects and to the Trinity, Wroclavia and Überseequartier new development projects.
3) In 2017, includes mainly the capital expenditures related to Viparis Porte de Versailles, Donau Zentrum, Le Forum des Halles, Glòries and Shopping City Süd.
4) Includes eviction costs and tenant incentives, capitalised interest relating to projects referenced above, letting fees and other capitalised expenses of €84.2 Mn, €15.9 Mn, €27.0 Mn and €42.8 Mn in 2017, respectively (amounts in group share).

7. LTV reconciliation with B/S

€ Mn	Dec. 31, 2017	Dec. 31, 2016
Amounts accounted for in B/S	**41,348.5**	**39,078.1**
Investment properties at fair value	37,181.5	35,426.9
Investment properties at cost	1,342.8	954.0
Other tangible assets	216.3	219.8
Goodwill	522.4	539.9
Intangible assets	172.2	229.4
Shares and investments in companies under the equity method	1,913.3	1,708.2
Properties or shares held for sale	0.0	0.0
Adjustments	**1,708.5**	**1,416.9**
Transfer taxes	1,947.5	1,804.9
Goodwill	-389.2	-397.5
Revaluation intangible and operating assets	548.5	441.7
IFRS restatements, including	-398.4	-432.1
Financial leases	*-355.2*	*-361.6*
Other	*-43.2*	*-70.5*
Total assets, including Transfer Taxes (=A)	**43,057.0**	**40,495.1**
Total assets, excluding Transfer Taxes (=B)	**41,109.4**	**38,690.2**
Amounts accounted for in B/S		
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,020.8	1,049.4
Long-term bonds and borrowings	12,889.6	12,223.7
Current borrowings and amounts due to credit institutions	2,301.6	2,005.6
Total financial liabilities	**16,212.0**	**15,278.7**
Adjustments		
Mark-to-market of debt	-20.5	-41.8
Current accounts with non-controlling interests	-1,248.4	-1,274.3
Impacts of derivatives instruments on debt raised in foreign currency	-30.2	-99.5
Accrued interest / issue fees	-48.9	-44.0
Total financial liabilities (nominal value)	**14,864.0**	**13,819.1**
Cash & cash equivalents	-574.7	-400.1
Net financial debt (=C)	**14,289.3**	**13,418.9**

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

1. Financial Statements with entities under joint control consolidated under proportional method

For Information Only – Not reviewed by auditors

Consolidated Income Statement by segment (€ Mn)			2017 Published Recurring activities	Joint control Recurring activities	Total 2017 Recurring activities	2016 Published Recurring activities	Joint control Recurring activities	Total 2016 Recurring activities
SHOPPING CENTRES	FRANCE	Gross rental income	682.1	9.0	691.1	651.2	8.9	660.1
		Operating expenses & net service charges	(72.4)	(0.6)	(73.0)	(70.7)	(0.7)	(71.4)
		Net rental income	**609.8**	**8.4**	**618.1**	**580.5**	**8.2**	**588.7**
		Contribution of affiliates	8.1	(8.1)	-	7.0	(7.0)	-
		Result Shopping Centres France	**617.9**	**0.3**	**618.1**	**587.5**	**1.2**	**588.7**
	CENTRAL EUROPE	Gross rental income	179.0	1.6	180.5	159.6	0.3	159.9
		Operating expenses & net service charges	(6.5)	(0.1)	(6.7)	(3.4)	(0.0)	(3.4)
		Net rental income	**172.4**	**1.4**	**173.9**	**156.2**	**0.3**	**156.5**
		Contribution of affiliates	46.6	(1.0)	45.5	30.7	(0.1)	30.7
		Result Shopping Centres Central Europe	**219.0**	**0.4**	**219.4**	**186.9**	**0.2**	**187.1**
	SPAIN	Gross rental income	178.0	0.3	178.3	163.3	0.3	163.6
		Operating expenses & net service charges	(16.9)	(0.1)	(17.0)	(17.3)	(0.1)	(17.4)
		Net rental income	**161.0**	**0.3**	**161.3**	**146.0**	**0.2**	**146.2**
		Contribution of affiliates	0.2	(0.2)	-	0.5	(0.5)	-
		Result Shopping Centres Spain	**161.2**	**0.1**	**161.3**	**146.5**	**(0.3)**	**146.2**
	NORDICS	Gross rental income	159.1	-	159.1	158.4	-	158.4
		Operating expenses & net service charges	(13.3)	-	(13.3)	(18.5)	-	(18.5)
		Net rental income	**145.8**	**-**	**145.8**	**139.9**	**-**	**139.9**
		Result Shopping Centres Nordics	**145.8**	**-**	**145.8**	**139.9**	**-**	**139.9**
	AUSTRIA	Gross rental income	109.1	-	109.1	102.1	-	102.1
		Operating expenses & net service charges	(5.9)	-	(5.9)	(3.5)	-	(3.5)
		Net rental income	**103.2**	**-**	**103.2**	**98.6**	**-**	**98.6**
		Result Shopping Centres Austria	**103.2**	**-**	**103.2**	**98.6**	**-**	**98.6**
	GERMANY	Gross rental income	99.7	46.3	145.9	96.6	46.3	142.9
		Operating expenses & net service charges	(7.1)	(2.9)	(10.0)	(6.7)	(3.5)	(10.2)
		Net rental income	**92.6**	**43.4**	**135.9**	**89.9**	**42.8**	**132.7**
		Contribution of affiliates	29.1	(28.1)	1.0	28.5	(27.3)	1.2
		Result Shopping Centres Germany	**121.6**	**15.3**	**136.9**	**118.4**	**15.5**	**133.9**
	THE NETHERLANDS	Gross rental income	70.2	-	70.2	73.3	-	73.3
		Operating expenses & net service charges	(8.5)	-	(8.5)	(11.8)	-	(11.8)
		Net rental income	**61.7**	**-**	**61.7**	**61.5**	**-**	**61.5**
		Result Shopping Centres The Netherlands	**61.7**	**-**	**61.7**	**61.5**	**-**	**61.5**
		TOTAL RESULT SHOPPING CENTRES	**1,430.4**	**16.0**	**1,446.4**	**1,339.4**	**16.6**	**1,356.0**
OFFICES	FRANCE	Gross rental income	126.8	-	126.8	140.9	-	140.9
		Operating expenses & net service charges	(3.2)	-	(3.2)	(5.2)	-	(5.2)
		Net rental income	**123.6**	**-**	**123.6**	**135.7**	**-**	**135.7**
		Result Offices France	**123.6**	**-**	**123.6**	**135.7**	**-**	**135.7**
	OTHER COUNTRIES	Gross rental income	20.9	-	20.9	21.7	-	21.7
		Operating expenses & net service charges	(3.7)	-	(3.7)	(4.1)	-	(4.1)
		Net rental income	**17.2**	**-**	**17.2**	**17.6**	**-**	**17.6**
		Result Offices other countries	**17.2**	**-**	**17.2**	**17.6**	**-**	**17.6**
		TOTAL RESULT OFFICES	**140.8**	**-**	**140.8**	**153.3**	**-**	**153.3**
CONVENTION & EXHIBITION	FRANCE	Gross rental income	181.7	2.5	184.2	186.0	2.7	188.7
		Operating expenses & net service charges	(97.8)	(1.8)	(99.6)	(96.4)	(1.8)	(98.2)
		Net rental income	**83.9**	**0.7**	**84.6**	**89.6**	**0.9**	**90.5**
		Contribution of affiliates	0.5	(0.5)	-	0.7	(0.7)	-
		On site property services	**50.0**	**-**	**50.0**	**61.8**	**-**	**61.8**
		Hotels net rental income	**11.6**	**-**	**11.6**	**13.0**	**-**	**13.0**
		Valuation movements, depreciation, capital gains Impairment of Goodwill	(12.2)	-	(12.2)	(11.4)	-	(11.4)
		TOTAL RESULT CONVENTION & EXHIBITION	**133.8**	**0.1**	**133.9**	**153.6**	**0.3**	**153.9**
		Other property services net operating result	42.0	(1.4)	40.5	35.8	(1.4)	34.4
		Other net income	0.9	-	0.9	0.4	-	0.4
TOTAL OPERATING RESULT AND OTHER INCOME			**1,747.9**	**14.7**	**1,762.6**	**1,682.5**	**15.5**	**1,698.0**
		General expenses	(119.5)	(1.3)	(120.8)	(119.0)	(1.5)	(120.6)
		Development expenses	(3.6)	-	(3.6)	(5.9)	(0.8)	(6.7)
		Financing result	(228.0)	(13.5)	(241.4)	(254.9)	(13.0)	(267.9)
RESULT BEFORE TAX			**1,396.8**	**(0.1)**	**1,396.7**	**1,302.7**	**0.2**	**1,302.9**
		Income tax expenses	(17.7)	0.1	(17.6)	(11.1)	(0.2)	(11.3)
NET RESULT FOR THE PERIOD			**1,379.1**	**(0.0)**	**1,379.1**	**1,291.6**	**0.0**	**1,291.6**
		Non-controlling interests	176.9	-	176.9	177.4	-	177.4
NET RESULT - OWNERS OF THE PARENT			**1,202.1**	**(0.0)**	**1,202.1**	**1,114.2**	**0.0**	**1,114.2**
Average number of shares and ORA			99,752,597		99,752,597	99,160,738		99,160,738
RECURRING EARNINGS PER SHARE (€)			**12.05**		**12.05**	**11.24**		**11.24**
RECURRING EARNINGS PER SHARE GROWTH			**7.2%**		**7.2%**	**7.5%**		**7.5%**

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, Metropole Zlicin, Paunsdorf Center and Palais des Sports.

Consolidated statement of comprehensive income (€Mn)	**2017 Published**	**Joint control**	**Total 2017**	**2016 Published**	**Joint control**	**Total 2016**
Gross rental income	1,822.3	59.6	1,881.9	1,770.3	58.5	1,828.8
Ground rents paid	(18.1)	(1.6)	(19.7)	(17.4)	(2.0)	(19.4)
Net service charge expenses	(22.8)	(3.7)	(26.5)	(29.2)	(4.0)	(33.2)
Property operating expenses	(198.7)	(0.2)	(198.9)	(195.2)	(0.0)	(195.2)
Net rental income	**1,582.6**	**54.2**	**1,636.8**	**1,528.5**	**52.5**	**1,581.0**
Corporate expenses	(117.3)	(1.3)	(118.6)	(116.8)	(1.5)	(118.3)
Development expenses	(3.6)	-	(3.6)	(5.9)	(0.8)	(6.7)
Depreciation of other tangible assets	(2.2)	-	(2.2)	(2.2)	-	(2.2)
Administrative expenses	**(123.1)**	**(1.3)**	**(124.4)**	**(124.9)**	**(2.3)**	**(127.2)**
Acquisition and related costs	**(62.4)**		**(62.4)**	**(1.3)**	**(0.0)**	**(1.3)**
Revenues from other activities	256.1	-	256.1	261.3	-	261.3
Other expenses	(176.3)	(1.4)	(177.7)	(175.1)	(1.4)	(176.5)
Net other income	**79.8**	**(1.4)**	**78.3**	**86.2**	**(1.4)**	**84.8**
Proceeds from disposal of investment properties	592.5	-	592.5	973.9	0.6	974.5
Carrying value of investment properties sold	(518.7)	-	(518.7)	(882.7)	-	(882.7)
Result on disposal of investment properties	**73.8**	**-**	**73.8**	**91.2**	**0.6**	**91.8**
Proceeds from disposal of shares	27.3	-	27.3	25.9	-	25.9
Carrying value of disposed shares	(27.3)	-	(27.3)	(20.9)	-	(20.9)
Result on disposal of shares	**0.0**	**-**	**0.0**	**5.0**	**-**	**5.0**
Valuation gains on assets	1,770.0	34.7	1,804.7	2,244.0	37.9	2,281.9
Valuation losses on assets	(405.6)	(10.4)	(416.0)	(238.2)	(17.0)	(255.2)
Valuation movements on assets	**1,364.4**	**24.3**	**1,388.7**	**2,005.8**	**20.9**	**2,026.7**
Impairment of goodwill/Negative goodwill	**(9.2)**	**-**	**(9.2)**	**-**	**-**	**-**
NET OPERATING RESULT BEFORE FINANCING COST	**2,906.0**	**75.6**	**2,981.6**	**3,590.5**	**70.2**	**3,660.7**
Result from non-consolidated companies	0.9	0.0	0.9	0.4	(0.0)	0.4
Financial income	*119.5*	-	*119.5*	*88.8*	-	*88.8*
Financial expenses	*(347.5)*	*(13.5)*	*(361.0)*	*(343.7)*	*(13.0)*	*(356.7)*
Net financing costs	(228.0)	(13.5)	(241.5)	(254.9)	(13.0)	(267.9)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	21.1	-	21.1	37.0	-	37.0
Fair value adjustments of derivatives and debt	(21.3)	0.8	(20.4)	(276.8)	1.5	(275.3)
Debt discounting	(0.7)	-	(0.7)	(0.6)	-	(0.6)
Share of the result of companies under the equity method	91.6	(54.7)	36.9	(13.3)	(55.5)	(68.8)
Income on financial assets	27.0	(1.0)	26.0	18.3	(1.6)	16.7
RESULT BEFORE TAX	**2,796.7**	**7.4**	**2,804.0**	**3,100.6**	**1.7**	**3,102.3**
Income tax expenses	(74.2)	(7.4)	(81.5)	(283.2)	(1.7)	(284.9)
NET RESULT FOR THE PERIOD	**2,722.5**	**(0.0)**	**2,722.5**	**2,817.4**	**(0.0)**	**2,817.4**
Non-controlling interests	283.0	-	283.0	408.4	-	408.4
NET RESULT (Owners of the parent)	**2,439.5**	**(0.0)**	**2,439.5**	**2,409.0**	**(0.0)**	**2,409.0**

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, Metropole Zlicin, Paunsdorf Center and Palais des Sports.

Consolidated Statement of financial position (€ Mn)	**Dec. 31, 2017 Published**	**Joint control**	**Dec. 31, 2017**	**Dec. 31, 2016 Published**	**Joint control**	**Dec. 31, 2016**
NON CURRENT ASSETS	**41,650.8**	**509.0**	**42,159.8**	**39,509.3**	**502.6**	**40,011.9**
Investment properties	**38,524.3**	**1,392.7**	**39,917.0**	**36,380.9**	**1,239.8**	**37,620.6**
Investment properties at fair value	*37,181.5*	*1,381.3*	*38,562.8*	*35,426.9*	*1,230.7*	*36,657.6*
Investment properties at cost	*1,342.8*	*11.4*	*1,354.2*	*954.0*	*9.0*	*963.0*
Other tangible assets	216.3	0.9	217.2	219.8	0.2	219.9
Goodwill	522.4	90.5	612.9	539.9	90.5	630.4
Intangible assets	172.2	0.0	172.2	229.4	0.0	229.4
Loans and receivables	76.8	0.8	77.6	113.3	0.1	113.3
Financial assets	30.8	-	30.8	25.1	-	25.1
Deferred tax assets	21.9	0.2	22.1	24.0	25.5	49.5
Derivatives at fair value	172.8	-	172.8	268.8	-	268.8
Shares and investments in companies under the equity method	1,913.3	(976.0)	937.3	1,708.2	(853.4)	854.8
CURRENT ASSETS	**1,590.2**	**58.6**	**1,648.8**	**1,235.8**	**51.5**	**1,287.2**
Derivatives at fair value	**57.9**	-	**57.9**	-	-	-
Trade receivables from activity	**416.5**	**21.5**	**438.0**	**369.0**	**16.3**	**385.3**
Other trade receivables	**541.1**	**10.9**	**552.0**	**466.6**	**11.0**	**477.7**
Tax receivables	216.2	1.3	217.5	217.7	1.1	218.8
Other receivables	251.6	7.5	259.1	136.4	8.2	144.6
Prepaid expenses	73.3	2.1	75.4	112.5	1.7	114.2
Cash and cash equivalents	**574.7**	**26.2**	**600.9**	**400.1**	**24.1**	**424.2**
Available for sale investments	297.9	2.3	300.2	38.2	2.3	40.5
Cash	276.8	23.9	300.7	362.0	21.8	383.8
TOTAL ASSETS	**43,241.0**	**567.6**	**43,808.6**	**40,745.0**	**554.1**	**41,299.1**
Shareholders' equity (Owners of the parent)	**18,916.2**	**-**	**18,916.2**	**17,465.3**	**-**	**17,465.3**
Share capital	499.3	-	499.3	497.0	-	497.0
Additional paid-in capital	6,470.7	-	6,470.7	6,402.3	-	6,402.3
Bonds redeemable for shares	1.1	-	1.1	1.2	-	1.2
Consolidated reserves	9,715.9	-	9,715.9	8,349.3	-	8,349.3
Hedging and foreign currency translation reserves	(210.3)	-	(210.3)	(193.4)	-	(193.4)
Consolidated result	2,439.5	-	2,439.5	2,409.0	-	2,409.0
Non-controlling interests	**3,777.0**	**-**	**3,777.0**	**3,554.4**	**-**	**3,554.4**
TOTAL SHAREHOLDERS' EQUITY	**22,693.2**	**-**	**22,693.2**	**21,019.7**	**-**	**21,019.7**
NON CURRENT LIABILITIES	**16,851.6**	**502.1**	**17,353.7**	**16,209.9**	**518.6**	**16,728.5**
Long-term commitment to purchase non-controlling interests	-	-	-	40.9	-	40.9
Net share settled bonds convertible into new and/or existing shares (ORNANE)	1,020.5	-	1,020.5	1,049.4	-	1,049.4
Long-term bonds and borrowings	12,889.6	394.1	13,283.7	12,223.7	392.9	12,616.6
Long-term financial leases	353.2	-	353.2	355.4	-	355.4
Derivatives at fair value	315.8	0.0	315.8	327.9	0.0	327.9
Deferred tax liabilities	1,752.5	103.9	1,856.4	1,690.2	122.7	1,812.9
Long-term provisions	30.5	0.6	31.1	33.6	0.5	34.1
Employee benefits	9.3	-	9.3	9.2	-	9.2
Guarantee deposits	223.9	3.5	227.4	208.1	2.5	210.6
Tax liabilities	0.1	-	0.1	0.1	-	0.1
Amounts due on investments	256.2	0.0	256.2	271.4	-	271.4
CURRENT LIABILITIES	**3,696.2**	**65.5**	**3,761.7**	**3,515.4**	**35.5**	**3,551.0**
Current commitment to purchase non-controlling interests	**7.0**	-	**7.0**	-	-	-
Amounts due to suppliers and other current debt	**1,161.6**	**39.4**	**1,201.0**	**1,314.3**	**30.5**	**1,344.7**
Amounts due to suppliers	187.5	12.7	200.2	150.4	12.3	162.7
Amounts due on investments	425.9	0.2	426.1	326.5	0.1	326.6
Sundry creditors	340.5	21.9	362.4	625.0	15.9	641.0
Other liabilities	207.7	4.6	212.3	212.3	2.1	214.5
Current borrowings and amounts due to credit institutions	**2,301.9**	**23.5**	**2,325.4**	**2,005.6**	**2.7**	**2,008.3**
Current financial leases	**2.0**	**-**	**2.0**	**6.1**	**-**	**6.1**
Tax and social security liabilities	**210.5**	**2.6**	**213.1**	**179.1**	**2.4**	**181.5**
Short-term provisions	**13.2**	**-**	**13.2**	**10.3**	**-**	**10.3**
TOTAL LIABILITIES AND EQUITY	**43,241.0**	**567.6**	**43,808.6**	**40,745.0**	**554.1**	**41,299.1**

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, Metropole Zlicin, Paunsdorf Center and Palais des Sports.

2. GLOSSARY

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

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

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

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

EBITDA-Viparis: "Net rental income" and "On site property services operating result" + "Recurring contribution of affiliates" of Viparis venues.

EPRA: European Public Real estate Association.

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

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

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

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

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

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

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

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

IVSC: International Valuation Standards Council.

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

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

Loan-to-Value (LTV): net financial debt / Total portfolio valuation, including transfer taxes. Total Portfolio valuation includes consolidated portfolio valuation.

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

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

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

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

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

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

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

RICS: Royal Institution of Chartered Surveyors.

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

SBR: Sales Based Rent.

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

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

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

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

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

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

3. LIST OF GROUP’S STANDING ASSETS

1.1. FRANCE: SHOPPING CENTRES

Portfolio as at Dec. 31, 2017	GLA of the whole complex *(m²)*
SHOPPING CENTRES IN THE PARIS REGION	
Carré Sénart (Lieusaint)	151,800
Les Quatre Temps (La Défense)	139,600
Parly 2 (Le Chesnay)	113,500
Rosny 2 (Rosny-sous-Bois)	111,600
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 Gaîté (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)	39,400
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 Dec. 31, 2017	Total floor space of the asset *(m²)*
PARIS REGION	
PROPERTY AND OPERATION	
Paris Porte de Versailles (Paris 15)	202,000
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 Dec. 31, 2017	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
Shift (Issy-les-Moulineaux)	30,600
Gaîté-Montparnasse (Offices) (Paris 15)	9,900
29, rue du Port (Nanterre)	10,300
Tour Rosny (Rosny-sous-bois)	5,900
Le Blériot (Rueil Malmaison)	3,400

1.4. CENTRAL EUROPE: SHOPPING CENTRES

Portfolio as at Dec. 31, 2017	GLA of the whole complex *(m²)*
CZECH REPUBLIC	
Centrum Cerny Most (Prague)	106,700
Centrum Chodov (Prague)	101,600
Metropole Zlicin (Prague)	55,500
POLAND	
Arkadia (Warsaw)	117,900
Wroclavia (Wroclaw)	72,500
Galeria Mokotow (Warsaw)	68,500
Zlote Tarasy[90] (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 Dec. 31, 2017	Total floor space of the asset *(m²)*
Zlote Tarasy Lumen (Warsaw)	23,700
Zlote Tarasy Skylight (Warsaw)	22,000
Wilenska Offices (Warsaw)	13,400
Wroclavia Offices (Wroclaw)	8,500

1.6. SPAIN: SHOPPING CENTRES

Portfolio as at Dec. 31, 2017	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
Garbera (San Sebastian)	40,000
Equinoccio (Madrid)	36,800
Vallsur (Valladolid)	36,000

[90] Not managed by Unibail-Rodamco.

1.7. NORDICS: SHOPPING CENTRES

Portfolio as at Dec. 31, 2017	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
DENMARK	
Fisketorvet (Copenhagen)	59,600
FINLAND	
Jumbo (Helsinki)	85,100

1.8. NORDICS: OFFICES

Portfolio as at Dec. 31, 2017	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 Örebro (Örebro)	4,700

1.9. AUSTRIA: SHOPPING CENTRES

Portfolio as at Dec. 31, 2017	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 Dec. 31, 2017	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 Dec. 31, 2017	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)	45,700
Minto (Mönchengladbach)	41,800
Gera Arcaden (Gera)	38,600
Ring-Center 1 (Berlin)	20,600

1.12. NETHERLANDS: SHOPPING CENTRES

Portfolio as at Dec. 31, 2017	GLA of the whole complex *(m²)*
SHOPPING CENTRES	
Stadshart Almere (Almere)	89,500
Stadshart Amstelveen (Amstelveen)	83,500
Stadshart Zoetermeer (Zoetermeer)	77,400
Leidsenhage[91] (The Hague region)	74,100
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 Dec. 31, 2017	Total floor space of the asset *(m²)*
Stadshart Zoetermeer (Zoetermeer)	11,500
Stadshart Amstelveen (Amstelveen)	6,800

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