unibail·rodamco

2017 FULL-YEAR RESULTS

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A YEAR OF EXCEPTIONAL ACHIEVEMENTS

A YEAR OF EXCEPTIONAL ACHIEVEMENTS

Retail Deliveries[1][2]	Disposals[3]	Acquisitions[4]	Announcement of Westfield acquisition
€930 Mn **172,400 m²**	**€710 Mn**	**€364 Mn**	to create the **world's premier developer and operator of flagship shopping destinations**

The following five retail projects, representing a TIC of €929.9 Mn and a total GLA of 172,395 m^2, were delivered in 2017:

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

The weighted average yield on cost was 7.7%.(5)

In 2017, the Group divested a total amount of €709.9 Mn at an average premium of +15.0% above the last unaffected appraisal value.

The Group also invested €364.3 Mn in acquisitions, including the shares in two assets, in Prague and Cagnes-sur-Mer.(6)

On December 12, 2017, Unibail-Rodamco announced it had entered into an agreement to acquire Westfield Corporation. Unibail-Rodamco has since 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.

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

(2) GLA: Gross Lettable Area

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

(4) TAC: Total Acquisition Cost: 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 the transfer taxes and the transaction costs. Includes price of the shares and transaction costs for Polygone Riviera and Metropole Zlicin

(5) Annualized expected rents net of expenses divided by the TIC

(6) Payment for the acquisition of the Polygone Riviera shares was made on January, 4, 2018

FINANCIAL RESULTS

2017 FULL-YEAR RESULTS

€ Mn	FY-2017	FY-2016	Growth	Like-for-like Growth[1]
Shopping Centres	1,346	1,273	+5.8%	+4.3%
Offices	141	153	-8.1%	+13.5%
Convention & Exhibition	95	103	-6.9%	-6.9%
Net Rental Income	1,583	1,529	+3.5%	**+4.2%**
Recurring Net Result (Group share)	1,202	1,114	**+7.9%**	
Recurring EPS[2]	**12.05**	11.24	**+7.2%**	

Per share data (€)	Dec. 31, 2017	Dec. 31, 2016	Growth
Going Concern NAV[3]	**219.20**	201.50	**+8.8%**
EPRA NNNAV[4]	**200.50**	183.70	**+9.1%**
EPRA NAV	**211.00**	195.60	**+7.9%**

The Going Concern NAV[3] (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. This increase was due principally to:

- The value creation of +€27.14 per share;
- The impact of the dividend paid in March and July 2017 of -€10.20;
- The positive impact of the +€0.76 mark-to-market of the fixed-rate debt and derivatives.

(1) Net Rental Income (NRI) like-for-like growth 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

(2) Average number of shares used for Recurring EPS computation: 99,752,597 for 2017 and 99,160,738 for 2016

(3) The Going Concern NAV corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure – on the basis of 99,910,659 fully diluted number of shares as at December 31, 2017 including outstanding ORAs, ORNANEs and stock options in the money as at December 31, 2017 (vs. 100,535,706 as at December 31, 2016)

(4) The EPRA NNNAV (triple net asset value) per share corresponds to the Going Concern NAV less the estimated transfer taxes and deferred capital gain taxes – on the same basis of the same fully diluted number of shares

Figures may not add up due to rounding

FY-2017 OPERATIONAL HIGHLIGHTS

STRONG RETAIL NRI GROWTH

Net Rental Income (€ Mn)	FY-2017	FY-2016	Growth	Like-for-like Growth[1]
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%
Total	**1,346**	**1,273**	**+5.8%**	**+4.3%**

The total net change in Shopping Centre NRI amounted to +€73.8 Mn compared to 2016 due to:

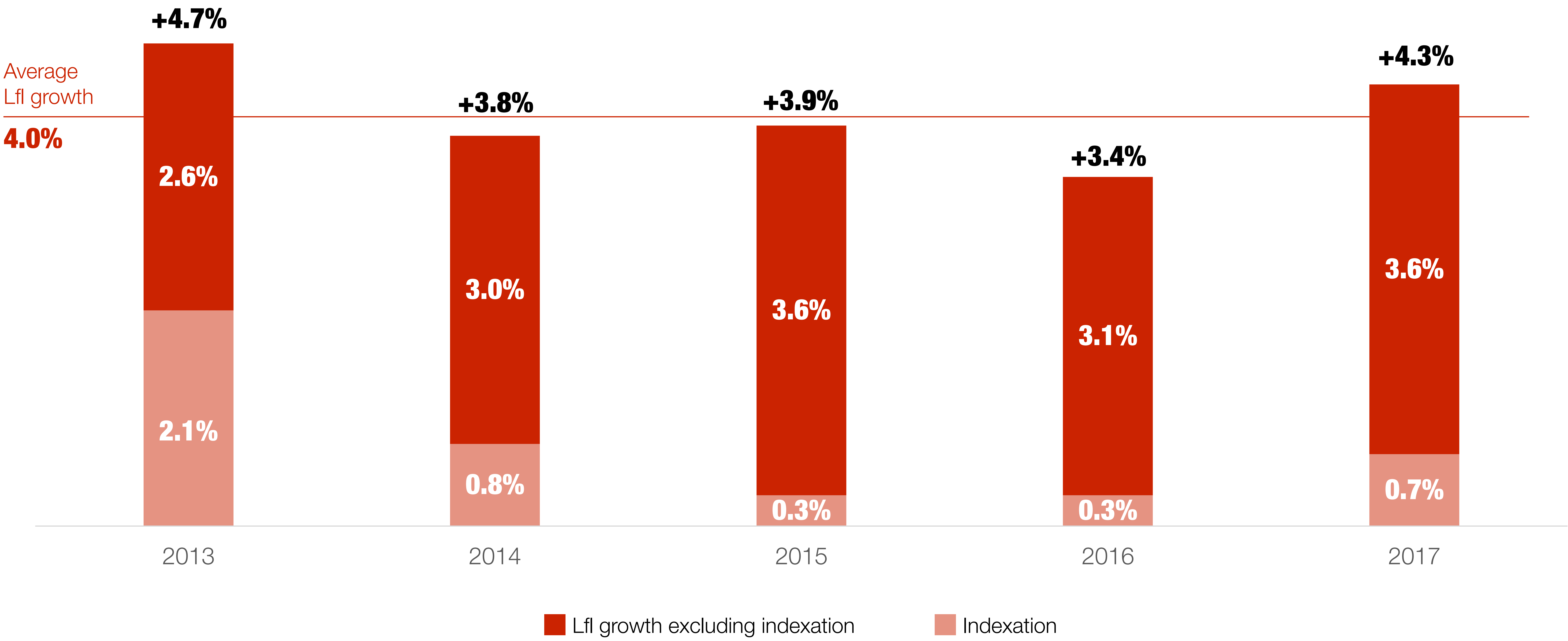
- +€34.1 Mn from the delivery of shopping centres or new units, mainly in Spain (Glòries and Bonaire), France (mainly Le Forum des Halles, Carré Sénart and Parly 2) and Central Europe (mainly Centrum Chodov and Wroclavia);
- +€2.6 Mn from the acquisition of additional units, mainly in France;
- -€2.5 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 Orebro 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 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.

(1) Net Rental Income (NRI) like-for-like growth 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 analyzed

Figures may not add up due to rounding

STRONG LIKE-FOR-LIKE NRI GROWTH ABOVE INDEXATION

Like-for-like NRI[1] growth of Shopping Centres



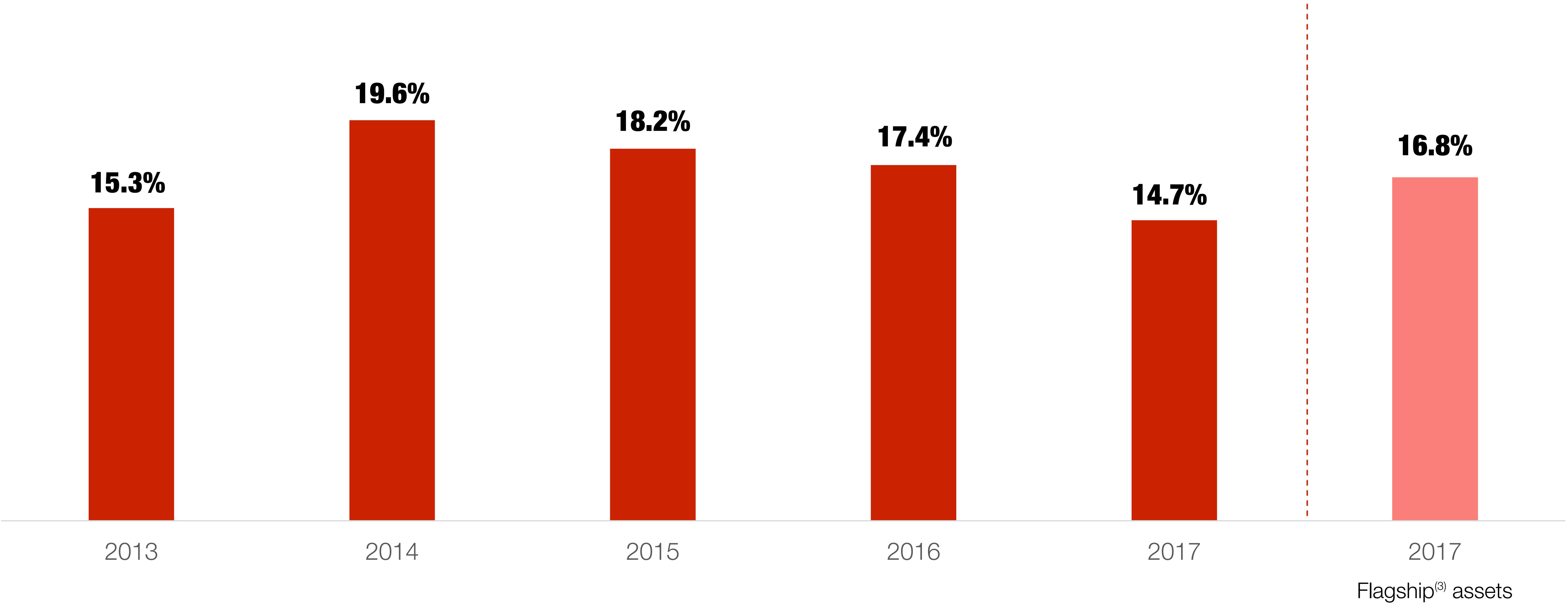
The +4.3% like-for-like NRI growth reflects indexation of +0.7% (+0.3% in 2016), the solid performance in renewals and relettings (+1.9% vs +2.2% in 2016) and the positive impact of “Other” (+1.9% vs. +2.2% in 2016). The growth in “Other” was due primarily to a Sales Based Rent (SBR) increase (primarily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

(1) Net Rental Income (NRI) like-for-like growth 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 analyzed

MGR UPLIFT

Leases signed[1]: **1,350**

Rotation rate[2]: **11.0%**



The Group signed 1,350 leases on consolidated standing assets (1,479 in 2016) for €159.7 Mn of MGR. The average MGR uplift(4) 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 (-5.1% vs. -1.9% in 2016). 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).

The MGR uplift on Flagship assets(3) reached +16.8% in 2017.

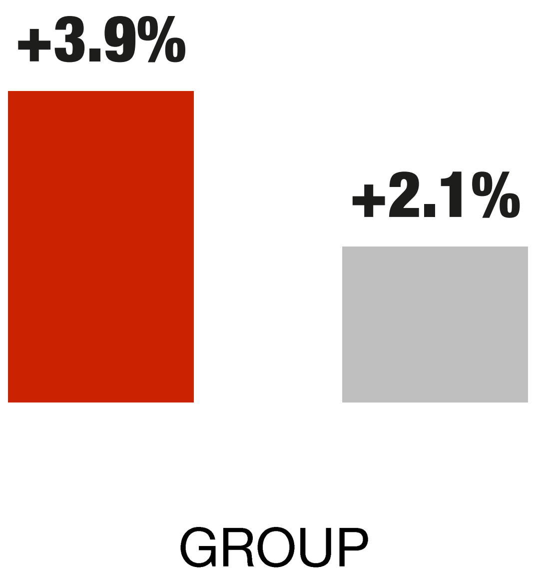
(1) Deals signed only on standing assets

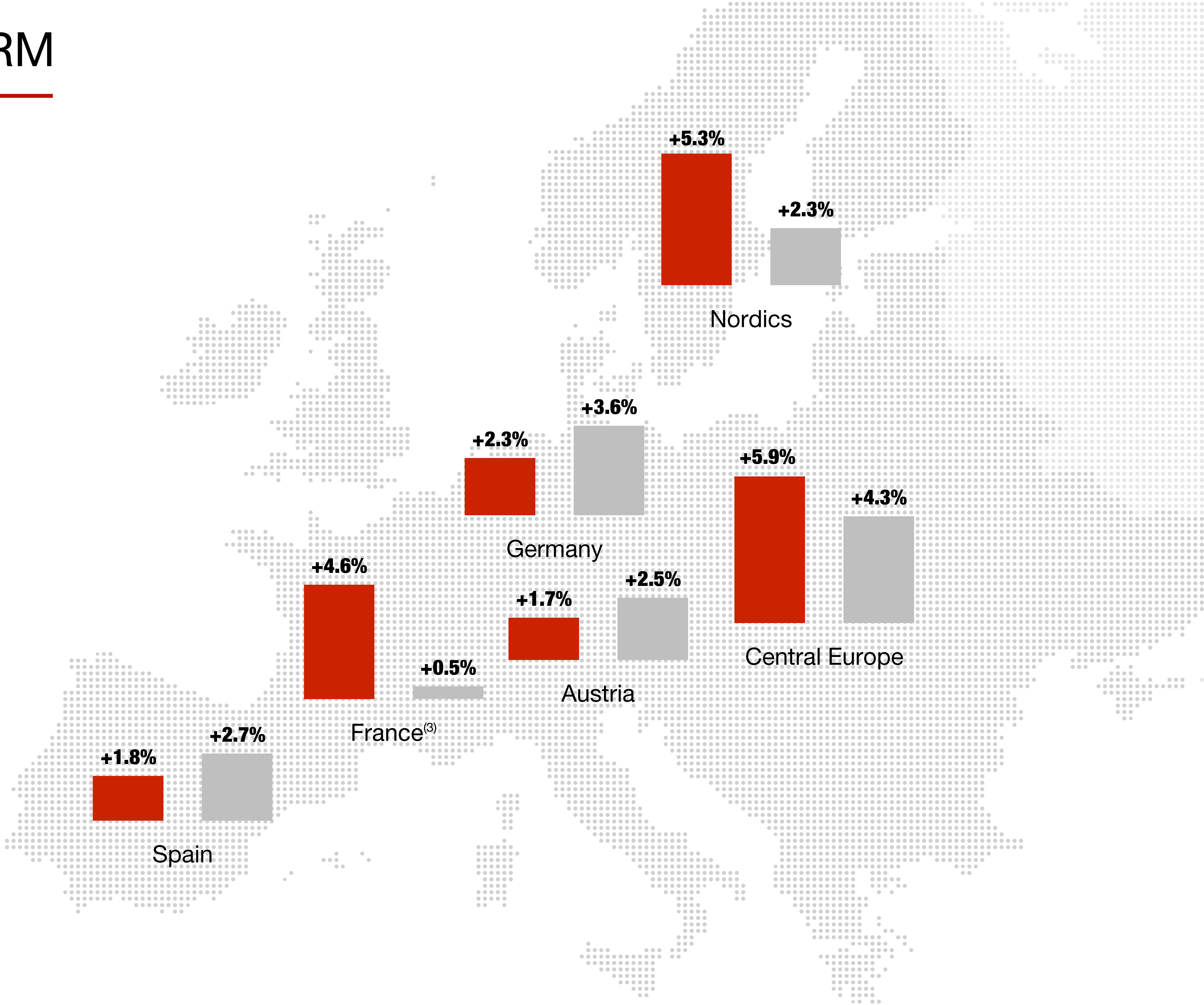
(2) Rotation rate: (number of relettings and number of assignments and renewals with new concepts) / number of stores. Short term leases are excluded

(3) Flagships: 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, Glories, 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

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

TENANT SALES OUTPERFORM





Tenant sales growth
in Unibail-Rodamco's shopping centres[1]

National Sales Indices[2]

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. The continuous trend of tenant sales increasing at a higher pace than footfall reflects the steady increase of conversion rates[(4)] since 2013:

- 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 those 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.

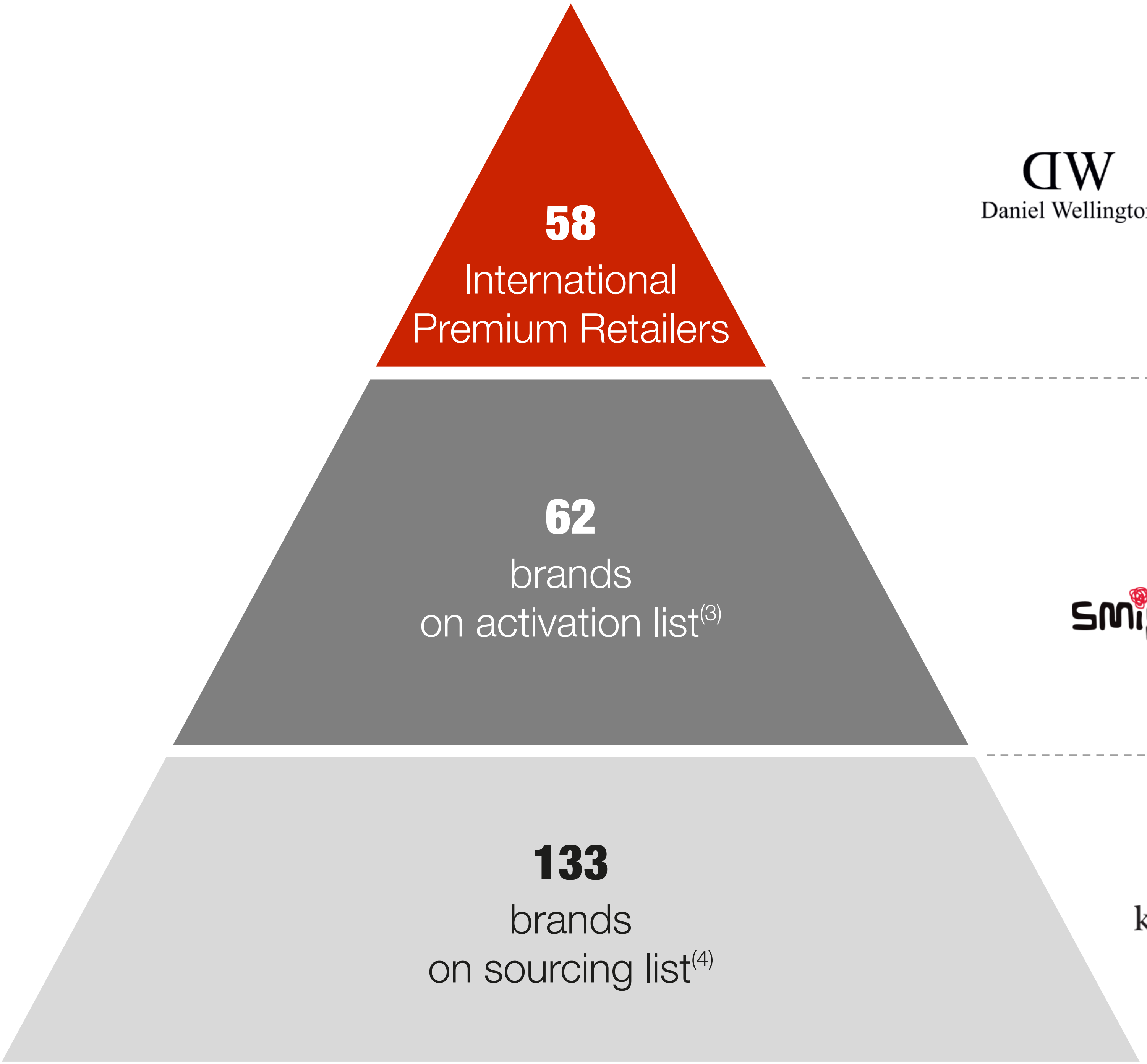
(1) Tenant sales data include shopping centres accounted for using the equity method (Rosny 2, CentrO and Paunsdorf) but not Jumbo, Zlote Tarasy and Metropole Zlicin as they are not managed by the Group. Tenant sales performance in Unibail-Rodamco's shopping centres (excluding The Netherlands) in portfolio 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 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

(2) 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

(3) In France, tenant sales increased by +4.6% through November 2017, outperforming the IFLS (excluding food) index by +413 bps and the CNCC index by +570 bps

(4) 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

REFUELING THE PIPELINE WITH NEW CONCEPTS



Active signings

Daniel Wellington · URBAN OUTFITTERS · snipes · SØSTRENE GRENE

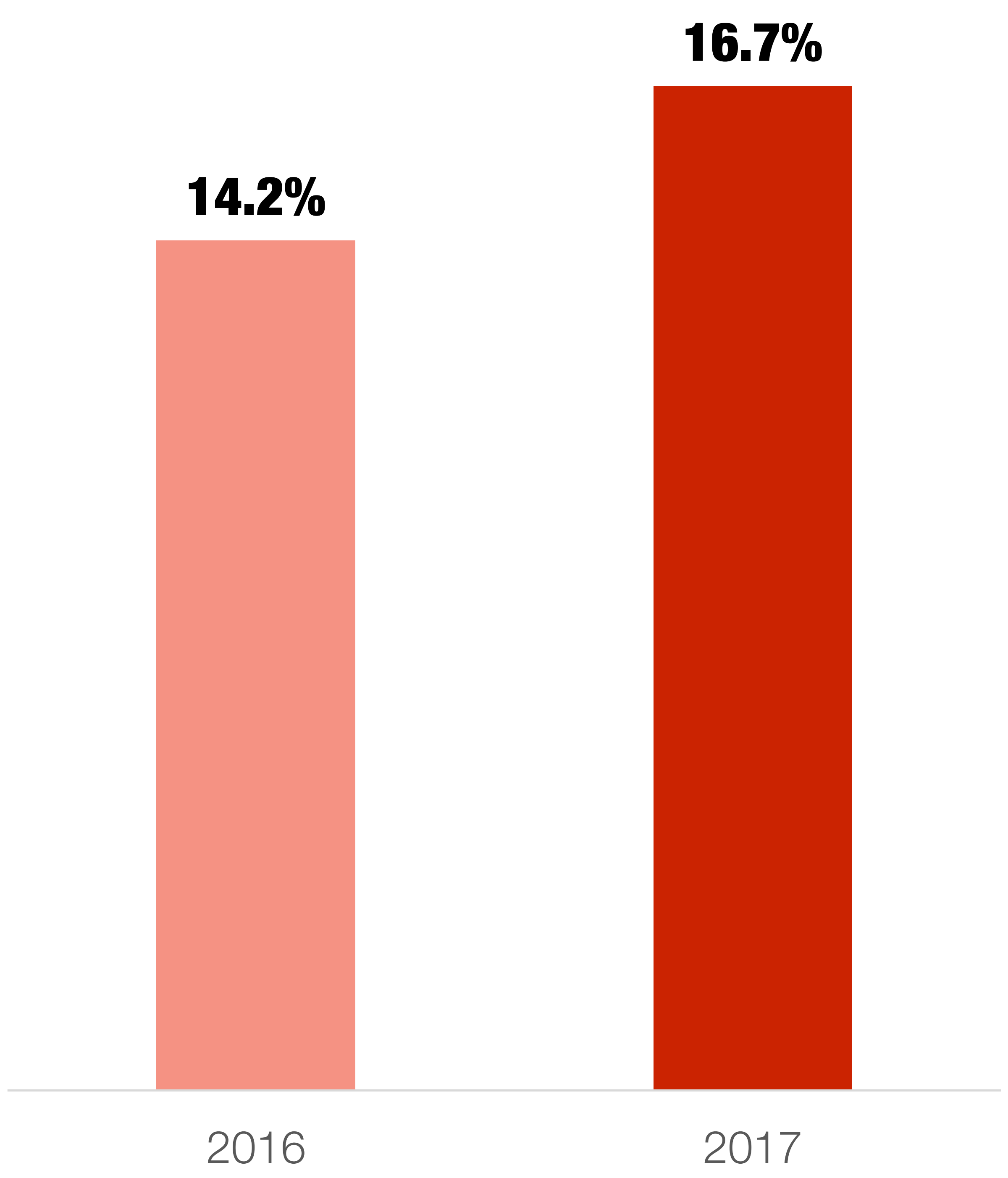
Active discussions

smiggle · LEON. NATURALLY FAST FOOD · Dune LONDON

Long term potential

kate spade NEW YORK · ALLSAINTS · The Cheesecake Factory

Percentage of IPRs(1) in tenant rotation(2)



With a strategy based on differentiation and exclusive retail destinations, leasing teams signed 223 leases with International Premium Retailers (IPR), an increase of +13.3% compared to the 196 deals signed in 2016. The share of the IPRs in the Group's rotation reached 16.7% in 2017.

(1) 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

(2) Rotation rate: (number of re-lettings + number of assignments and renewals with new concepts) / number of stores. Rotation rate excludes short-term deals, 2016 figures have been restated accordingly

(3) Activation list: retailers that have a strong brand recognition in at least one country where Unibail-Rodamco operates, with a differentiating store design and product approach; present in a limited number of markets but with the potential for new market entries

(4) Sourcing list: retailers with limited brand recognition at this stage, but with a differentiating store design and product approach ; often coming from markets where Unibail-Rodamco is not present

INCREASING CUSTOMER LOYALTY

Events held in 2017

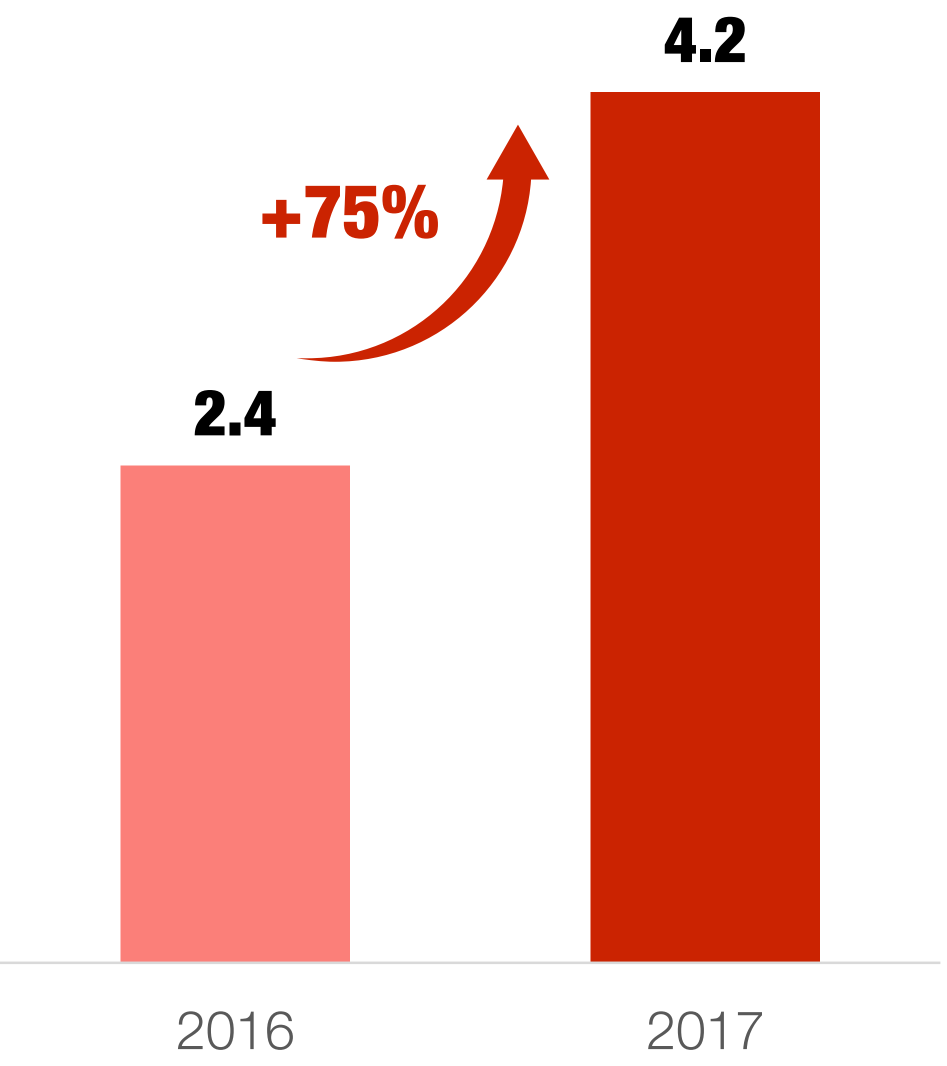

CentrO: Pokemon Go Safari Zone

Vélizy 2: Unexpected Sensation


Forum des Halles: live basketball show


Shopping City Süd: CityWave

Loyalty cards (in Mn)



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[(1)]. 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.

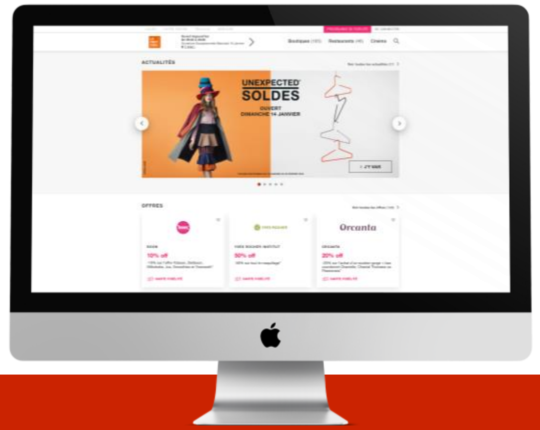
(1) On a perimeter of 36 shopping centres

DIRECTLY CONNECTING WITH CUSTOMERS

Large digital audience

7.6 Mn
Followers

235,000
Active app users



53 Mn
Website visits

85%
of digital loyalty cards[1]

Social media leaders[2]

1	Westfield London	488,789
2	**Forum des Halles**	**364,006**
3	**Carré Sénart**	**358,081**
4	**La Maquinista**	**288,424**
5	**Arkadia**	**287,864**
6	La Vallée Village	278,033
7	**Vélizy 2**	**266,681**
8	**CentrO**	**265,422**
9	Westfield Stratford City	260,856
10	Baneasa Bucharest	258,845
11	Istanbul Cevahir	258,739
12	**Shopping City Süd**	**258,474**
13	**Aéroville**	**243,612**
14	**4 Temps - CNIT**	**237,920**
15	**La Part-Dieu**	**231,963**

Direct engagement boosts footfall and sales

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.

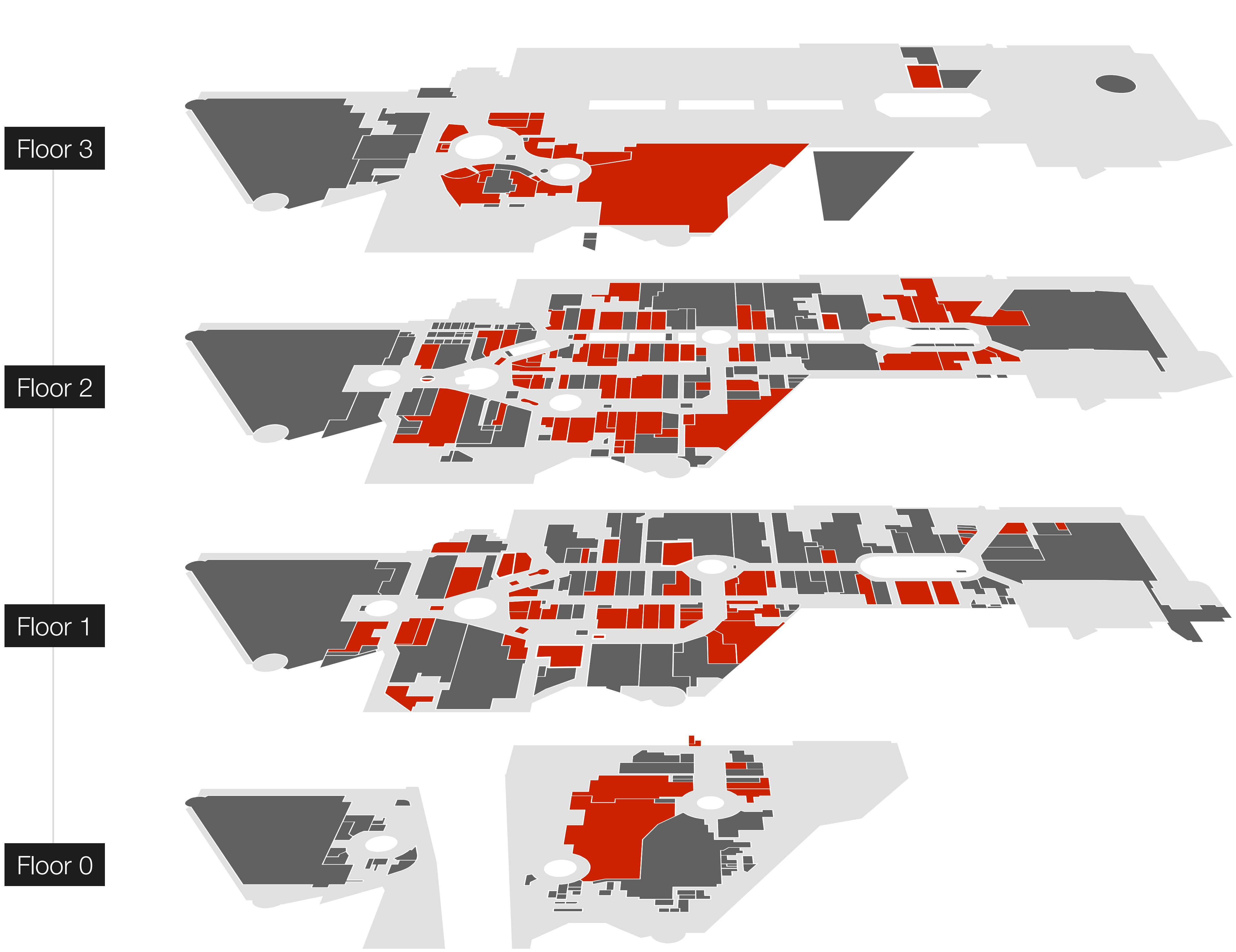
In 2017, the audience on the Group's digital channels also showed a favourable increase with:

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

(1) 85% of these new members came through digital channels (web and apps)

(2) Cumulated amount of followers on Facebook, Instagram and Twitter in European countries as at December, 2017

VALUE CREATION ON STANDING ASSETS



Relettings / Renewals with new concepts since 2012

139,600 m² GLA(1)

2012 » 2017

74.4%
Cumulative rotation rate(2)

39.1%
Average annual MGR uplift(3)

4.7%
CAGR Lfl NRI(4)

With no extra GLA

(1) GLA: Gross Lettable Area

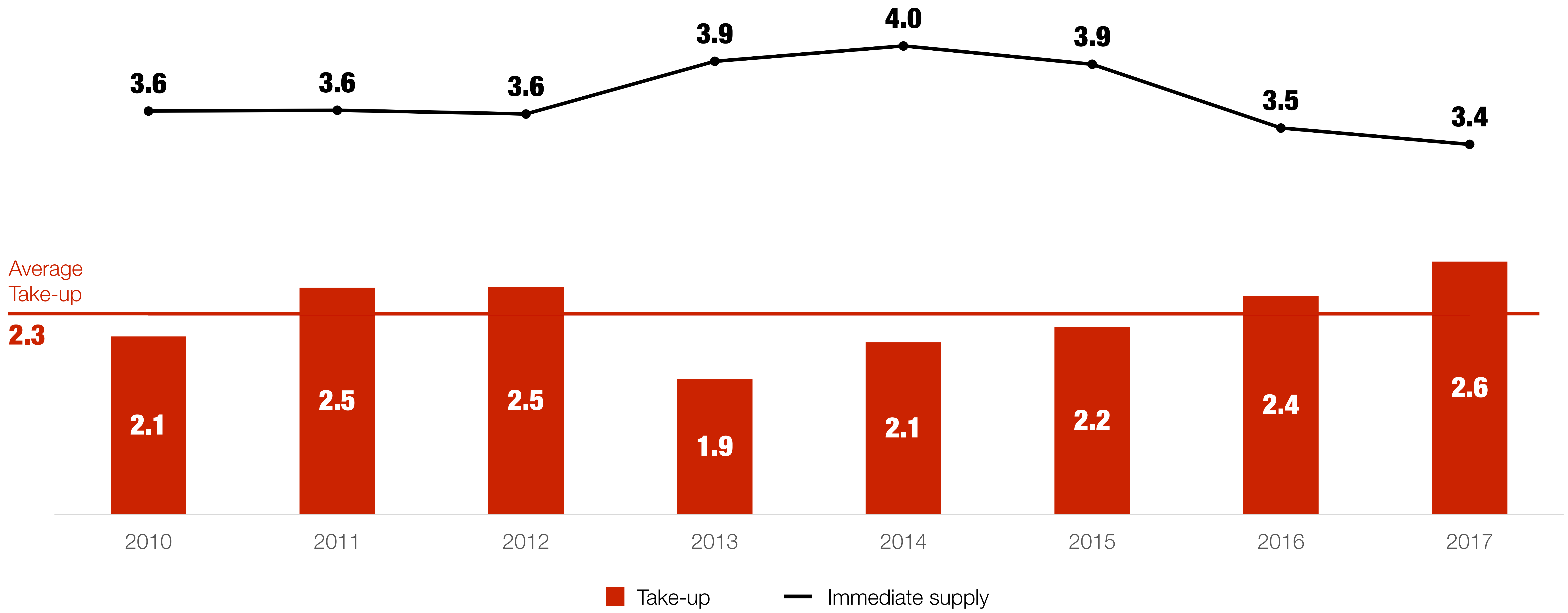
(2) Rotation rate: (number of re-lettings + number of assignments and renewals with new concepts) / number of stores

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

(4) Net Rental Income (NRI) like-for-like growth 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 analyzed

PARIS OFFICE MARKET: TAKE-UP INCREASING

Paris region supply and take-up[1]
(in Mn m^2)



With 2.6 million m^2 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 m^2. 88 transactions above 5,000 m^2 were recorded in 2017 (65 in 2016) and accounted for 1.1 million m^2 (+23% vs. 2016). 67% concerned new or refurbished as new buildings.

The available supply in the Paris region as at December 31, 2017, remained stable at around 3.4 million m^2, 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).

(1) Source: Immostat

OFFICE NRI

Net Rental Income (€ Mn)	FY-2017	FY-2016	Growth	Like-for-like Growth[1]
France	124	136	-9.0%	+15.9%
Nordics	12	13	-4.2%	+2.7%
Other	5	5	+5.1%	-6.7%
Total	**141**	**153**	**-8.1%**	**+13.5%**

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.

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).

(1) Net Rental Income (NRI) like-for-like growth 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

Figures may not add up due to rounding

PARIS OFFICES: RECORD LEASING YEAR

Renewals

SNCF
22,800 m²
CNIT

MARSH
13,200 m²
Tour Ariane

First lettings

orange
11,600 m²
Les Villages

AEW
6,500 m²

PAUL HASTINGS
3,100 m²

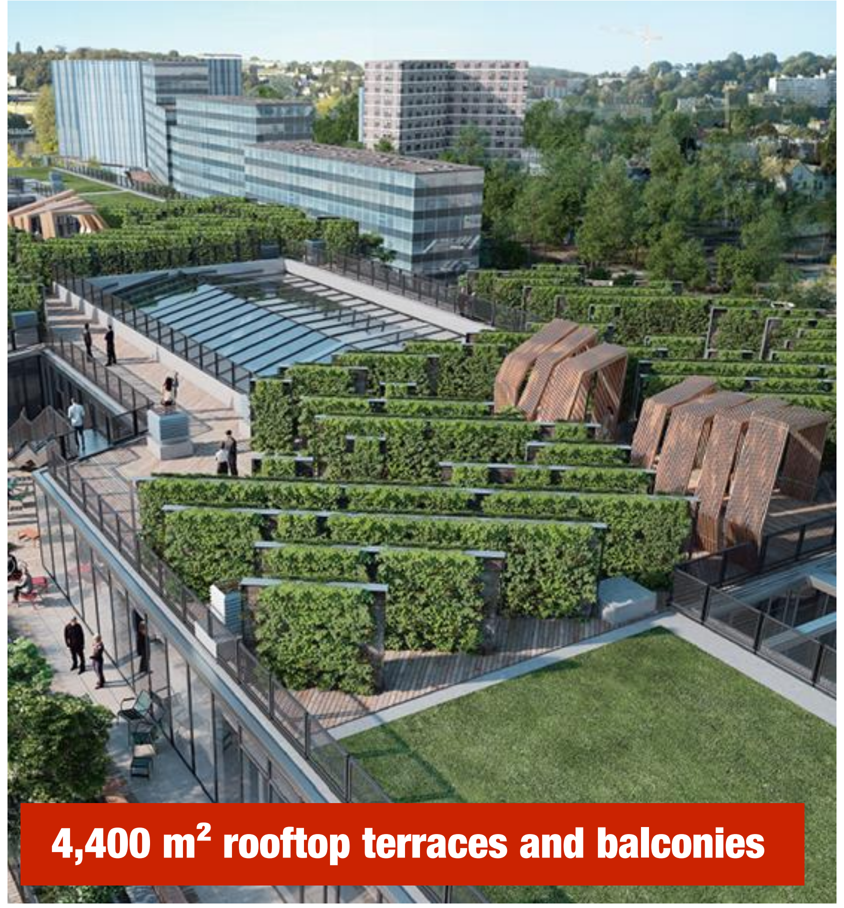
Capital 8

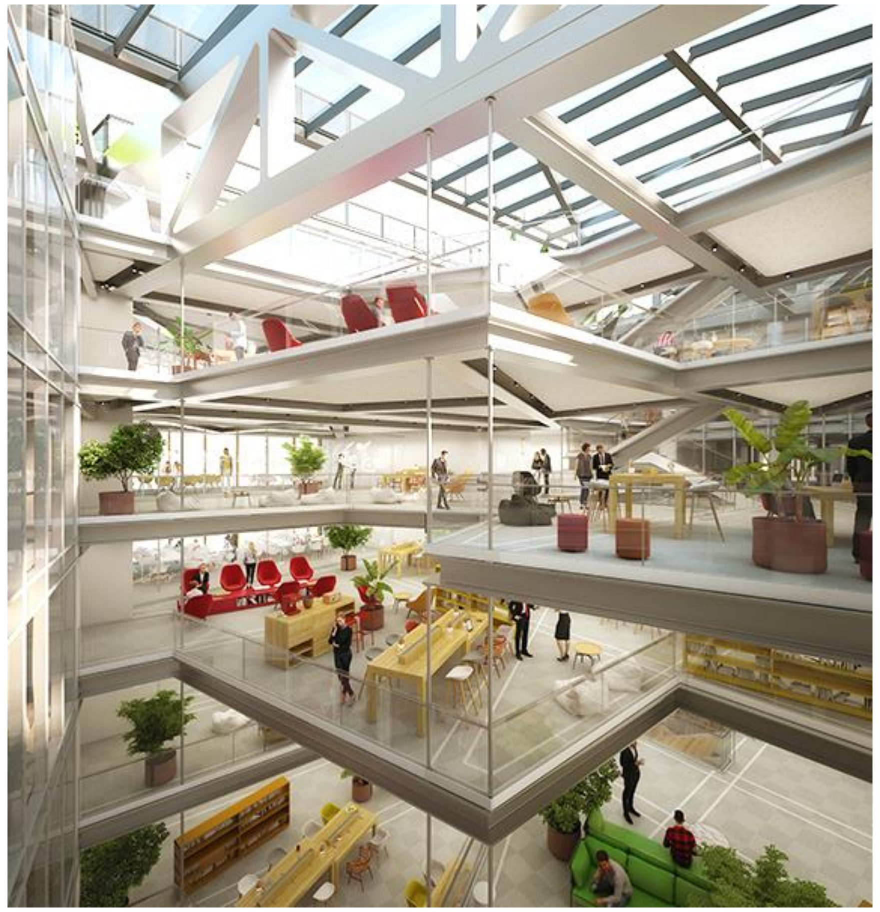
72,300 m²

Vacancy(2) down to 3.3%

SHiFT

Pre-letting to Nestlé (1)





44,600 m²

A record 97,144 weighted square meters (wm^2) were leased in standing assets, including 72,266 wm^2 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 m^2 Shift building, to be concluded during Q1-2018, more than one year prior to delivery.

(1) Exclusive negotiations to be concluded in Q1 2018
(2) EPRA Vacancy rate = Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces. Vacancy rate is down to 3.3% from 13.4% as at December 31, 2016

Figures may not add up due to rounding

CONVENTION & EXHIBITION

€ Mn	FY-2017	FY-2016	Growth 2017/2016	FY-2015[1]	Growth 2017/2015[1]
Net Rental Income[2]	95	103	-6.9%	100	-4.5%
Property Services and Other Income[3]	50	62	-19.1%	49	+2.8%
Recurring Net Operating Income[4]	**146**	**165**	**-11.5%**	**149**	**-2.1%**
Depreciation	-12	-11	+7.2%	-11	+9.5%
Recurring Result[5]	134	154	-12.9%	138	-3.0%

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 between June 15 and June 17 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% vs. 2015), including 23% from outside of France;
  - Le "Mondial du Bâtiment", one of the world's leading construction shows welcomed 319,200 visitors (20% were international) in November.

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

(1) Adjusted for the impact of the triennial Intermat exhibition in 2015
(2) Includes €11.6 Mn, €13.0 Mn and €14.2 Mn for hotels NRI in 2017, 2016 and 2015, respectively
(3) On site property services and contribution of affiliates
(4) 2017 Recurring Net Operating Income decreased by -€11.3 Mn (-7.2%) compared to reported 2015 number
(5) Adjusted for the impact of Comexposium in 2015 (€8.0 Mn). Recurring result decreased by -€20.4 Mn (-13.2%) compared to reported 2015 number

Figures may not add up due to rounding

OPENING OF PARIS CONVENTION CENTRE

Opened
November 22, 2017

Capacity
35,000 participants

15 congresses
Signed

2018	2019
ERS	EUROPEAN SOCIETY OF CARDIOLOGY®
European Respiratory Society	European Society of Cardiology
22,000 participants	**35,000** participants

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. 15 congresses have already been signed for the period 2017-2022.

BETTER PLACES 2030: 2017 ACHIEVEMENTS

PILLAR 1

LESS CARBON EMISSIONS

BETTER BUILDINGS

LED Lighting

146 partnerships
1,161 units
15.6% of total retail GLA(1)

Green electricity(2)

All regions 100% supplied(3)

PILLAR 2

LESS POLLUTING TRANSPORT

BETTER CONNECTIVITY

EV charging stations

398 charging spaces
20 shopping centres with Tesla chargers

PILLAR 3

LESS LOCAL UNEMPLOYMENT

BETTER COMMUNITIES

"Connect" app

32 shopping centres
98% store enrollment

UR for jobs

15 shopping centres
250 young people hired(4)

Solidarity days

12 shopping centres

PILLAR 4

LESS TOP-DOWN

BETTER COLLECTIVE POWER

UR involved

719
UR volunteers

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.

(1) Total owned and managed retail GLA
(2) Common parts of owned and managed shopping centres
(3) Following the contracts signed in 2017 in France and Central Europe, all the regions are supplied with Green Electricity as from January 1, 2018
(4) Including integration in a training programme

LED LIGHTING: PARTNERING WITH BRANDS

1-2-3
adidas
ALLTOYS
AmRest
APART
BCHEF
BEEFHOUSE
BIKBOK
boulanger
BURGER KING
CAMAÏEU
CARLINGS
Casino
CCC
celio*
Chantelle
cigo
CINESA

Club Danube
COSTA COFFEE
CROPP
Cubus
DATART
DECATHLON
DEICHMANN
DEPOT
dinsko
Ditsch
dm
Douglas
Dressmann
ecco
EQUIVALENZA
Only essenza
Etam
EUREKAKIDS

FARGA
Farggi
flying tiger copenhagen
FNG
Fred & Ginger
FRIDAYS
GERRY WEBER
gino rossi
GINOS
GO SPORT
HALLHUBER
HEMA
Hommâge d'ipuro
house
Ilusiona
Imaginarium
ING
INGLOT

puro
IZAC
Jerns
JUBITOM
JUMBO
Kazar
KINEPOLIS
KIWOKO mundo animal
kkiosk
KLEIDER BAUER
la Menorquina
Levi's
Lilou
LINDEX
locura de manicura
L'OCCITANE EN PROVENCE
LUXENTER

MADAME COCOS
MANGO
McDonald's
MANUFAKTURA
mao TSUMY
MediaMarkt
MIG
Millennium bank
Miss Cookies Coffee
MOHITO
Muerde LaPasta
Nature & Découvertes
NILSON SHOES
NYX
O bag
OKAÏDI
orange
orsay

PANDORA
PANINO GIUSTO
Paprika
pfb
Phone House
POLINESIA
PRIMADONNA
prokopp
RADICAL SPORTS
RAINBOW TOURS
RESERVED
RITUALS...
Sambori
SATURN
THE SCOOPS
SEPHORA
ServiceStore DB
SF BIO

(Sfera)
SIEBEL Juweliers
SinnLeffers
sinsay
skopunkten
SOLO
SPAR
Specsavers
STADIUM
STADIUM
Starbucks
sunglass hut
SWAROVSKI
TALLY WEiJL
TARUFFI
THE BODY SHOP
T··Mobile
Toys"R"us

undiz
UNICO
urban.
STORE
VAPIANO
VERMONT
VIPS
VISTULA
vivarte
VIVIKES
VOLT
wagamama
WE
WOW
XXL
Yogurt FACTORY
YVES ROCHER
Zena Alsea

As at December 31, 2017, 146 LED partnerships were signed, accounting for 15.6% of the total retail GLA[1].

(1) Total owned and managed retail GLA

DEVELOPMENT

SUCCESSFUL DELIVERIES

CENTRUM CHODOV

WROCLAVIA

carrésénart

GLÒRIES

Parly2

Additional GLA(1)
172,400 m²

TIC(2)
€930 Mn

99% let at opening(3)

Yield on cost(4)
7.7%

2017 was a very active year for development projects, with five deliveries in Q4:

- The new 81,032 m^2 shopping centre Wroclavia;
- The renovation and 41,948 m^2 extension of Centrum Chodov;
- The renovation and 31,310 m^2 extension of Carré Sénart;
- The full redevelopment and extension of Glòries, creating 10,501 m^2 of new GLA; and
- The 7,604 m^2 extension of Parly 2.

The average letting at opening of the retail projects delivered in 2017 stands at 99%(3). The weighted average yield on cost was 7.7%(4).

(1) GLA: Gross Lettable Area

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

(3) Preletting: GLA signed, all agreed to be signed and financials agreed

(4) Yield on Cost: Annualized expected rents net of expenses divided by the TIC

VITAM: NEW LEISURE AND RETAIL RE-DEVELOPMENT

Vitam

Location
Greater Geneva

GLA[(1)]
69,600 m²

TIC[(2)]
€322 Mn

Delivery
Post 2022

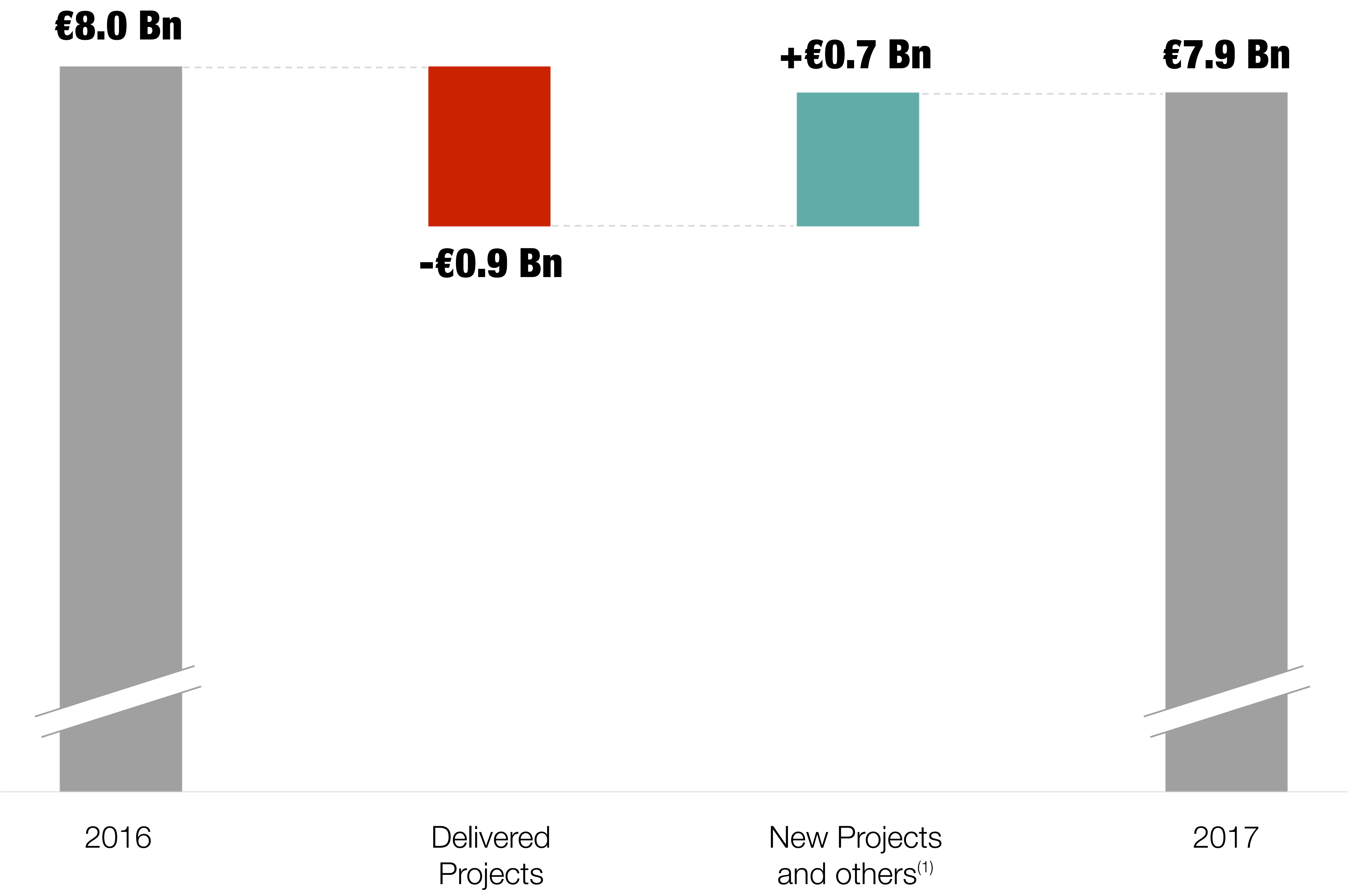
Ownership
Joint Venture

The Vitam project, with a total investment cost (TIC) of €322 Mn and a GLA of 69,621 m^2, encompassing the renovation and extension of an existing leisure and retail centre organized around an aquatic park in France, close to Geneva.

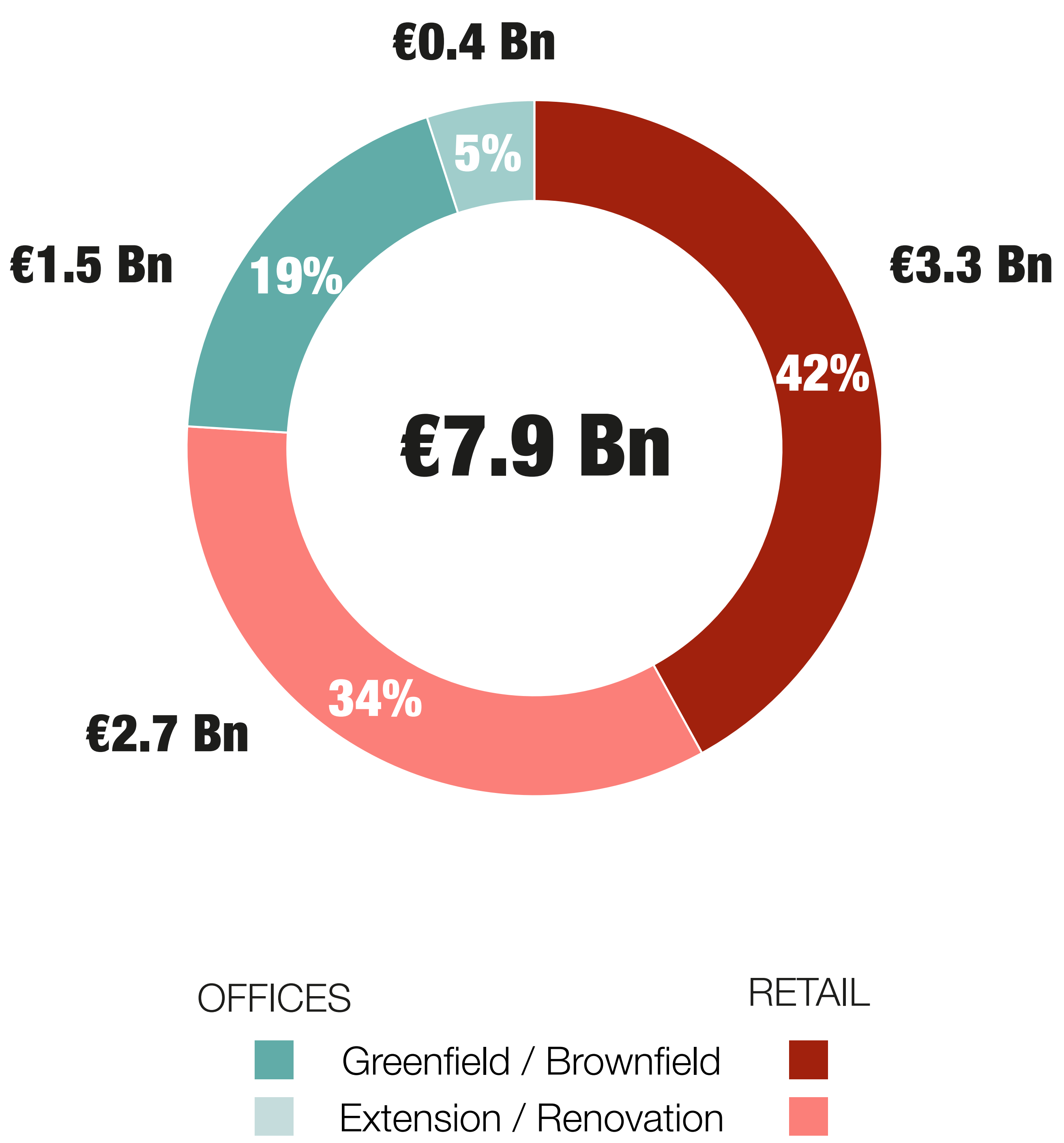
(1) GLA: Gross Lettable Area

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

€7.9 BN PIPELINE TO CREATE VALUE



By segment



As at December 31, 2017, Unibail-Rodamco's consolidated development project pipeline amounted to €7.9 Bn[(2)] (€7.3 Bn in group share), corresponding to a total of 1.6 Mn m^2 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%[(3)] of the total investment cost).

The change in TIC since December 31, 2016 results from:

- Delivery of 5 projects (-€0.9 Bn);
- New projects added to the pipeline (+€0.5 Bn);
- Modifications in the program of existing projects and indexation, discounting and currency movements (+€0.3 Bn).

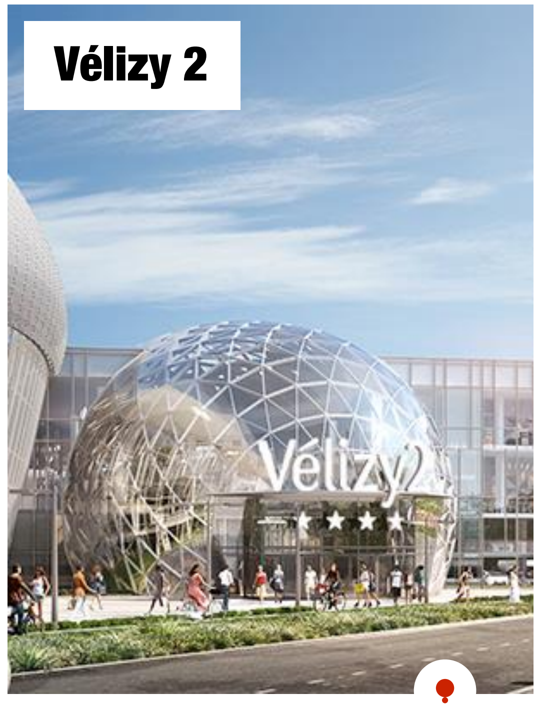
(1) Others: includes currency effects, change in TIC for the existing project and change in consolidation methods

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

(3) In terms of cost to completion of "Controlled" and "Secured exclusivity" projects, as % of total investment cost of the consolidated development portfolio

Figures may not add up due to rounding

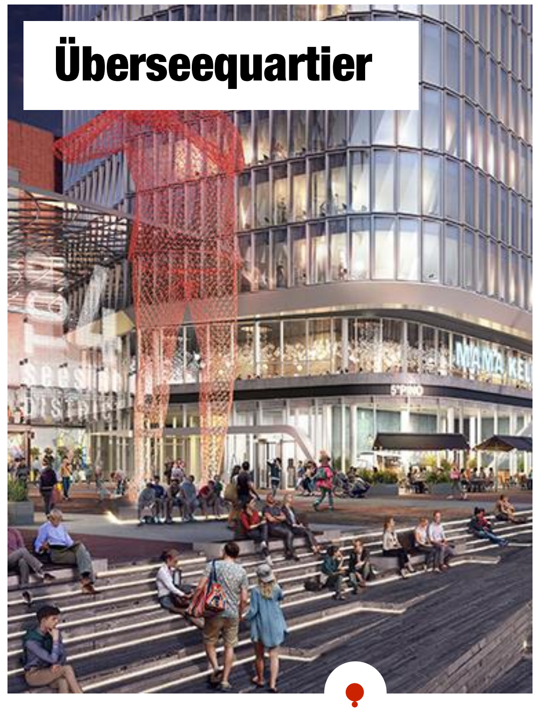
PIPELINE PROGRESS



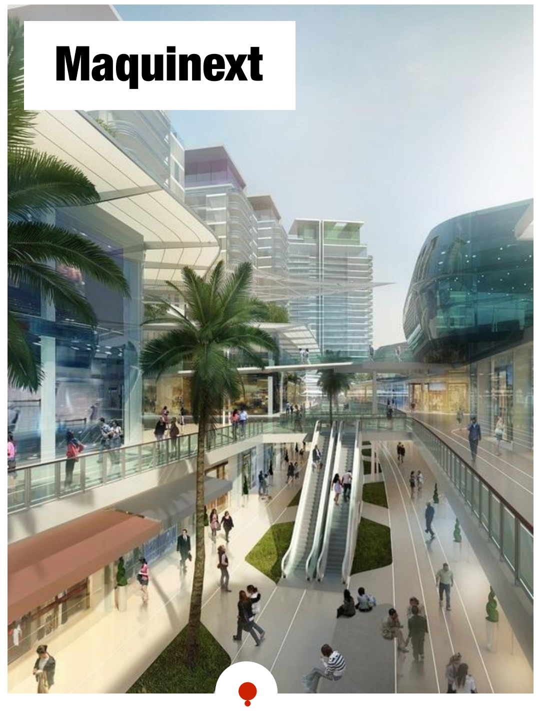
Vélizy 2


Mall of the Netherlands


Val Tolosa


Überseequartier


3 Pays


Maquinext

2019 » 2020 » 2021 » 2022 » Post 2022


Trinity

La Part-Dieu


Gaité Montparnasse


Sisters


Mall of Europe


Triangle

ASSET ROTATION

ASSET DISPOSALS AT PREMIUMS TO APPRAISAL VALUE

NDP[(1)]	Premium[(2)]	NIY[(3)]
€710 Mn	**15%**	**4.6%**

	NDP[(1)] (€ Mn)
Retail	251
Offices	459
Total	**710**

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 m^2, including approximately 17,500 m^2 of hotel and office space;
- In October, the 15,300 m^2 of retail in Eurostop Orebro in Sweden;
- In November, Barnasud (GLA of 35,800 m^2) in Spain;
- In December, two outlet centres located in France: Channel Outlet Store and L'Usine Roubaix.

Collectively, the Group disposed retail assets for a total NDP[(1)] of €250.8 Mn at an average premium of +12.3% above the last unaffected appraisal value.

On October 2, 2017, further to the agreement (*promesse de vente*) entered into in February 2017, Unibail-Rodamco disposed of the 36,600 m^2 So Ouest Plaza building, located in Levallois-Perret, to an institutional investor.

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.

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

(2) Over last unaffected appraisal value

(3) 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 including estimated transfer taxes and transaction costs

REINVESTING PROCEEDS IN THE BEST CATCHMENT AREAS

2017 acquisitions[1]

€364 Mn

POLYGONE RIVIERA

METROPOLE ZLIČÍN

On October 23, 2017, the Group formed a joint venture with Commerz Real and acquired 50% of the shopping centre Metropole Zlicin for a Total Acquisition Cost[1] of €110 Mn. Metropole Zlicin, located in Prague, has a GLA of approximately 56,000 m^2. 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.

(1) TAC: Total Acquisition Cost: 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 cost. Includes price of the shares and transaction costs for Polygone Riviera and Metropole Zlicin

ASSET ROTATION DISCIPLINE

97% GMV > 6 Mn visits

75% GMV > 10 Mn visits

Focus on large assets

Attractive distribution policy

85 - 95%
pay out ratio

Disposal of non-core assets

~€3 Bn
in the next several years

Selective acquisitions

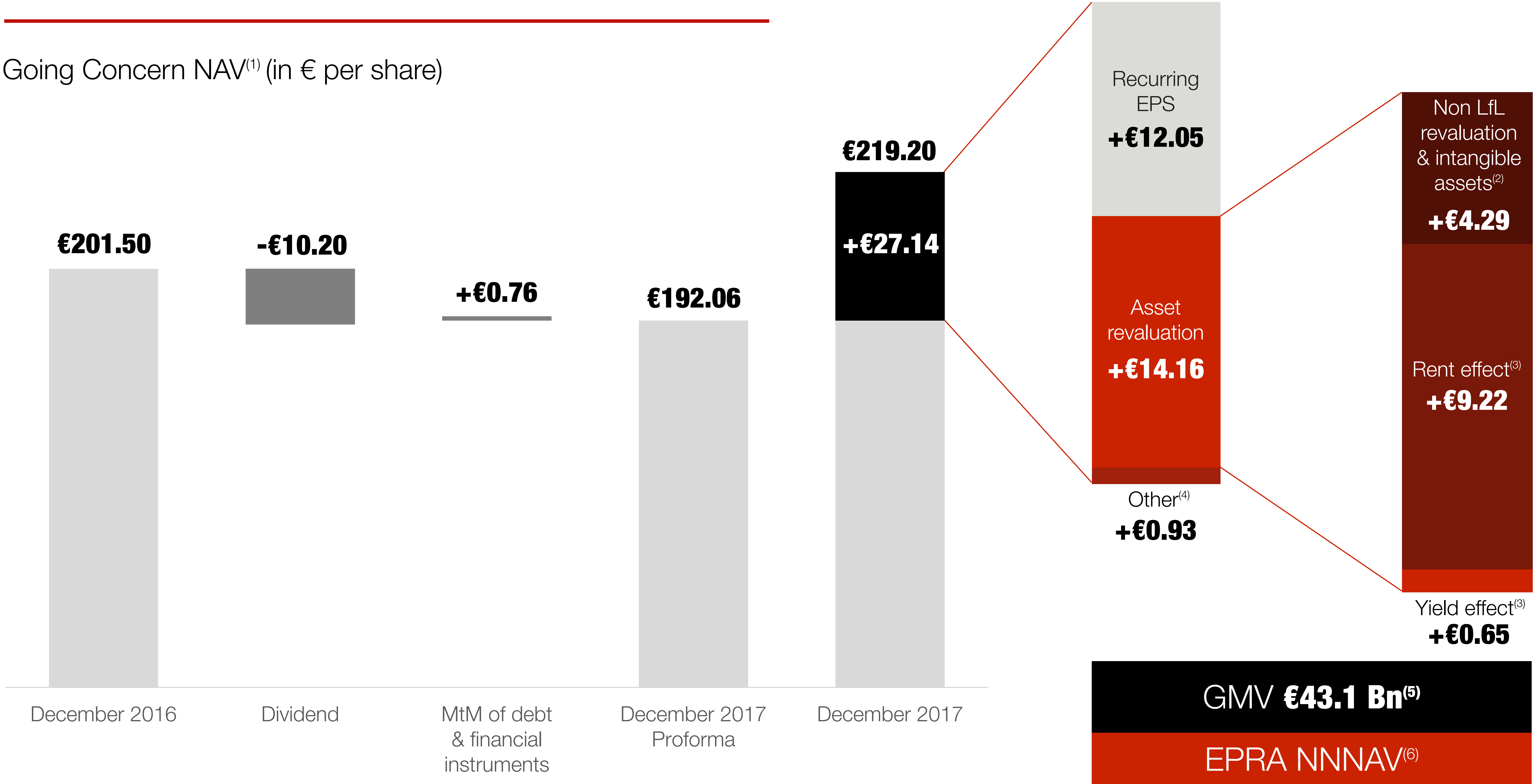
Westfield acquisition to create the world's premier developer and operator of flagship shopping destinations

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

VALUATION

VALUE CREATION: +€27.14 PER SHARE

Going Concern NAV[1] (in € per share)



GMV **€43.1 Bn**[5]

EPRA NNNAV[6]
€200.50 per share

The Going Concern NAV (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.

Unibail-Rodamco's EPRA triple Net Asset Value (NNNAV) 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.

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.

(1) The Going Concern NAV corresponds to the amount of equity needed to replicate the Group's portfolio with its current financial structure – on the basis of 99,910,659 fully diluted number of shares as at December 31, 2017 including outstanding ORAs, ORNANEs and stock options in the money as at December 31, 2017 (vs. 100,535,706 as at December 31, 2016)

(2) Including revaluation of non like-for-like standing assets valued at fair value, investment properties under construction valued at fair value, intangible assets and of shares in assets accounted for using the equity method. Also includes capital gain on disposals

(3) Yield and rent effects calculated on the like-for-like portfolio revaluation

(4) "Other" notably includes variation in transfer taxes and deferred taxes adjustments and variation in the fully diluted number of shares and foreign exchange difference

(5) Based on a full scope of consolidation, including transfer taxes and transaction costs. Includes market values of Unibail-Rodamco's equity consolidated investments (mainly CentrO, Ring-Center, Gropius Passagen and Paunsdorf Center in Germany, the Zlote Tarasy complex in Poland, Metropole Zlicin in the Czech Republic and a part of Rosny 2 in France)

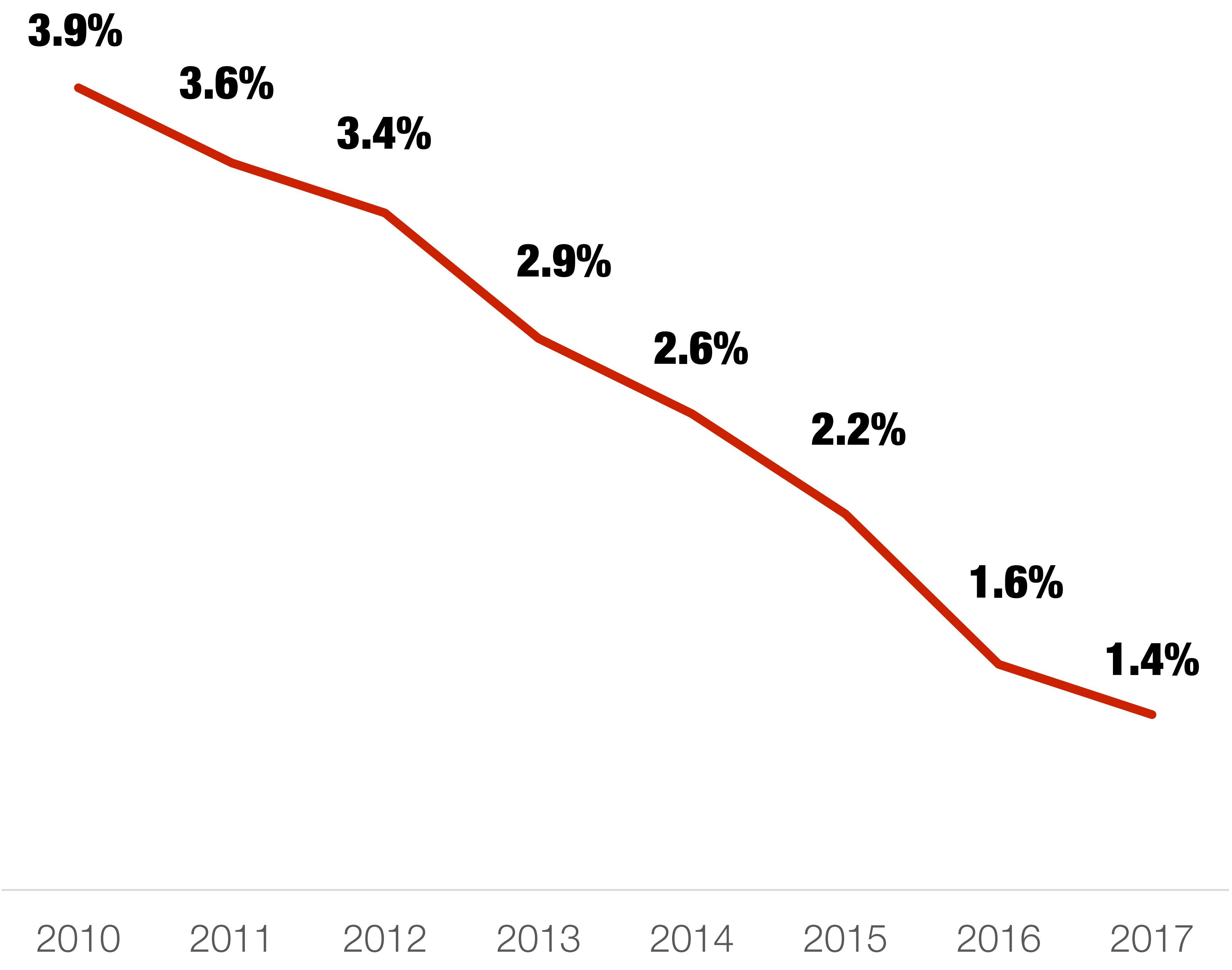
(6) The EPRA NNNAV (triple net asset value) per share corresponds to the Going Concern NAV per share less the estimated transfer taxes and deferred capital gain taxes – on the basis of the same fully diluted number of shares

Figures may not add up due to rounding

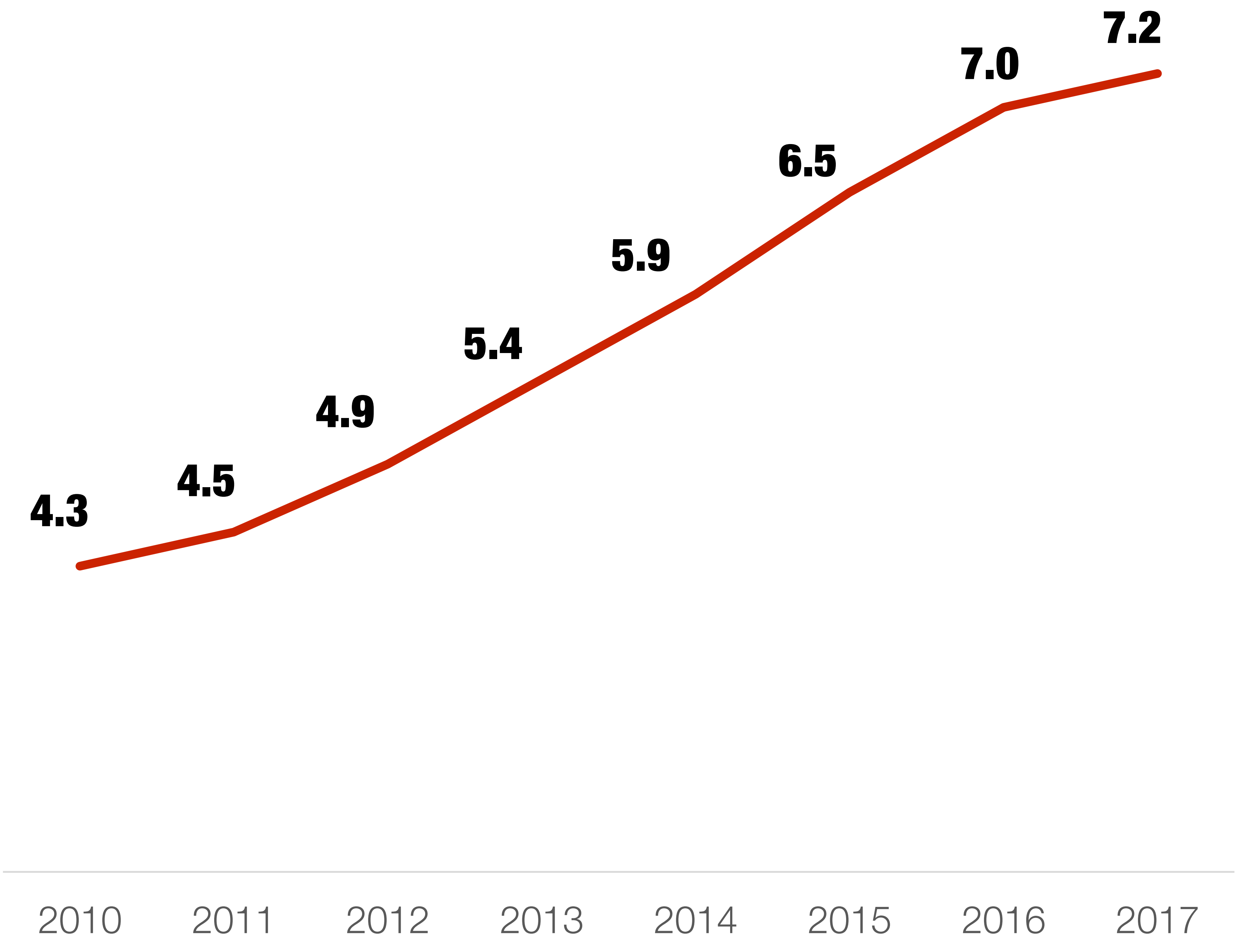
FINANCING

LOWER COST AND HIGHER AVERAGE MATURITY

Average cost of debt (%)



Average maturity (years)

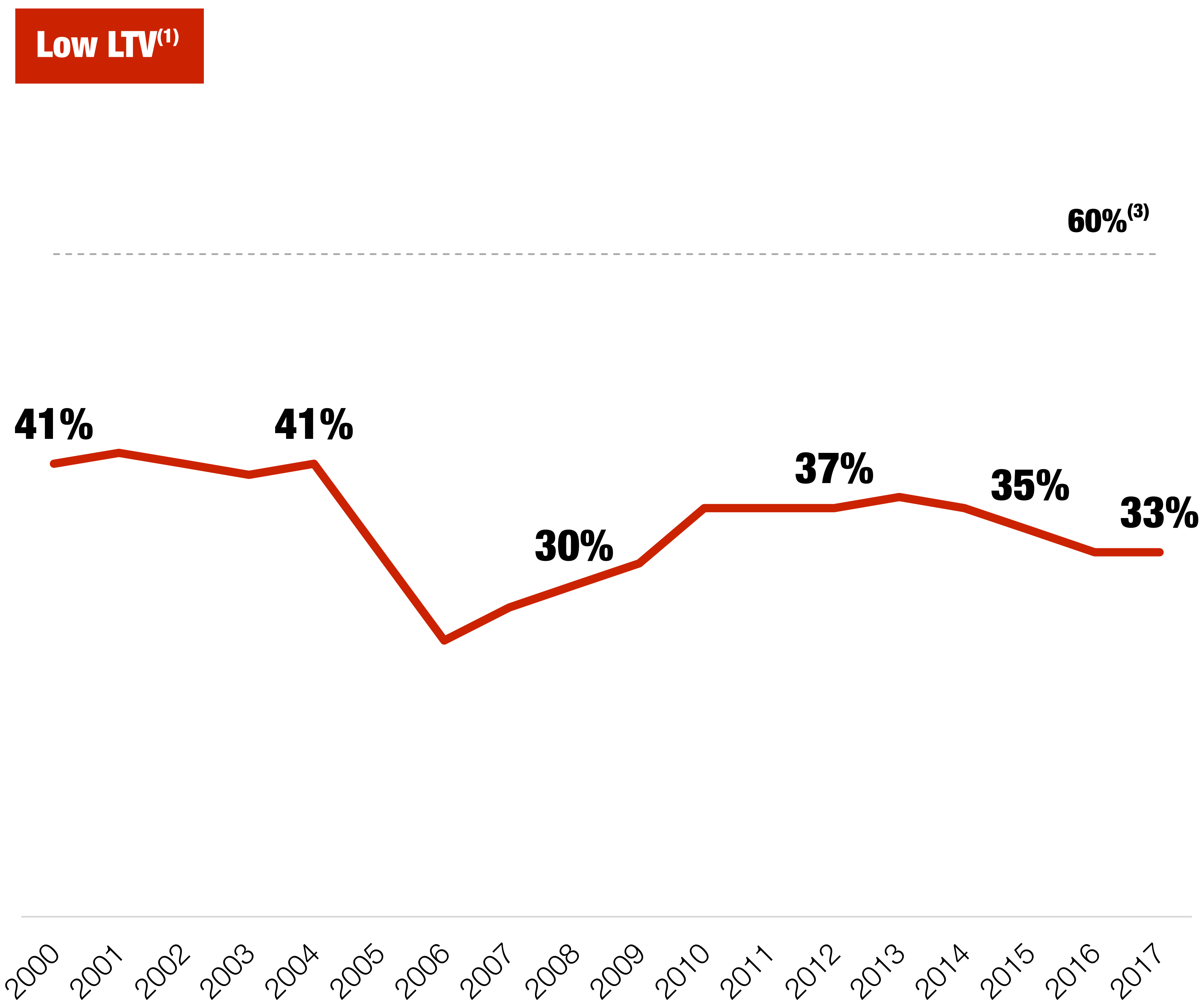


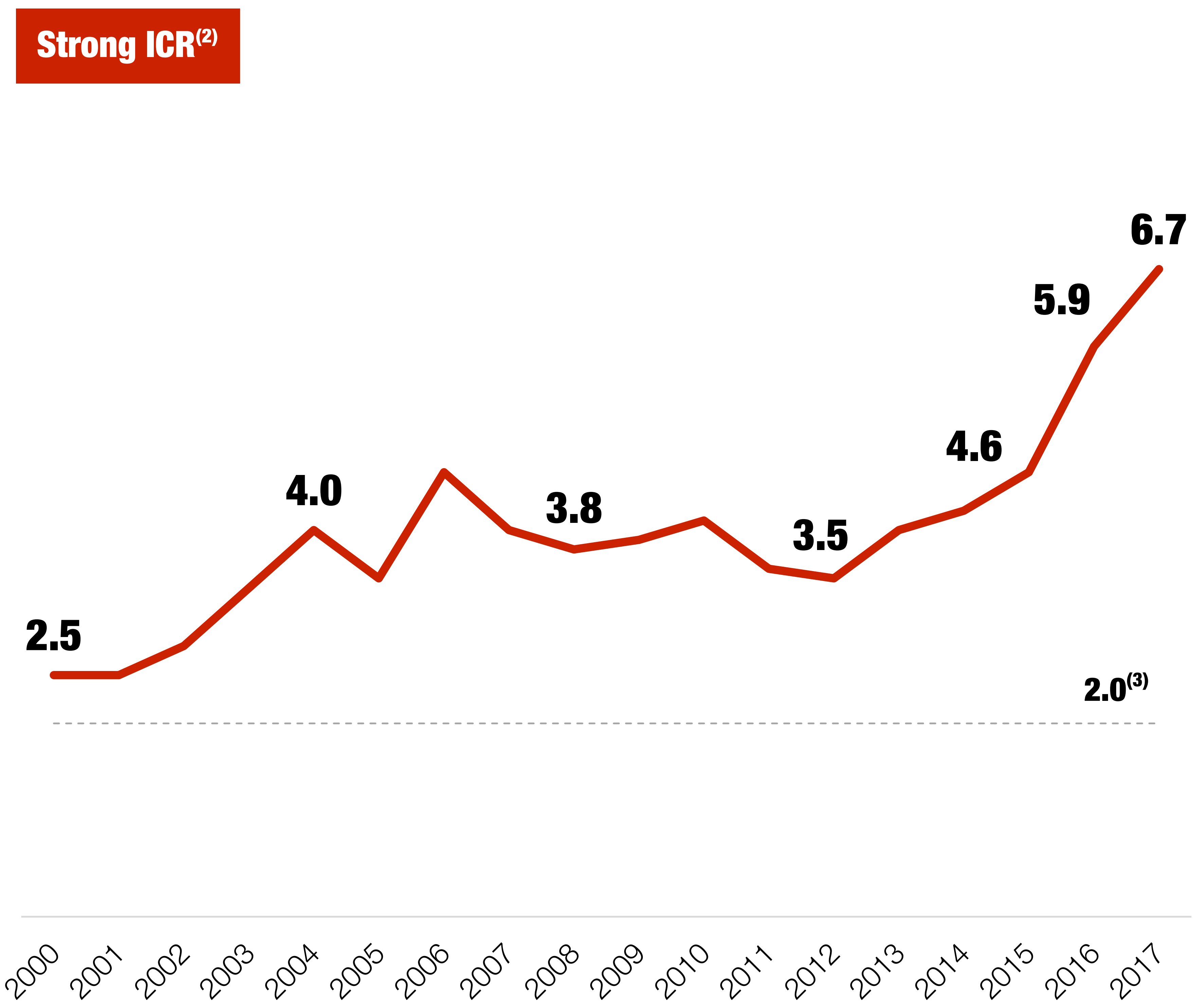
Unibail-Rodamco's average cost of debt decreased to 1.4% for 2017 from 1.6% for 2016. This new record low average cost of debt results from:

- 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.

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 (vs. 7.0 years as at December 2016).

STRONG CREDIT RATIOS





As at December 31, 2017, the Loan-to-Value (LTV) ratio amounted to 33%, stable compared to year-end 2016. The Interest Coverage Ratio (ICR) improved to 6.7x for 2017 as a result of strong rental growth and the lower cost of debt. 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.

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 has 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 is currently rated by Moody's. On December 13, 2017, Moody's assigned to the Group a long term rating of "A2" with stable outlook, which would also apply in case the transaction were not completed.

(1) 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 December 31, 2017 versus €40,495 Mn as at December 31, 2016). The LTV excluding transfer taxes is estimated at 35%.

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

(3) Typical bank covenants

NEXT STEPS

WESTFIELD ACQUISITION

NEXT STEPS AND SUMMARY TIMETABLE

Key milestones

Consultation of Unibail-Rodamco's works councils	»	☑
Publication Transaction documentation	»	March/April 2018
Regulatory approvals and other customary closing conditions	»	Q2 - 2018
Unibail-Rodamco shareholder meetings	»	Q2 - 2018
Westfield shareholder meetings	»	Q2 - 2018
Closing	»	Q2 - 2018

On December 12, 2017, Unibail-Rodamco announced it had entered into an agreement to acquire Westfield Corporation. Unibail-Rodamco has since 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.

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 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 transaction is expected to complete in Q2-2018.

All information regarding the Westfield transaction is available in the press release dated December 12, 2017.

DIVIDEND & OUTLOOK

DIVIDEND

For fiscal year 2017

Cash dividend[1]: **€10.80**

90% pay-out ratio

INTERIM **€5.40** on March 29, 2018

FINAL **€5.40** in Q2-2018 prior to closing of Westfield transaction[2]

In 2018, Unibail-Rodamco will again pay its dividend in two instalments. Unibail-Rodamco believes that this policy offers shareholders a regular flow of dividends which more closely matches the Group's cash flows.

For the 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.

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

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

(1) Subject to the approval of the Annual General Meeting (AGM)

(2) The dividend will be paid to Unibail-Rodamco shareholders only

RECURRING EPS OUTLOOK[1] FOR 2018 AND BEYOND

KEY INPUTS

- Indexation
- Rental uplifts
- Timely delivery of projects
- Amount and timing of disposals
- Taxation
- Cost of debt
- No acquisitions assumed

2018	MEDIUM TERM CAGR
€12.75 - €12.90	+6% to +8%

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 its recurring EPS in 2018 to be 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.

(1) Unibail-Rodamco standalone, excluding Westfield acquisition

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