UNIBAIL-RODAMCO-WESTFIELD

Paris, Amsterdam, 29 août 2018
Communiqué de presse

RESULTATS SEMESTRIELS 2018 : SOLIDE PERFORMANCE POUR LE NOUVEAU GROUPE

Un Résultat Net Récurrent par action (RNRPA) de 6,61€ et un résultat net récurrent par action ajusté de 6,58€.

- Un **RNRPA de 6,61€ en croissance de +7,3%** (6,16€ au S1-2017)
- Une croissance de **+4,3%** des loyers nets à périmètre constant des centres commerciaux en Europe continentale, **soit +300 points de base au-dessus de l'indexation**
- Un coût de la dette qui reste bas à **1,5%**, une maturité moyenne de la dette à **6,9** années
- Un portefeuille d'actifs d'une valeur totale (proportionnelle) Westfield inclus de **63,7 Md€**, en hausse de **+0,6%** à périmètre constant
- Actif Net Réévalué (ANR) par action :
    - ANR de continuation : **227,10€**, en hausse de +3,6%
    - ANR EPRA triple net : **204,20€**, en hausse de +1,8%
    - ANR EPRA : **216,10€**, en hausse de +2,4%
- Un portefeuille de projets de développement de **12,5 Md€ suite à l'acquisition de Westfield**
- **Bonne progression de l'intégration de Westfield**

	S1-2018	**S1-2017**	**Croissance**	**Croissance à périmètre constant**
Loyers nets (en M€)	**861**	**794**	+8,3%	**+4,7%**
Centres Commerciaux	**738**	**670**	+10,2%	**+4,3%**
France	321	*303*	*+5,8%*	*+5,3%*
Europe centrale	104	*84*	*+24,7%*	*+6,6%*
Espagne	82	*80*	*+2,8%*	*+1,4%*
Pays nordiques	73	*75*	*-2,5%*	*+6,5%*
Autriche	54	*52*	*+3,7%*	*+3,4%*
Allemagne	47	*47*	*+0,4%*	*+0,4%*
Pays-Bas	30	*29*	*+0,3%*	*-1,6%*
Etats-Unis	20			
Royaume-Uni	7			
Bureaux	**73**	**70**	+4,6%	**+14,4%**
Congrès & Expositions	**50**	**55**	-9,1%	**-1,8%**
Résultat net récurrent (en M€)	**703**	**614**	+14,5%	
RNRPA (en €)	**6,61**	**6,16**	+7,3%	
RNRPA ajusté (en €)	**6,58**	**6,16**	+6,8%	
	30 juin 2018	**31 déc. 2017**	**Croissance**	**Croissance à périmètre constant**
Valeur du patrimoine (consolidée) (en M€)	**61 302**	**43 057**	+42,4%	+0,6%
Valeur du patrimoine (proportionnelle) (en M€)	***63 719***	***43 497***	*+46,5%*	*+0,6%*
ANR de continuation (en € par action)	**227,10**	**219,20**	+3,6%	
ANR EPRA triple net (en € par action)	**204,20**	**200,50**	+1,8%	
ANR EPRA (en € par action)	**216,10**	**211,00**	+2,4%	

Des écarts dans les totaux peuvent exister du fait des arrondis.

« Nous sommes fiers de présenter aujourd'hui les premiers résultats du nouveau Groupe. Le 7 juin 2018 est né Unibail-Rodamco-Westfield, le premier créateur et opérateur global de centres de shopping de destination. Le travail d'intégration est désormais en cours pour faire du nouveau Groupe un succès. En parallèle de l'immense projet qu'a été l'acquisition de Westfield, réalisée en un temps record, nous délivrons de très bons résultats avec un RNRPA en hausse de +7,3% au premier semestre 2018. J'adresse mes chaleureux remerciements aux équipes d'Unibail-Rodamco-Westfield pour cette réussite exceptionnelle. La croissance a été portée par une hausse des loyers nets des centres commerciaux à périmètre constant[1] de +4,3%, une excellente performance de la division bureaux, les projets livrés en 2017, ainsi que la contribution de nos actifs aux Etats-Unis et au Royaume-Uni pour le mois de juin. Depuis le 30 juin 2018, le Groupe a cédé ou conclu des accords en vue de la vente de 1,3 Md€ d'actifs , essentiellement en Europe continentale, et prépare d'autres cessions. Nos ratios financiers sont très bons, avec un coût de la dette à 1,5%, un taux de couverture des intérêts de 7,1x et un ratio d'endettement après cessions inférieur à 37%. Notre priorité reste l'amélioration continue de notre portefeuille par une gestion rigoureuse et notre politique de rotation des actifs, et par la livraison progressive de nos projets. L'expertise des équipes d'Unibail-Rodamco-Westfield au service d'actifs parmi les meilleurs au monde est la clé de la création de valeur future pour nos actionnaires. »

Christophe Cuvillier, Président du Directoire

UN RESULTAT NET RECURRENT PAR ACTION A 6,61€, EN HAUSSE DE +7,3% AU S1-2018

Le RNRPA s'élève à 6,61€, en hausse de +7,3% par rapport au RNRPA du S1-2017. Le RNRPA ajusté, intégrant les coupons des instruments hybrides, s'élève à 6,58€ (+6,8% par rapport au S1-2017).

UNE PERFORMANCE OPERATIONNELLE SOLIDE DANS UN MARCHE EXIGEANT

Centres commerciaux en Europe continentale

Le chiffre d'affaires des commerçants a augmenté[2] de +2,6% pour le Groupe et de +3,2% pour les centres de shopping dits « flagships[3] », dépassant les indices de ventes nationaux[4] de +131 et +196 points de base respectivement. La France, avec une augmentation de +3,3% (+337 points de base au-dessus de l'indice IFLS et +477 points de base au-dessus de l'indice CNCC) et l'Europe Centrale, avec une hausse de +8,7% (+515 points de base au-dessus de l'indice régional moyen pondéré des ventes) ont particulièrement performé.

Les loyers nets à périmètre constant ont augmenté de +4,3%, soit +300 points de base au-dessus de l'indexation, dont +5,7% pour les « flagships ». Le Groupe a signé 641 baux, avec un gain locatif de +10,6%, dont +14,4% pour les « flagships ». Le taux de rotation a atteint 5,9%, en ligne avec l'objectif d'Unibail-Rodamco (UR) de 10% minimum par an pour chaque centre. Le taux de vacance EPRA a baissé de -10 points de base pour atteindre 2,3%.

Centres commerciaux aux Etats-Unis et au Royaume-Uni

Aux Etats-Unis, au 30 juin 2018, le chiffre d'affaires des commerçants par pied carré (ft^2)[5] a augmenté de +4,9%, sur les 12 derniers mois. Le gain locatif est de +6,9% (+7,6% pour les « flagships »). Les loyers moyens pour les surfaces inférieures à 20 000 ft^2 ont été de 85 USD/ft^2, soit une augmentation de +4,2%. Au 30 juin 2018, le taux d'occupation du portefeuille américain s'établissait à 94,3% (95,5% pour les « flagships »), en baisse de -140 points de base par rapport à décembre 2017. Il a été notamment affecté par quelques faillites et la fermeture de certaines grandes surfaces non-alimentaires, conduisant à une croissance négative des loyers nets comparables[6] de -3,0% (-2,6% pour les « flagships »). La hausse des loyers nets totaux a été de +6,1%, grâce notamment aux livraisons des centres Westfield Century City et Westfield UTC.

La fréquentation des centres du Groupe au Royaume-Uni a augmenté de +3,7% au S1-2018, portée par l'ouverture de l'extension de Westfield London. Le chiffre d'affaires des commerçants a atteint £969 par ft^2, soit +0,2% sur les 12 derniers mois. Au Royaume-Uni, le gain locatif est de +17%. Le taux d'occupation est resté élevé à 97,7%. Au S1-2018, les loyers nets comparables[6] au Royaume-Uni ont augmenté de +6,7% par rapport au S1-2017.

Bureaux

La demande placée de bureaux en région parisienne est au plus haut niveau depuis 2007 avec 1,3 million de m² de surfaces louées au S1-2018, alors que l'offre disponible a reculé de -9% depuis le 31 décembre 2017. Le Groupe a loué plus de 61 800 m² en France, dont l'immeuble Shift (43 300 m²) intégralement loué à Nestlé plus d'un an avant sa livraison. Les loyers nets à périmètre constant ont augmenté de +14,4% grâce à une très bonne performance locative.

Congrès & Expositions

Le résultat opérationnel net récurrent a augmenté de +1,2% par rapport au S1-2017 et de +3,9% par rapport au S1-2016, dernière période comparable. En 2018, le résultat opérationnel récurrent a bénéficié du salon tri-annuel Intermat, partiellement compensé par la fermeture pour rénovation de l'hôtel Pullman Montparnasse à Paris.

UNE CREATION DE VALEUR DE 16,74€ PAR ACTION

Au 30 juin 2018, la valeur brute de marché (VBM) proportionnelle du patrimoine du Groupe s'élève à 63,7 Md€, une progression de +46,5% par rapport au 31 décembre 2017, principalement due à l'acquisition de Westfield. La VBM du portefeuille en Europe continentale a atteint 44,4 Md€, en hausse de +2,0%, ou +0,6% à périmètre constant.

La VBM du portefeuille des centres commerciaux en Europe continentale a augmenté de +1,4% au total et de +0,7% à périmètre constant, portée par la hausse des loyers partiellement compensée par un effet taux négatif. La VBM du portefeuille des bureaux en Europe continentale a atteint 4,5 Md€, en hausse de +7,0%, dont +2,2% à périmètre constant, soutenue principalement par un effet taux positif. La VBM de la division Congrès & Expositions a diminué de -1,7% à périmètre constant.

Le taux de rendement moyen du portefeuille commerce s'est établi à 4,2% (4,3% à fin 2017), à la suite de l'inclusion des portefeuilles américain et britannique.

L'acquisition du portefeuille de Westfield a entraîné une augmentation de 19,4 Md€ de la VBM proportionnelle du Groupe, soit 30% du total.

Au 30 juin 2018, l'ANR de continuation par action s'est établi à 227,10€, en hausse de +7,9€ (+3,6%) par rapport au 31 décembre 2017. Cette augmentation résulte de (i) la création de valeur de 16,74€ par action, (ii) l'impact du dividende de -10,80€ payé au S1-2018, et (iii) l'impact positif de la mise à juste valeur de la dette et des instruments financiers pour +1,96€.

UN PORTEFEUILLE DE PROJETS DE DEVELOPPEMENT DE 12,5 MD€

Au 30 juin 2018, le coût total d'investissement estimé[7] du portefeuille de projets de développement d'Unibail-Rodamco-Westfield s'élève à 12,5 Md€. Le Groupe conserve une grande flexibilité pour la mise en œuvre de ces projets avec un montant engagé de 2,8 Md€ seulement. Le portefeuille de projets de commerce comprend de nouveaux centres de shopping (52%), tous en Europe, et des extensions et rénovations (48%) sur les deux continents. D'importantes avancées ont été réalisées sur les deux plus grands projets Westfield en Europe avec l'obtention de l'ordre d'expropriation nécessaire au développement de Croydon ainsi que le permis de construire pour Westfield Milan.

En mars 2018, l'extension de Westfield London a ouvert avec six mois d'avance sur la date prévue. Ce centre dépasse désormais 240 000 m² GLA et est ainsi devenu le plus grand d'Europe. Au 30 juin 2018, l'extension était louée à 92%.

INTEGRATION DE WESTFIELD

Le 7 juin 2018, UR a finalisé l'acquisition de Westfield Corporation pour créer Unibail-Rodamco-Westfield. La nouvelle équipe dirigeante a été constituée, l'identité visuelle du nouveau Groupe a été mise en place, son organisation et le modèle opérationnel ont été définis. Au S2-2018, le Groupe poursuivra l'intégration des fonctions opérationnelles et son programme de cessions, et finalisera son organisation. Au 30 juin 2018, Unibail-Rodamco-Westfield avait déjà généré 74 M€ de synergies de coûts en rythme annuel contre 60 M€ prévus initialement. Les synergies de revenus devraient être réalisées sur les 3 à 5 prochaines années, comme prévu.

UNIBAIL-RODAMCO-WESTFIELD

MISE EN ŒUVRE DE LA STRATEGIE DE ROTATION DES ACTIFS

En incluant les transactions réalisées après le 30 juin 2018, le Groupe aura vendu ou conclu un accord de cession pour 1,2 Md€ d'actifs en Europe continentale, pour un taux de rendement initial moyen de 4,4%, soit une prime de +6,2% par rapport aux dernières évaluations externes. Grâce à ces transactions et à d'autres opérations de cession en cours, le Groupe est en bonne voie pour atteindre l'objectif annoncé de 3,0 Md€ de cessions en Europe continentale sur les prochaines années. De plus, URW a cédé Horton Plaza, l'un de ses centres commerciaux régionaux aux Etats-Unis à un prix globalement en ligne avec l'évaluation faite lors de l'acquisition de Westfield.

UN COUT MOYEN DE LA DETTE A 1,5% ET UNE MATURITE MOYENNE DE 6,9 ANNEES

La structure financière du Groupe est solide avec un ratio d'endettement de 38,0% et un ratio de couverture des intérêts de 7,1x (6,7x en 2017 pour le périmètre UR seul). En tenant compte des cessions conclues depuis le 30 juin 2018 et de celles pour lesquelles des accords ont été signés, le ratio d'endettement serait de 36,7%(8). Le coût moyen de la dette du Groupe est resté bas à 1,5%, avec une maturité moyenne de 6,9 années au 30 juin 2018, après prise en compte de la dette de Westfield.

8,5 MD€ DE CAPITAUX LEVES

Pour financer la partie en numéraire de l'acquisition de Westfield, le Groupe a émis 2,0 Md€ d'instruments hybrides à un coupon moyen pondéré de 2,4%, et 3,0 Md€ d'obligations senior avec une maturité et un coupon moyens pondérés de 10 ans et 1,3% respectivement.

Des fonds supplémentaires ont été levés dans le cadre du programme EMTN d'URW pour un montant total de 540 M€, ainsi qu'une ligne de crédit « verte » de 400 M€ et une ligne de crédit de 3,0 MdUSD.

PERSPECTIVES

L'activité d'URW en Europe continentale est en ligne avec les prévisions de début d'année d'UR pour 2018. Aux Etats-Unis et au Royaume-Uni, elle est conforme aux évaluations effectuées par UR pour l'acquisition de Westfield. Les perspectives pour 2018 présentées le 31 janvier 2018 restent donc inchangées à ce stade. Suite à son processus annuel de plan à 5 ans, le Groupe présentera ses perspectives de croissance à moyen terme lors de la publication de ses résultats annuels 2018.

CALENDRIER FINANCIER

Les prochains rendez-vous financiers du Groupe sont :

25 octobre 2018 : résultats du troisième trimestre 2018

13 février 2019 : résultats annuels 2018, prévisions pour 2019 et perspectives à moyen terme (après bourse)

29 mars 2019 : acompte sur dividende

17 mai 2019 : Assemblée Générale Mixte des actionnaires

Juillet 2019 : dividende final

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(1) Loyers nets à périmètre constant : loyers nets excluant les acquisitions, cessions, transferts vers ou en provenance des actifs en développement (extensions, nouveaux actifs ou rénovation d'un actif dont les travaux entraînent un arrêt de l'exploitation) et tout autre changement donnant lieu à des évolutions de surfaces et d'écarts de change pour les périodes analysées.

(2) Les chiffres d'affaires des commerçants incluent les centres commerciaux comptabilisés selon la méthode de mise en équivalence (Rosny 2, CentrO, Paunsdorf et Metropole Zlicin). Ils excluent Jumbo et Zlote Tarasy, actifs non gérés par le Groupe. Chiffre d'affaires des commerçants des centres commerciaux en activité d'Unibail-Rodamco (hors Pays-Bas), y compris extensions des actifs existants, mais hors livraison des nouveaux centres, acquisition d'actifs et centres en restructuration. Pour le S1-2018, les centres commerciaux suivants sont exclus en raison de leur livraison ou de travaux en cours : Galerie Gaité, Les Boutiques du Palais, La Part-Dieu, Glòries, Wroclavia, CH Ursynow et Gropius Passagen. Les chiffres d'affaires de Primark ont été estimés.

(3) Les centres commerciaux dits « flagships » d'Unibail Rodamco sont : 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 et Pasing Arcaden.

(4) Basé sur les derniers indices nationaux disponibles (évolution d'année en année) à juin 2018 : France : Institut Français du Libre-Service (IFLS), hors alimentaire ; Espagne : Instituto Nacional de Estadistica ; Europe Centrale : Česky statisticky urad (République tchèque), Polska Rada Centrow Handlowych (Pologne) (à mai 2018), Eurostat (Slovaquie) ; Autriche : Eurostat ; Pays nordiques : HUI Research (Suède), Danmarks Statistik (Danemark) ; Allemagne : Destatis-Genesis, excluant les ventes des enseignes exclusivement en ligne et les ventes de combustibles (Federal Statistical Office). Inclut les ventes des enseignes exclusivement en ligne pour la France, l'Espagne, l'Autriche, la République tchèque et la Slovaquie, et exclut les ventes des enseignes exclusivement en ligne pour l'Allemagne, les Pays nordiques et la Pologne.

(5) Calculé sur la base des ventes par pied carré des magasins inférieurs à 10 000 ft² (environ 929 m²). Pour les centres opérés par le Groupe, en excluant les livraisons de nouveaux projets, les actifs acquis et les actifs en restructuration (conformément à la méthodologie Unibail-Rodamco).

(6) Les loyers nets comparables correspondent aux loyers nets avant honoraires de gestion, indemnités de résiliation et étalements, hors éléments exceptionnels. Pour assurer la comparabilité des données, les livraisons de projets récents ou les centres en cours de restructuration profonde sont exclus.

(7) Le coût total d'investissement estimé correspond à 100% des coûts estimés multipliés par la part d'Unibail-Rodamco-Westfield dans le projet, ainsi que les coûts spécifiques, s'il y en a.

(8) L'hôtel Orebro, l'immeuble de bureaux Capital 8, quatre centres commerciaux non-stratégiques en Espagne (El Faro, Bahia Sur, Los Arcos et Vallsur) et Horton Plaza.

UNIBAIL-RODAMCO-WESTFIELD

A propos d'Unibail-Rodamco-Westfield

Unibail-Rodamco-Westfield est le premier créateur et opérateur global de centres de shopping de destination. Avec un portefeuille valorisé à 63,7 Md€ au 30 juin 2018, dont 86% en commerce, 8% en bureaux, 5% en sites de Congrès & Expositions et 1% en services, le Groupe possède 102 centres de shopping, dont 56 « flagships » dans les villes les plus dynamiques d'Europe et des Etats-Unis. Les centres du Groupe accueillent chaque année 1,2 milliard de visites. Présent sur 2 continents et dans 13 pays, Unibail-Rodamco-Westfield propose une plateforme unique pour les enseignes et les évènements des marques, et offre aux clients une expérience exceptionnelle et sans cesse renouvelée.
Grâce à ses 3 700 employés et à une expérience et un savoir-faire inégalés, Unibail-Rodamco-Westfield est en position idéale pour générer de la valeur et développer des projets d'envergure internationale. Le Groupe dispose du portefeuille de projets de développement le plus important du secteur, d'une valeur de 12,5 Md€.
Unibail-Rodamco-Westfield se distingue par sa stratégie « Better Places 2030 », qui a pour ambition de créer des lieux conformes aux plus hauts standards environnementaux et de contribuer ainsi à des villes meilleures.
Unibail-Rodamco-Westfield est coté sur Euronext Amsterdam et Euronext Paris (symbole Euronext : URW). Une cotation secondaire a été établie en Australie par l'intermédiaire de Chess Depositary Interests. Le Groupe bénéficie d'une notation A par Standard & Poor's et d'une notation A2 par Moody's.

Pour plus d'informations, consultez www.urw.com
Visitez notre médiathèque à l'adresse www.mediacentre.urw.com

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APPENDIX TO THE PRESS RELEASE
August 29, 2018

CONSOLIDATED FINANCIAL STATEMENTS:

MANAGEMENT DISCUSSION & ANALYSIS:

OTHER INFORMATION:

Review procedures completed. Statutory auditors' report issued today.

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

UNIBAIL-RODAMCO-WESTFIELD

CONSOLIDATED FINANCIAL STATEMENTS[1]:

[1] The consolidated financial statements include the Westfield results as of June 1, 2018.

Consolidated statement of comprehensive income (€Mn)	H1-2018	H1-2017	2017
Gross rental income	989.4	908.2	1,822.3
Ground rents paid	*(14.7)*	*(9.3)*	*(18.1)*
Net service charge expenses	*(10.9)*	*(11.9)*	*(22.8)*
Property operating expenses	*(103.2)*	*(92.7)*	*(198.7)*
Operating expenses and net service charges	(128.8)	(113.9)	(239.6)
Net rental income	**860.6**	**794.3**	**1,582.6**
Property development and project management revenue	73.8	-	-
Property development and project management costs	(68.7)	-	-
Net property development and project management income	**5.1**	**-**	**-**
Property services and other activities revenues	134.0	124.5	256.1
Property services and other activities expenses	(85.9)	(85.1)	(176.3)
Net property services and other activities income	**48.1**	**39.4**	**79.8**
Share of the result of companies accounted for using the equity method	66.8	37.1	91.6
Income on financial assets	13.9	13.2	27.0
Contribution of companies accounted for using the equity method	**80.7**	**50.2**	**118.6**
Corporate expenses	(61.5)	(54.5)	(117.3)
Development expenses	(0.2)	0.9	(3.6)
Depreciation of other tangible assets	(1.0)	(1.1)	(2.2)
Administrative expenses	**(62.7)**	**(54.7)**	**(123.1)**
Acquisition and related costs	**(214.7)**	**-**	**(62.4)**
Proceeds from disposal of investment properties	49.8	1.2	592.5
Carrying value of investment properties sold	(51.0)	-	(518.7)
Result on disposal of investment properties	**(1.2)**	**1.2**	**73.8**
Proceeds from disposal of shares	-	-	27.3
Carrying value of disposed shares	-	-	(27.3)
Result on disposal of shares	**-**	**-**	**0.0**
Valuation gains on assets	590.5	1,249.0	1,770.0
Valuation losses on assets	(255.1)	(175.8)	(405.6)
Valuation movements on assets	**335.4**	**1,073.2**	**1,364.4**
Impairment of goodwill/Negative goodwill	**(0.7)**	**-**	**(9.2)**
NET OPERATING RESULT	**1,050.6**	**1,903.7**	**3,024.6**
Result from non-consolidated companies	0.2	0.9	0.9
Financial income	*64.8*	*57.9*	*119.5*
Financial expenses	*(185.7)*	*(170.0)*	*(347.5)*
Net financing costs	(120.9)	(112.1)	(228.0)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	28.9	23.5	21.1
Fair value adjustments of derivatives and debt	(129.3)	(44.4)	(21.9)
RESULT BEFORE TAX	**829.5**	**1,771.6**	**2,796.7**
Income tax expenses	(77.6)	(27.0)	(74.2)
NET RESULT FOR THE PERIOD	**751.9**	**1,744.6**	**2,722.5**
Net result for the period attributable to:			
- The holders of the Stapled Shares (1)	642.6	1,462.6	2,439.5
- External non-controlling interests	109.3	282.0	283.0
NET RESULT FOR THE PERIOD	**751.9**	**1,744.6**	**2,722.5**

Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to:			
- Unibail-Rodamco SE members	658.4	1,462.6	2,439.5
- WFD Unibail-Rodamco N.V. members	(15.8)		
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES (1)	**642.6**	**1,462.6**	**2,439.5**

Average number of shares (undiluted)	106,260,433	99,625,133	99,744,934
Net result for the period (Holders of the Stapled Shares)	642.6	1,462.6	2,439.5
Net result for the period per share (Holders of the Stapled Shares) (€)	**6.05**	**14.68**	**24.46**

Net result for the period restated (Holders of the Stapled Shares) (2)	613.7	1,439.1	2,418.4
Average number of shares (diluted)	109,915,551	103,041,027	103,155,132
Diluted net result per share (Holders of the Stapled Shares) (€)	**5.58**	**13.97**	**23.44**

NET COMPREHENSIVE INCOME (€Mn)	H1-2018	H1-2017	2017
NET RESULT FOR THE PERIOD	**751.9**	**1,744.6**	**2,722.5**
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries	(72.7)	24.8	(16.9)
Other comprehensive income that may be subsequently recycled to profit or loss	**(72.7)**	**24.8**	**(16.9)**
Employee benefits - will not be reclassified into profit or loss	-	-	0.2
Fair Value of Financial assets	(7.2)	-	-
Other comprehensive income not subsequently recyclable to profit or loss	**(7.2)**	**-**	**0.2**
OTHER COMPREHENSIVE INCOME	**(79.9)**	**24.8**	**(16.7)**
NET COMPREHENSIVE INCOME	**672.0**	**1,769.4**	**2,705.8**
- External non-controlling interests	109.4	282.0	283.1
NET COMPREHENSIVE INCOME (HOLDERS OF THE STAPLED SHARES)	**562.6**	**1,487.4**	**2,422.7**

(1) In 2017, Net result for the period (Owners of the parent).

(2) 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.

	H1-2018	H1-2017	2017
Net Result of the period attributable to the holders of the Stapled Shares	**642.6**	**1,462.6**	**2,439.5**
Adjustments to calculate EPRA Recurring Earnings, exclude:			
(i) Changes in value of investment properties, development properties held for investment and other interests	335.4	1,073.2	1,364.4
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-1.2	1.2	73.8
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0.0	0.0	0.0
(iv) Tax on profits or losses on disposals	0.0	0.0	-12.8
(v) Negative goodwill / goodwill impairment	-0.7	0.0	-9.2
(vi) Changes in fair value of financial instruments and associated close-out costs	-100.4	-20.9	-0.9
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-214.7	0.0	-62.4
(viii) Deferred tax in respect of EPRA adjustments	-77.9	-25.2	-43.7
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	6.8	8.3	34.1
(x) External non-controlling interests in respect of the above	-7.7	-187.9	-106.0
EPRA Recurring Earnings	**702.9**	**614.0**	**1,202.1**
Coupons on the Hybrid Securities	**-3.8**	**0.0**	**0.0**
Adjusted Recurring Earnings	**699.1**	**614.0**	**1,202.1**
Average number of shares and ORA	106,268,095	99,632,796	99,752,597
EPRA Recurring Earnings per Share (REPS)	**6.61 €**	**6.16 €**	**12.05 €**
EPRA Recurring Earnings per Share growth	**7.3%**	**6.0%**	**7.2%**

Adjusted Recurring Earnings per Share (AREPS)	**6.58 €**	**6.16 €**	**12.05 €**
Adjusted Recurring Earnings per Share growth	**6.8%**	**6.0%**	**7.2%**

Consolidated Statement of financial position (€ Mn)	**June 30, 2018**	**Dec. 31, 2017**
NON CURRENT ASSETS	**62,344.6**	**41,650.8**
Investment properties	**47,117.7**	**38,524.3**
Investment properties at fair value	*44,770.7*	*37,181.5*
Investment properties at cost	*2,347.0*	*1,342.8*
Shares and investments in companies accounted for using the equity method	9,965.7	1,913.3
Other tangible assets	282.1	216.3
Goodwill	3,888.5	522.4
Intangible assets	185.4	172.2
Loans and receivables	274.4	76.8
Financial assets	290.5	30.8
Deferred tax assets	29.3	21.9
Derivatives at fair value	311.0	172.8
CURRENT ASSETS	**3,002.5**	**1,590.2**
Properties or shares held for sale	1,255.0	-
Derivatives at fair value	0.4	57.9
Inventories	93.5	-
Trade receivables from activity	539.8	416.5
Tax receivables	179.2	216.2
Other receivables	350.5	324.9
Cash and cash equivalents	584.1	574.7
TOTAL ASSETS	**65,347.1**	**43,241.0**
Equity attributable to the holders of the Stapled Shares	**25,699.0**	**18,916.2**
Share capital	691.4	499.3
Additional paid-in capital	13,470.2	6,470.7
Consolidated reserves	11,177.8	9,717.0
Hedging and foreign currency translation reserves	(283.0)	(210.3)
Consolidated result	642.6	2,439.5
- Equity attributable to Unibail-Rodamco SE members	***24,297.2***	***18,916.2***
- Equity attributable to WFD Unibail-Rodamco N.V. members	***1,401.8***	**-**
Hybrid securities	**1,989.0**	**-**
External non-controlling interests	**3,860.4**	**3,777.0**
TOTAL SHAREHOLDERS' EQUITY	**31,548.4**	**22,693.2**
NON CURRENT LIABILITIES	**28,832.7**	**16,851.6**
Long-term commitment to non-controlling interests	186.9	-
Net share settled bonds convertible into new and/or existing shares (ORNANE)	991.5	1,020.5
Long-term bonds and borrowings	22,571.1	12,889.6
Long-term financial leases	384.9	353.2
Derivatives at fair value	428.9	315.8
Deferred tax liabilities	3,691.8	1,752.5
Long-term provisions	13.3	30.5
Employee benefits	9.7	9.3
Guarantee deposits	236.9	223.9
Tax liabilities	-	0.1
Amounts due on investments	317.7	256.2
CURRENT LIABILITIES	**4,966.0**	**3,696.2**
Current commitment to non-controlling interests	**1.7**	**7.0**
Amounts due to suppliers and other creditors	**1,334.2**	**953.9**
Amounts due to suppliers	178.2	187.5
Amounts due on investments	661.9	425.9
Sundry creditors	494.1	340.5
Other liabilities	**225.5**	**207.7**
Current borrowings and amounts due to credit institutions	**3,068.2**	**2,301.9**
Current financial leases	**2.6**	**2.0**
Tax and social liabilities	**311.3**	**210.5**
Short-term provisions	**22.5**	**13.2**
TOTAL LIABILITIES AND EQUITY	**65,347.1**	**43,241.0**

Consolidated statement of cash flows (€ Mn)	H1-2018	H1-2017	2017
Operating activities			
Net result	**751.9**	**1,744.6**	**2,722.5**
Depreciation & provisions [(1)]	(20.4)	(14.2)	(7.9)
Impairment of goodwill/Negative goodwill	0.7	-	9.2
Changes in value of property assets	(335.4)	(1,073.2)	(1,364.4)
Changes in value of financial instruments	100.3	20.9	0.9
Charges and income relating to stock options and similar items	5.4	4.2	9.2
Net capital gains/losses on sales of properties [(2)]	1.2	(1.2)	(73.8)
Share of the result of companies accounted for using the equity method	(66.8)	(37.1)	(91.6)
Income on financial assets	(13.9)	(13.2)	(27.0)
Dividend income from non-consolidated companies	(0.1)	(0.1)	(0.1)
Net financing costs	120.9	112.1	228.0
Income tax charge	77.6	27.0	74.2
Westfield's acquisition and related costs	108.7	-	-
Cash flow before net financing costs and tax	**730.1**	**769.9**	**1,479.2**
Income on financial assets	13.9	13.2	27.0
Dividend income and result from companies accounted for using the equity method or non consolidated	26.7	2.2	5.3
Income tax paid	(14.4)	(7.0)	(25.5)
Change in working capital requirement	(45.6)	11.6	0.5
Total cash flow from operating activities	**710.7**	**789.9**	**1,486.5**
Investment activities			
Property activities	**(4,958.5)**	**(947.3)**	**(1,017.2)**
Acquisition of consolidated shares	(4,442.1)	0.0	(85.1)
Amounts paid for works and acquisition of property assets	(558.2)	(682.1)	(1,368.2)
Repayment of property financing	29.0	9.7	23.2
Increase of property financing	(87.8)	(280.8)	(300.6)
Disposal of shares/consolidated subsidiaries	(0.1)	4.7	121.0
Disposal of investment properties	100.7	1.1	592.5
Financial activities	**0.3**	**(2.1)**	**(7.7)**
Acquisition of financial assets	(5.7)	(6.2)	(10.0)
Disposal of financial assets	2.3	4.1	2.5
Change in financial assets	3.7	(0.1)	(0.2)
Total cash flow from investment activities	**(4,958.2)**	**(949.4)**	**(1,024.9)**
Financing activities			
Capital increase of parent company	12.5	69.8	77.9
Purchase of own shares	-	-	(7.3)
Change in capital from companies with non controlling shareholders	-	0.0	2.2
Hybrid securities	1,989.3	-	-
Distribution paid to parent company shareholders	(1,079.2)	(508.5)	(1,018.3)
Dividends paid to non-controlling shareholders of consolidated companies	(95.3)	(64.0)	(66.2)
New borrowings and financial liabilities	3,897.7	2,401.9	1,941.4
Repayment of borrowings and financial liabilities	(274.7)	(632.0)	(990.1)
Financial income	69.1	43.1	95.9
Financial expenses	(217.3)	(175.3)	(318.8)
Other financing activities	(22.6)	(0.0)	(10.1)
Total cash flow from financing activities	**4,279.5**	**1,135.0**	**(293.4)**
Change in cash and cash equivalents during the period	**32.0**	**975.5**	**168.2**
Net cash and cash equivalents at the beginning of the year	**565.7**	**396.0**	**396.0**
Effect of exchange rate fluctuations on cash held	**(22.3)**	**(2.6)**	**1.5**
Net cash and cash equivalents at period-end	**575.4**	**1,368.9**	**565.7**

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

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

Consolidated Income Statement by segment (€Mn)			H1-2018 Recurring activities	H1-2018 Non-recurring activities [1]	H1-2018 Result	H1-2017 Recurring activities	H1-2017 Non-recurring activities [1]	H1-2017 Result	2017 Recurring activities	2017 Non-recurring activities [1]	2017 Result
SHOPPING CENTRES	FRANCE	Gross rental income	346.4	-	346.4	336.1	-	336.1	682.1	-	682.1
		Operating expenses and net service charges	(25.6)	-	(25.6)	(32.9)	-	(32.9)	(72.4)	-	(72.4)
		Net rental income	**320.9**	**-**	**320.9**	**303.2**	**-**	**303.2**	**609.8**	**-**	**609.8**
		Contribution of companies accounted for using the equity method	4.1	2.4	6.6	4.0	4.6	8.6	8.1	5.7	13.9
		Result on disposal of investment properties and shares	-	0.6	0.6	-	1.3	1.3	-	15.1	15.1
		Valuation movements on assets	-	31.5	31.5	-	397.4	397.4	-	513.3	513.3
		Result Shopping Centres France	**325.0**	**34.6**	**359.6**	**307.2**	**403.3**	**710.5**	**617.9**	**534.2**	**1,152.0**
	UNITED STATES	Gross rental income	38.5	-	38.5	-	-	-	-	-	-
		Operating expenses and net service charges	(18.6)	-	(18.6)	-	-	-	-	-	-
		Net rental income	**19.9**	**-**	**19.9**	**-**	**-**	**-**	**-**	**-**	**-**
		Contribution of companies accounted for using the equity method	23.2	-	23.2	-	-	-	-	-	-
		Result Shopping Centres United States	**43.1**	**-**	**43.1**	**-**	**-**	**-**	**-**	**-**	**-**
	CENTRAL EUROPE	Gross rental income	105.1	-	105.1	84.6	-	84.6	179.0	-	179.0
		Operating expenses and net service charges	(0.9)	-	(0.9)	(1.1)	-	(1.1)	(6.5)	-	(6.5)
		Net rental income	**104.2**	**-**	**104.2**	**83.5**	**-**	**83.5**	**172.4**	**-**	**172.4**
		Contribution of companies accounted for using the equity method	26.4	1.9	28.3	22.8	0.3	23.2	46.6	28.3	74.9
		Result on disposal of investment properties and shares	-	-	-	-	-	-	-	0.0	0.0
		Valuation movements on assets	-	119.0	119.0	-	136.0	136.0	-	296.2	296.2
		Result Shopping Centres Central Europe	**130.6**	**120.9**	**251.5**	**106.3**	**136.3**	**242.7**	**219.0**	**324.5**	**543.5**
	SPAIN	Gross rental income	90.6	-	90.6	87.9	-	87.9	178.0	-	178.0
		Operating expenses and net service charges	(8.9)	-	(8.9)	(8.4)	-	(8.4)	(16.9)	-	(16.9)
		Net rental income	**81.7**	**-**	**81.7**	**79.5**	**-**	**79.5**	**161.0**	**-**	**161.0**
		Contribution of companies accounted for using the equity method	0.1	1.0	1.1	0.1	0.1	0.2	0.2	(0.1)	0.1
		Result on disposal of investment properties and shares		(0.6)	(0.6)	-	(0.0)	(0.0)	-	(0.6)	(0.6)
		Valuation movements on assets		22.0	22.0	-	128.0	128.0	-	141.2	141.2
		Result Shopping Centres Spain	**81.8**	**22.4**	**104.2**	**79.6**	**128.1**	**207.7**	**161.2**	**140.5**	**301.7**
	UNITED KINGDOM	Gross rental income	10.6	-	10.6	-	-	-	-	-	-
		Operating expenses and net service charges	(3.3)	-	(3.3)	-	-	-	-	-	-
		Net rental income	**7.4**	**-**	**7.4**	**-**	**-**	**-**	**-**	**-**	**-**
		Contribution of companies accounted for using the equity method	5.5	-	5.5	-	-	-	-	-	-
		Result Shopping Centres United Kingdom	**12.8**	**-**	**12.8**	**-**	**-**	**-**	**-**	**-**	**-**
	NORDICS	Gross rental income	77.2	-	77.2	82.9	-	82.9	159.1	-	159.1
		Operating expenses and net service charges	(3.9)	-	(3.9)	(7.7)	-	(7.7)	(13.3)	-	(13.3)
		Net rental income	**73.3**	**-**	**73.3**	**75.2**	**-**	**75.2**	**145.8**	**-**	**145.8**
		Result on disposal of investment properties and shares	-	0.1	0.1	-	-	-	-	0.1	0.1
		Valuation movements on assets	-	16.3	16.3	-	45.7	45.7	-	132.0	132.0
		Result Shopping Centres Nordics	**73.3**	**16.4**	**89.6**	**75.2**	**45.7**	**120.9**	**145.8**	**132.1**	**277.9**
	AUSTRIA	Gross rental income	55.9	-	55.9	53.5	-	53.5	109.1	-	109.1
		Operating expenses and net service charges	(2.0)	-	(2.0)	(1.5)	-	(1.5)	(5.9)	-	(5.9)
		Net rental income	**54.0**	**-**	**54.0**	**52.1**	**-**	**52.1**	**103.2**	**-**	**103.2**
		Valuation movements on assets	-	18.5	18.5	-	22.5	22.5	-	79.4	79.4
		Result Shopping Centres Austria	**54.0**	**18.5**	**72.5**	**52.1**	**22.5**	**74.5**	**103.2**	**79.4**	**182.5**
	GERMANY	Gross rental income	50.3	-	50.3	49.9	-	49.9	99.7	-	99.7
		Operating expenses and net service charges	(3.0)	-	(3.0)	(2.7)	-	(2.7)	(7.1)	-	(7.1)
		Net rental income	**47.3**	**-**	**47.3**	**47.1**	**-**	**47.1**	**92.6**	**-**	**92.6**
		Contribution of companies accounted for using the equity method	14.4	1.5	15.9	14.6	3.5	18.1	29.1	1.5	30.6
		Result on disposal of investment properties and shares	-	(1.2)	(1.2)	-	-	-	-	-	-
		Valuation movements on assets	-	19.3	19.3	-	17.4	17.4	-	58.1	58.1
		Result Shopping Centres Germany	**61.8**	**19.6**	**81.4**	**61.7**	**20.9**	**82.6**	**121.6**	**59.6**	**181.3**
	THE NETHERLANDS	Gross rental income	34.4	-	34.4	33.5	-	33.5	70.2	-	70.2
		Operating expenses and net service charges	(4.8)	-	(4.8)	(4.1)	-	(4.1)	(8.5)	-	(8.5)
		Net rental income	**29.5**	**-**	**29.5**	**29.4**	**-**	**29.4**	**61.7**	**-**	**61.7**
		Result on disposal of investment properties and shares	-	(0.2)	(0.2)	-	(0.1)	(0.1)	-	1.9	1.9
		Valuation movements on assets	-	(43.6)	(43.6)	-	(10.3)	(10.3)	-	(53.1)	(53.1)
		Result Shopping Centres The Netherlands	**29.5**	**(43.8)**	**(14.3)**	**29.4**	**(10.4)**	**19.0**	**61.7**	**(51.2)**	**10.5**
		TOTAL RESULT SHOPPING CENTRES	**811.9**	**188.6**	**1,000.4**	**711.6**	**746.4**	**1,458.0**	**1,430.4**	**1,219.1**	**2,649.5**
OFFICES & OTHERS	FRANCE	Gross rental income	65.1	-	65.1	62.9	-	62.9	126.8	-	126.8
		Operating expenses and net service charges	(1.3)	-	(1.3)	(2.2)	-	(2.2)	(3.2)	-	(3.2)
		Net rental income	**63.8**	**-**	**63.8**	**60.7**	**-**	**60.7**	**123.6**	**-**	**123.6**
		Result on disposal of investment properties and shares	-	(0.1)	(0.1)	-	(0.1)	(0.1)	-	57.2	57.2
		Valuation movements on assets	-	177.6	177.6	-	254.5	254.5	-	336.0	336.0
		Result Offices France	**63.8**	**177.4**	**241.3**	**60.7**	**254.4**	**315.1**	**123.6**	**393.2**	**516.8**
	OTHER COUNTRIES	Gross rental income	10.2	-	10.2	10.6	-	10.6	20.9	-	20.9
		Operating expenses and net service charges	(1.3)	-	(1.3)	(1.8)	-	(1.8)	(3.7)	-	(3.7)
		Net rental income	**8.9**	**-**	**8.9**	**8.9**	**-**	**8.9**	**17.2**	**-**	**17.2**
		Result on disposal of investment properties and shares	-	-	-	-	0.0	0.0	-	0.0	0.0
		Valuation movements on assets	-	4.0	4.0	-	(8.1)	(8.1)	-	6.5	6.5
		Result Offices other countries	**8.9**	**4.0**	**12.9**	**8.9**	**(8.1)**	**0.7**	**17.2**	**6.5**	**23.8**
		TOTAL RESULT OFFICES & OTHERS	**72.8**	**181.4**	**254.2**	**69.6**	**246.3**	**315.8**	**140.8**	**399.7**	**540.5**
CONVENTION & EXHIBITION	FRANCE	Gross rental income	99.1	-	99.1	96.2	-	96.2	181.7	-	181.7
		Operating expenses and net service charges	(52.9)	-	(52.9)	(49.1)	-	(49.1)	(97.8)	-	(97.8)
		Net rental income	**46.3**	**-**	**46.3**	**47.1**	**-**	**47.1**	**83.9**	**-**	**83.9**
		On site property services net income	**32.1**	**-**	**32.1**	**25.9**	**-**	**25.9**	**50.0**	**-**	**50.0**
		Hotels net rental income	**3.5**	**-**	**3.5**	**7.6**	**-**	**7.6**	**11.6**	**-**	**11.6**
		Contribution of companies accounted for using the equity method	0.1	0.0	0.1	0.3	(0.2)	0.1	0.5	(1.4)	(0.8)
		Valuation movements, depreciation, capital gains	(5.9)	(27.7)	(33.6)	(5.7)	91.5	85.8	(12.2)	(142.8)	(155.0)
		Impairment of Goodwill	-	(0.7)	(0.7)	-	-	-	-	(9.2)	(9.2)
		TOTAL RESULT CONVENTION & EXHIBITION	**76.1**	**(28.4)**	**47.7**	**75.3**	**91.3**	**166.6**	**133.8**	**(153.3)**	**(19.5)**
		Net property development and project management income	5.1		5.1						
		Other property services net income	21.8	(1.2)	20.6	19.2	(1.2)	18.0	42.0	(2.4)	39.6
		Administrative expenses	(62.7)		(62.7)	(54.7)	-	(54.7)	(123.1)		(123.1)
		Acquisition and related costs	-	(214.7)	(214.7)	-	-	-		(62.4)	(62.4)
NET OPERATING RESULT			**924.9**	**125.7**	**1,050.6**	**821.0**	**1,082.7**	**1,903.7**	**1,623.9**	**1,400.8**	**3,024.6**
		Result from non-consolidated companies	0.2	-	0.2	0.9	-	0.9	0.9	-	0.9
		Financing result	(120.9)	(100.4)	(221.3)	(112.1)	(20.9)	(133.0)	(228.0)	(0.9)	(228.8)
RESULT BEFORE TAX			**804.2**	**25.3**	**829.5**	**709.8**	**1,061.8**	**1,771.6**	**1,396.8**	**1,399.9**	**2,796.7**
		Income tax expenses	0.3	(77.9)	(77.6)	(1.8)	(25.2)	(27.0)	(17.7)	(56.5)	(74.2)
NET RESULT FOR THE PERIOD			**804.5**	**(52.6)**	**751.9**	**708.0**	**1,036.6**	**1,744.6**	**1,379.1**	**1,343.5**	**2,722.5**
		External non-controlling interests	101.6	7.7	109.3	94.1	187.9	282.0	176.9	106.0	283.0
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES [2]			**702.9**	**(60.3)**	**642.6**	**614.0**	**848.6**	**1,462.6**	**1,202.1**	**1,237.4**	**2,439.5**

[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, amortisation of fair value of assets and liabilities recorded for the purpose of purchase price allocation, as well as costs directly incurred during a business combination and other non-recurring items.

[2] In 2017, Net result for the period (Owners of the parent).

UNIBAIL-RODAMCO-WESTFIELD

MANAGEMENT DISCUSSION & ANALYSIS:

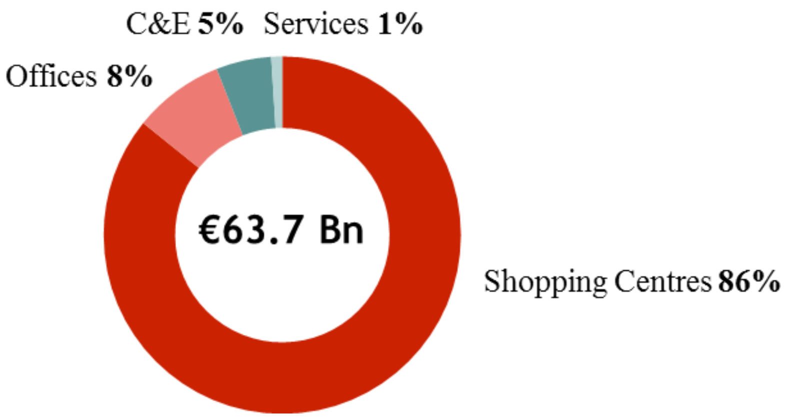
1. WESTFIELD CORPORATION ACQUISITION

On June 7, 2018, Unibail-Rodamco ("UR") announced it had completed the acquisition of Westfield Corporation ("WFD"), to create Unibail-Rodamco-Westfield ("URW" or "the Group"), the premier global developer and operator of flagship shopping destinations. URW combines two of the strongest and most respected names in the real estate industry to build on their legacies. The acquisition of WFD is a natural extension of UR's strategy of concentration, differentiation and innovation.

As at June 7, 2018, URW owned and operated 102 shopping centres in 13 countries, of which 56 are Flagships[2] in the most dynamic cities in Europe and in the United States. These centres welcome 1.2 billion[3] visits per year. The Group's consolidated total portfolio is valued at €61.3 Bn[4], of which 86% in retail, 8% in offices, 5% in Convention & Exhibition venues and 1% in services. On a proportionate basis, the Group's total portfolio is valued at €63.7 Bn, with the same breakdown per segment.

The Group provides a unique platform for retailers and brand events and offers an unparalleled experience for customers. It will leverage the world-famous Westfield brand by gradually rebranding UR Flagship assets. Looking forward, URW boasts an unrivalled development pipeline of €12.5 Bn. Capitalising on its "Better Places 2030" agenda, to be implemented across the entire Group, URW's development projects are designed to create places that respect the highest environmental standards and contribute to better cities.

PROPORTIONATE GMV PER SEGMENT



[2] Assets of a certain size and / or with footfall in excess of 10 million per year, substantial growth potential for the Group based on their appeal to both retailers and visitors, iconic architecture or design and a strong footprint in their area.
[3] 2017 footfall.
[4] In terms of consolidated GMV as at June 30, 2018, including values of shares in assets accounted for using the equity method and services. The URW's US and UK services businesses are currently being valued by PWC.

2. BUSINESS REVIEW AND 2018 HALF-YEAR RESULTS

I. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

Accounting principles

The Group's consolidated financial statements as at June 30, 2018 were prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable in the European Union as at such date.

URW has applied for the first time IFRS 9 and IFRS 15, with a limited impact on the Group's financial statements.

No other changes were made to the accounting principles with those applied for the preparation of the financial statements as at December 31, 2017.

The performance indicators are compliant with the best practices recommendations published by the European Public Real Estate Association (EPRA)[5]. These are reported in a separate chapter at the end of this section.

Scope of consolidation

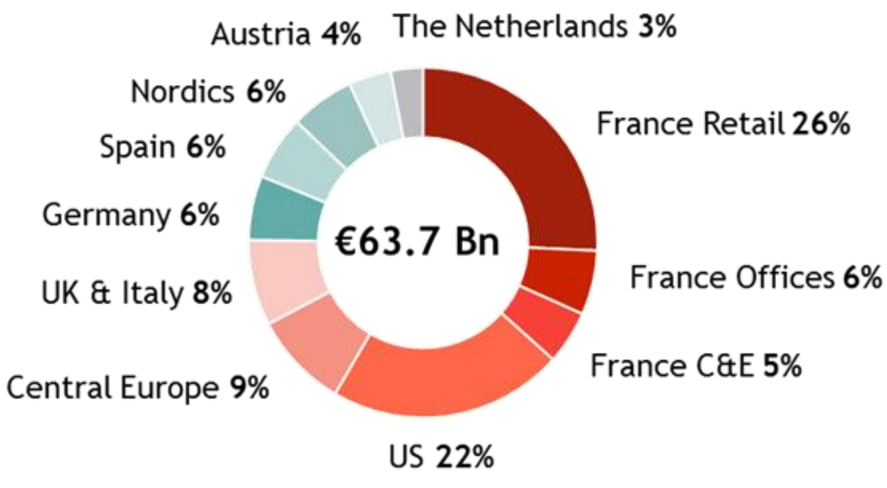
The principal change in the scope of consolidation since December 31, 2017, was the acquisition of WFD, which has been included since June 1, 2018.

Operational reporting

URW operates in nine regions: France, the United States ("US"), Central Europe[6], Spain, the United Kingdom ("UK"), the Nordics, Austria, Germany and The Netherlands. In addition, the Group has significant development projects in two new countries: Italy and Belgium.

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 proportionate Gross Market Values (GMV) per region as at June 30, 2018, including assets accounted for using the equity method.



Figures may not add up due to rounding.

[5] EPRA Best Practices Recommendations are available on the EPRA website: www.epra.com.
[6] Central Europe includes Ring-Center, accounted for using the equity method.

II. BUSINESS REVIEW BY SEGMENT

Due to the completion of the WFD acquisition on June 7, 2018, URW has been operating as one Group only since that date. Consequently, the Business review by segment presented below has been prepared on the basis of UR's perimeter prior to the transaction. A separate section ("4. Westfield business review") has been added in order to give investors an overview of WFD's most significant business events during H1-2018. Unless otherwise indicated, all references in Sections 1 to 3 are to UR's operations on a standalone basis for H1-2018.

1. Shopping centres

Unless otherwise indicated, all references to footfall, tenant sales, rents, leases signed, vacancy and occupancy cost ratios relate to the period ended June 30, 2018, and comparisons relate to the same period last year.

1.1. Shopping centre activity

Economic environment

In 2017, the European economy grew at its fastest rate in 10 years. It is expected to moderate slightly in 2018, as monetary stimulus is gradually withdrawn and global trade growth is expected to slow, partly in response to rising trade tensions. GDP growth, both for the European Union (EU-28) and the Eurozone-19, is forecast to reach +2.1% in 2018[7], compared to +2.4% in 2017[8]. The weighted average forecast for 2018 GDP growth in UR regions is +2.3%. Inflation in 2018 is expected to reach +1.9% in the EU-28 and +1.7% in the Eurozone-19, an increase of +20 basis points (bps) of each compared to 2017.

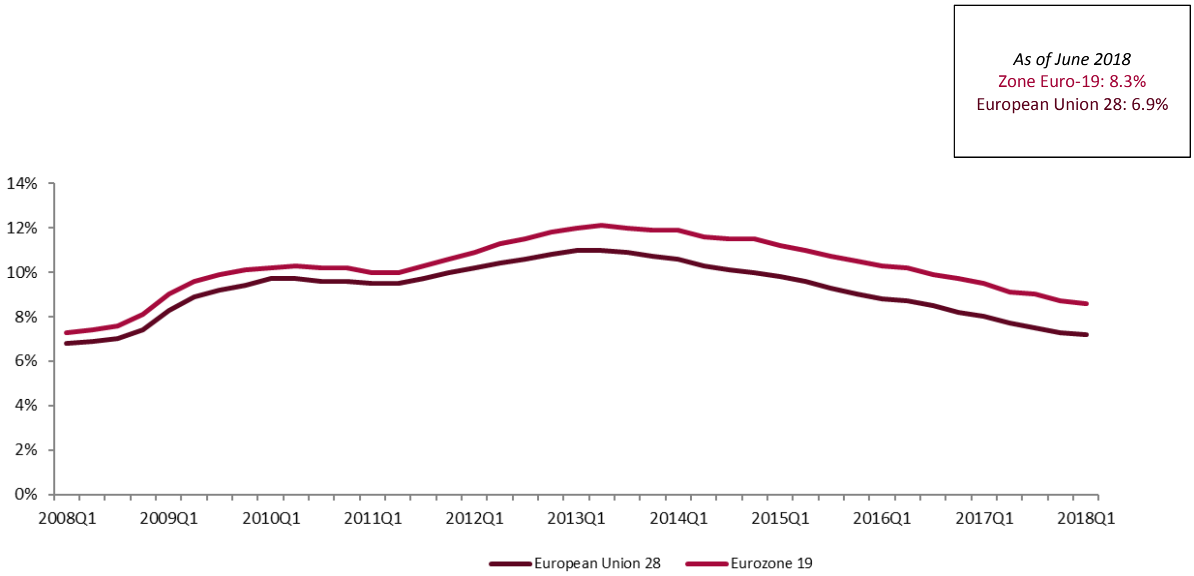
Growth is propelled by high levels of confidence, increased support from a synchronised global expansion, low financing costs, improving private balance sheets and better labour market conditions. The key external risks to these forecasts relate to trade and other policies of the US administration, retaliatory tariffs and geopolitical tensions. Within Europe, the principal risks relate to the outcome of the Brexit negotiations, withdrawal of quantitative easing by the European Central Bank and the prospect of higher interest rates.

Unemployment levels[9] as at June 2018 decreased to 6.9% in the EU-28 (-70 bps compared to June 2017) and 8.3% in the Eurozone-19 (-70 bps compared to June 2017). These are the lowest recorded rates since May 2008 for the EU and December 2008 for the Eurozone-19.

Employment in 2018 and 2019 should continue to benefit from the on-going economic expansion. Although unemployment indicators suggest there is still some untapped potential, overall employment growth is expected to slow due to tightening labour markets in some EU countries and fading of short-term fiscal stimuli in others.

[7] Source: European Commission, European Economic Forecast, summer 2018 (released in July 2018).
https://ec.europa.eu/info/publications/economy-finance/european-economic-forecast-spring-2018_en
[8] Source: Eurostat, National Accounts Data
http://ec.europa.eu/eurostat/web/national-accounts/data/main-tables
[9] Source: Eurostat, June 2018 (released on July 31, 2018).
http://ec.europa.eu/eurostat/documents/2995521/9105174/3-31072018-AP-EN/a942605d-7a19-4c0a-8616-c5805a826798

Unemployment rates in the EU-28 and the Eurozone-19 (2008-2018)



Region / Country	GDP		Unemployment
	2018 Forecast	2017 Actual (p=provisional)	Unemployment June 2018
European Union (EU-28)	**2.1%**	**2.4%**	**6.9%**
Eurozone-19	**2.1%**	**2.4%**	**8.3%**
France	1.7%	2.2%p	9.2%
Czech Republic	3.0%	4.3%	2.4%
Poland	4.6%	4.6%	3.7%
Slovakia	4.0%	3.4%	6.9%
Spain	2.8%	3.1%p	15.2%
Sweden	2.4%	2.3%	6.3%
Finland	2.8%	2.8%	7.6%
Denmark	1.6%	2.3%	5.0%
Austria	2.8%	3.0%	4.7%
Germany	1.9%	2.2%	3.4%
Netherlands	2.8%	2.9%p	3.9%

Source: European Economic Forecast, summer 2018
Eurostat, National Accounts Data

Footfall[10]

The number of visits to UR's shopping centres was up by +1.9%, or +2.0% excluding the Spanish retail assets sold in July 2018.

In France, footfall grew by +3.7%, outperforming the French national footfall index[11] by +495 bps.

Footfall growth in the Nordics (+3.3%) and Central Europe (+3.3%) was partly offset by a drop in Germany (-1.3%), The Netherlands (-1.0%), Spain (-0.6%) and Austria (-0.1%).

[10] Footfall data include shopping centres accounted for using the equity method (Rosny 2, CentrO, Paunsdorf and Metropole Zlicin), but not Jumbo and Zlote Tarasy as they are not managed by UR. Footfall in UR's 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 H1-2018 reporting period, shopping centres excluded due to delivery or ongoing works were Galerie Gaité, Les Boutiques du Palais, La Part-Dieu, Glòries, Wroclavia, CH Ursynow, Mall of The Netherlands, Pasing Arcaden and Gropius Passagen.
[11] Reference is the CNCC (*Conseil National des Centres Commerciaux*) index.

Tenant sales[12]

UR's tenant sales increased by +2.6% and by +3.2% for Flagship centres, outperforming the aggregate national sales index[13] by +131 bps and +196 bps, respectively.

Region	Tenant Sales Growth (%) (June 2018)	Performance versus National Sales Index (bps)
France	+3.3	+337
Central Europe	+8.7	+515
Spain	+2.1	+62
Nordics	-0.8	-325
Austria	-1.7	-359
Germany	+0.2	-128
Total	**+2.6**	**+131**

- In France, tenant sales increased by +3.3%, outperforming the IFLS index by +337 bps and the CNCC index by +477 bps. The main contributors to sales growth were Carré Sénart (+36.7%), Forum des Halles (+16.3%) and Aéroville (+3.2%). These were partially offset by Rosny 2 (-1.5%) and Les Quatre Temps (-0.6%) which were impacted by major transport strikes (36 days in Q2-2018);

- In Central Europe, tenant sales increased by +8.7%, primarily due to Centrum Chodov (+48.5%) and Wilenska (+5.7%). The introduction of the partial Sunday trading ban in Poland in March 2018 has so far had only a limited impact on UR's prime assets in Warsaw (Arkadia (+2.2%) and Galeria Mokotow (+0.9%));

- Spanish tenant sales grew by +2.1% compared to the national sales index at +1.5%. Strong sales increases in La Vaguada (+11.3%) and Bonaire (+5.1%) were partially offset by Parquesur (+0.5%), La Maquinista (stable) and Splau (-1.0%);

- In the Nordics, tenant sales (-0.8%, or +1.7% excluding Tesla) were impacted by the delivery issues experienced by Tesla, which affected the sales in Mall of Scandinavia and Täby Centrum;

- In Austria, tenant sales (-1.7%) were impacted by the bankruptcy of a major retailer;

- In Germany, tenant sales grew by +0.2%. Strong growth in Paunsdorf Center (+2.9%) and CentrO (+1.7%) was partially offset by Pasing Arcaden (-2.1%) and Ruhr Park (-0.2%).

In terms of sectors, sport (+11.4%), food (+9.9%), dining (+6.2%) and health & beauty (+5.2%) posted the highest sales increases, illustrating the importance of UR's approach to offering visitors a differentiated experience whilst providing a strong convenience offer at the same time. Sales of fashion apparel, the sector with the most GLA within UR (32.1% as at June 30, 2018), were stable at +0.5%, affected by the negative performance of certain retailers. Sales declined in department stores & luxury (-3.6%) and bags, footwear & accessories (-1.0%).

[12] Tenant sales data include shopping centres accounted for using the equity method (Rosny 2, CentrO, Paunsdorf and Metropole Zlicin), but not Jumbo and Zlote Tarasy as they are not managed by UR. Tenant sales performance in UR's shopping centres (except The Netherlands) in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For H1-2018 reporting period, shopping centres excluded due to delivery or ongoing works were Galerie Gaité, Les Boutiques du Palais, La Part-Dieu, Glòries, 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 June 2018: 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 May 2018), 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.

UR's top ten tenants as a percentage of total retail rents

% of total rents	15.2%
Largest tenant	4.9%
Inditex	
H&M	
Mango	
Fnac Darty	
Printemps	
Vivarte	
Sephora	
Foot Locker Inc	
Deichmann	
Media Markt / Saturn	

Leasing

UR signed 641 deals (755), reflecting longer discussions with tenants, with a Minimum Guaranteed Rent uplift[14] of +10.6% (+14.4% in UR's Flagship[15] assets and +13.5% in H1-2017). Excluding the Spanish assets sold in July 2018, the MGR uplift would have been +11.0% for UR.

The rotation rate[16] amounted to 5.9%, in line with UR's objective of at least 10% in every shopping centre every year.

With a strategy based on differentiation and exclusive retail destinations, UR's leasing teams signed 95 leases[17] in standing assets with International Premium Retailers (IPR[18]) (vs. 86[19]). The share of the IPRs in UR's rotation reached 15.3%.

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

- Hugo Boss opening its first Hugo store in Sweden (Mall of Scandinavia);
- Boggi in France (Parly 2) and Germany (Pasing Arcaden);
- Daniel Wellington in Austria (Donau Zentrum) and Germany (CentrO);
- Snipes in France (Rosny 2);
- Gant in Austria (Donau Zentrum);
- Armani Exchange in Poland (Galeria Mokotow).

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

- Hema in Austria (Shopping City Süd);
- Scalpers in The Netherlands (Stadshart Amstelveen);
- Monki in Austria (Donau Zentrum);
- Scotch & Soda in Sweden (Täby Centrum).

Finally, UR continued to strengthen its partnerships by accelerating the expansion of IPRs, such as Lovisa and Calvin Klein Jeans with four new store openings each, and Flying Tiger and Snipes with three stores each.

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

[15] The UR'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.

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

[17] Excluding pipeline.

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

[19] 111 deals signed in total in H1-2017, including 25 deals for pipeline.

Brand Event activities

Specialty leasing revenues amounted to €12.7 Mn (+6.1%), mainly due to a good performance in Central Europe and France.

The specialty leasing teams implemented roadshow events combined with marketing support from impactful brands such as Universal. Major promotional campaigns for the *Jurassic World: Fallen Kingdom* movie took place in three countries:

- Place du Dôme in Les Quatre Temps was set in the colours of the movie. Visitors had a chance to see a life-size T-Rex and take 180° photos that were broadcast in real time on the Digital Dream® screens;
- Mitteldom plaza in CentrO was branded with the Jurassic World theme, welcoming a life-size T-Rex and using the Unexpected Digital Signature;
- Six shopping centres in Spain welcomed the Jurassic World experience, a unique event for VIP customers involving a virtual reality experience.

Innovation

The deployment of Connect, the smartphone application launched in 2016 to communicate directly with all employees working in stores in UR's shopping centres, continued with 45 shopping centres now equipped (compared to 33 as at December 31, 2017). UR is now focusing on developing additional functionalities within the app, e.g. new services for tenants' employees.

UR Link has evolved from a start-up accelerator to an open innovation platform, embracing partnerships not only with start-ups, but also with large corporates and other players. Its mission remains to source innovative solutions, test them through a proof of concept and deploy if the results are conclusive. UR Link initiated four new partnerships in key areas:

- Mobility: with BlaBlaLines, the short-distance car-sharing app of BlaBlaCar, being tested in Rosny 2 and Aéroville;
- Circular economy: with Too Good to Go, a solution to avoid food waste, currently being tested in Euralille, and with Mutum, a solution where peers can lend objects to each other, soon to be tested in the "Click & Services" area of Les Quatre Temps;
- New services: with Neatyy, a marketplace of personal shoppers, now being tested in Parly 2 and Rosny 2.

In addition:

- UR Link was among the ten co-founders of "La Boussole", the French leading initiative launched in April to promote acceleration of start-ups;
- UR operated a stand at Viva Technology, the European leading event for start-ups and innovators, for the third consecutive year.

Marketing and digital

UR's efforts have been focused on pursuing the customer engagement strategy through improved content, stronger loyalty card enrollment and an active CRM strategy.

On the communication and content side, a deal was signed with the Conde Nast Group, publisher of GQ and Vogue among others, to provide exclusive and curated content on the latest fashion, beauty, and design trends. These tailor-made articles will feature on UR's websites, apps, e-mails and social media channels. This program will be tested in France in 2018 and rolled-out in other markets if customer engagement figures prove successful.

On the digital side, UR signed up 1.2 million new customers to its loyalty program, doubling H1-2017 enrollments, reaching a total of 5.3 million members. 95% of these new members came through websites and apps. Strong growth has been achieved through the development of two main channels:

- In-mall Wi-Fi, with ca. 21% of new members (0% in 2017), where customers can enjoy a faster connection and bandwidth when enrolling in the centre loyalty program;
- Digital Media, with over 24% of new members (less than 10% in 2017), through improved social media campaigns.

In H1-2018, the audience on UR's digital channels increased with:

- 26 million web sessions (22 million);
- 6.5 million app sessions (2.2 million) and 336,000 monthly app users on average (154,000).

In addition to the growing app audience, UR also recorded strong satisfaction among the app users: a 90% return rate and a grade of 4.5/5 in the app stores.

UR also reached a new milestone of its "engaging the visitor" strategy, with the goal to better target visitors by providing them with a personalized content based on their interests and shops visited:

- 39 million visitors interacted with digital touchpoints (websites and apps) over the last 12 months;

- 63 shopping centres have been equipped with the Salesforce CRM solution (37 as at December 31, 2017);
- 717 email campaigns launched with 21 million emails sent and an opening rate of 24.1% (vs. 21.9% in H2-2017 and the retail benchmark of 20%) and a click rate of 4.3% (vs. 3.8% in H2-2017 and the retail benchmark of 2.5%).

1.2. Net Rental Income

Total consolidated Net Rental Income (NRI) of the shopping centre portfolio amounted to €710.8 Mn, an increase of +6.1%, mainly due to a strong like-for-like growth of +4.3% and the positive impact of deliveries in Central Europe, France and Spain.

Region	Net Rental Income (€Mn)		
	H1-2018	H1-2017	%
France	320.9	303.2	5.8%
Central Europe	104.2	83.5	24.7%
Spain	81.7	79.5	2.8%
Nordics	73.3	75.2	-2.5%
Austria	54.0	52.1	3.7%
Germany	47.3	47.1	0.4%
The Netherlands	29.5	29.4	0.3%
TOTAL NRI	**710.8**	**670.0**	**6.1%**

Figures may not add up due to rounding.

The total net change in NRI amounted to +€40.8 Mn due to:
- +€26.6 Mn from the delivery of shopping centres or new units, predominantly in Central Europe (mainly Wroclavia, Centrum Chodov and Arkadia), France (mainly the Carré Sénart and Parly 2 extensions and in Les Quatre Temps) and Spain (Glòries) in H2-2017;
- +€0.5 Mn from the acquisition of additional units, mainly in France and Spain;
- -€1.3 Mn due to assets moved to the pipeline, mainly in France and the Nordics, partially offset by The Netherlands;
- -€3.3 Mn due to a negative currency translation effect from SEK;
- -€7.9 Mn due to disposals of assets, mainly in France (the Channel Outlet Stores and L'Usine Roubaix), the Nordics (Eurostop Arlanda, Arninge Centrum and Eurostop Örebro) and Spain (Barnasud);
- +€26.2 Mn of like-for-like growth. This +4.3% like-for-like NRI[20] growth exceeded indexation by +300 bps, at the high end of the Group's objective of like-for-like NRI growth between 200 and 300 bps above indexation. Excluding Spanish assets sold in July 2018, the like-for-like NRI grew by +3.2% in Spain and +4.5% for UR.

Region	Net Rental Income (€Mn) Like-for-like		
	H1-2018	H1-2017	%
France	271.6	258.0	5.3%
Central Europe	85.7	80.4	6.6%
Spain	78.0	76.9	1.4%
Nordics	76.2	71.6	6.5%
Austria	53.5	51.8	3.4%
Germany	47.3	47.1	0.4%
The Netherlands	25.1	25.5	-1.6%
TOTAL NRI Lfl	**637.4**	**611.2**	**4.3%**

Figures may not add up due to rounding.

[20] 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	Total
France	1.1%	1.7%	2.5%	5.3%
Central Europe	1.7%	2.6%	2.4%	6.6%
Spain	1.6%	2.1%	-2.2%	1.4%
Nordics	1.9%	1.0%	3.6%	6.5%
Austria	1.7%	1.1%	0.6%	3.4%
Germany	1.1%	0.4%	-1.2%	0.4%
The Netherlands	0.8%	2.1%	-4.4%	-1.6%
TOTAL	**1.3%**	**1.7%**	**1.3%**	**4.3%**

The +4.3% like-for-like NRI growth (+5.7% for Flagships) reflects indexation of +1.3% (+0.7%), a good performance in renewals and relettings (+1.7% vs. +1.9%) and the positive impact of "Other" (+1.3% vs. +0.8%). The growth in "Other" was due primarily to a decrease in doubtful debtors as receivables were collected, particularly in the Nordics, and an increase in parking income, partially offset by a decrease in Sales Based Rent (SBR). This decrease is mainly due to the Nordics (following very high SBR in 2017 due to the positive impact of the opening of Mall of Scandinavia) and Spain. In The Netherlands, the decrease was attributable primarily to the impact of the reversal of a provision in H1-2017. Across the portfolio, SBR represented 3.0% (€21.6 Mn) of NRI, vs. 3.7% (€24.7 Mn) in H1-2017.

1.3. Leasing activity in H1-2018

UR signed 641 leases on consolidated standing assets (755) for €85.5 Mn of MGR. The average MGR uplift on renewals and relettings was +10.6% (+13.5% in H1-2017), exceeding UR's target for the period. This uplift was primarily due to the reversion in France, Germany and Spain, partially offset by the negative uplift in the Nordics and The Netherlands. The MGR uplift in UR's Flagship assets was +14.4%. Excluding the Spanish assets sold in July 2018, the MGR uplift in Spain would have been +15.8%, and +11.0% for UR.

Region	Lettings / re-lettings / renewals excl. Pipeline				
	nb of leases signed	m²	MGR (€ Mn)	MGR uplift	
				€ Mn	%
France	188	60,012	33.5	4.3	17.4%
Central Europe	123	30,908	14.1	1.2	10.0%
Spain	123	22,416	10.5	1.0	11.4%
Nordics	99	45,634	14.7	- 0.3	-2.6%
Austria	45	15,367	6.3	0.6	11.9%
Germany	42	7,236	4.1	0.5	15.6%
The Netherlands	21	6,528	2.4	-	-0.1%
TOTAL	**641**	**188,101**	**85.5**	**7.3**	**10.6%**

MGR: Minimum Guaranteed Rent
Figures may not add up due to rounding.

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

As at June 30, 2018, the total annualized MGR from UR's shopping centre portfolio increased to €1,358.0 Mn (€1,341.2 Mn as at December 31, 2017).

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	30.2	2.2%	30.2	2.2%
2018	85.4	6.3%	54.8	4.0%
2019	296.0	21.8%	114.5	8.4%
2020	285.4	21.0%	130.6	9.6%
2021	239.7	17.7%	121.9	9.0%
2022	145.3	10.7%	174.7	12.9%
2023	90.0	6.6%	140.3	10.3%
2024	42.6	3.1%	85.8	6.3%
2025	45.1	3.3%	119.0	8.8%
2026	21.0	1.5%	88.7	6.5%
2027	16.2	1.2%	94.5	7.0%
2028	14.0	1.0%	50.4	3.7%
Beyond	47.0	3.5%	152.6	11.2%
TOTAL	**1,358.0**	**100%**	**1,358.0**	**100%**

Figures may not add up due to rounding.

The Estimated Rental Values (ERV) of vacant space in operation on the total portfolio decreased to €36.9 Mn (from €37.8 Mn as at December 31, 2017).

The EPRA vacancy rate[21] decreased to 2.3% as at June 30, 2018 (2.4% as at December 31, 2017). The decrease is mainly due to The Netherlands, the Nordics (lettings in Täby Centrum, Solna and Nacka) and France (lettings in Le Forum des Halles, Aéroville and Carré Sénart). The increase of vacancy in Central Europe, Austria and Germany was due primarily to the eviction of a number of tenants and bankruptcies.

Region	Vacancy (June 30, 2018)		% Dec. 31, 2017
	€Mn	%	
France	18.8	2.6%	2.8%
Central Europe	1.4	0.7%	0.4%
Spain	2.0	0.9%	1.0%
Nordics	5.7	3.6%	4.2%
Austria	2.2	1.9%	1.0%
Germany	3.7	3.3%	2.6%
The Netherlands	3.1	5.6%	6.5%
TOTAL	**36.9**	**2.3%**	**2.4%**

Excluding pipeline

Figures may not add up due to rounding.

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

The OCR[22] for UR was 15.2% (15.1% as at December 31, 2017).

Region	OCR	
	H1-2018	2017
France	15.5%	15.4%
Central Europe	16.7%	16.4%
Spain	13.1%	13.1%
Nordics	15.2%	15.4%
Austria	17.0%	16.7%
Germany	13.6%	13.6%
The Netherlands (1)	-	-
TOTAL	**15.2%**	**15.1%**

(1) Tenant sales not available in The Netherlands.

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

The table below contains quantitative data used by UR's appraisers, and disclosed in the *"Property portfolio and Net Asset Value"* note provided pursuant to IFRS 13.

Shopping Centres - June 30, 2018		Rent in € per sqm (a)	CAGR of NRI (b)
France	Max	882	9.1%
	Min	160	1.2%
	Weighted average	516	4.2%
Central Europe	Max	587	3.0%
	Min	210	2.2%
	Weighted average	392	2.5%
Spain	Max	814	3.8%
	Min	122	1.6%
	Weighted average	330	3.1%
Nordics	Max	462	4.9%
	Min	191	2.1%
	Weighted average	373	3.1%
Germany	Max	481	3.7%
	Min	244	2.1%
	Weighted average	311	3.0%
Austria	Max	396	2.9%
	Min	375	2.5%
	Weighted average	385	2.7%
The Netherlands	Max	413	3.7%
	Min	172	2.8%
	Weighted average	273	3.0%
UNIBAIL-RODAMCO	**Max**	**882**	**9.1%**
	Min	**122**	**1.2%**
	Weighted average	**408**	**3.4%**

(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).

[22] 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 are estimates.

2. Offices

2.1. Office property market in H1-2018

Unless otherwise indicated, all references to take-up, vacancy, investment transaction, rents and leasing relate to the period ended June 30, 2018, and comparisons relate to the same period last year.

Take-up

With take-up of 1.3 million[23] m² in H1-2018, +23% vs. the 10-year average, demand in the Paris region remained at its highest level since 2007.

There was a particularly strong increase in transactions over 5,000 m², totaling 519,000[24] m², up by +18%. Five transactions over 20,000 m² were signed, comprising 207,000 m² in total. The small and medium-size segment remained strong as well, totaling 756,000 m², an increase of +7%.

Take-up in the Paris Central Business District (CBD) was 221,000 m², +21% above the 10-year average. The La Défense market saw a take-up of 73,300 m² (-4%).

Available supply

The available supply in the Paris region declined by -9% from December 2017, to 3.1 million m², of which 15.3% was new or refurbished as new buildings.

The vacancy rate in the Paris region decreased further to 5.7%[24] (6.5% as at December 31, 2017).

The differences remain significant between sub-markets, the vacancy rate being around 2.2% in the Paris CBD and 5.0% in La Défense.

Rental values

Rental values remained at a high level in the Paris Region, especially in the Paris CBD, where prime rents stood at around €800/m².

In La Défense, prime rents were stable due to the lack of lettings of new or refurbished offices (representing only 4% of available supply). The highest rent (€530/m²) was recorded in the refurbished Carré Michelet.

The average level of incentives for new office lettings above 1,000 m² in the Greater Paris Region decreased marginally to 21% (approximately 1% less than in H2-2017).

Investment market

The total volume of transactions in the Paris region was €8.1[25] Bn, up +75%. The volume was driven by large transactions, with deals above €100 Mn accounting for 74% of total investments.

Demand remains underpinned by domestic players, mainly investment funds. Paris was the main target of investors and represented more than half of the transactions.

In the Paris CBD, two transactions over €300 Mn each (Coeur Marais and Marché Saint-Honoré) were recorded, confirming the level of prime office yields at 3.00-3.25%. Prime office yields in La Défense were stable vs. H2-2017 at around 4.00-4.25% (no prime transactions occurred in La Défense during H1-2018).

2.2. Office division activity in H1-2018

Consolidated NRI amounted to €72.8 Mn, a +4.6% increase due primarily to good leasing activity, partially offset by the impact of disposals made in 2017.

[23] Source: Immostat.
[24] Source: BNP Paribas Real Estate.
[25] Source: Cushman & Wakefield and Immostat, Q2-2018.

Region	Net Rental Income (€Mn)		
	H1-2018	H1-2017	%
France	63.8	60.7	5.2%
Nordics	6.1	6.2	-2.2%
Other countries	2.9	2.7	6.6%
TOTAL NRI	**72.8**	**69.6**	**4.6%**

Figures may not add up due to rounding.

The increase of +€3.2 Mn breaks down as follows:

- +€1.8 Mn mainly due to indemnities received from tenants in Le Sextant;
- -€0.2 Mn due to currency effects in Sweden and other minor effects;
- -€7.0 Mn mainly due to the disposal of So Ouest Plaza in October 2017 and the Arlanda hotel in the Nordics in August 2017;
- The like-for-like NRI growth was +€8.6 Mn (+14.4%) mainly due to good leasing performance, indemnities received in France and less vacancy costs.

Region	Net Rental Income (€Mn) Like-for-like		
	H1-2018	H1-2017	%
France	58.9	51.6	14.2%
Nordics	6.4	5.5	17.4%
Other countries	2.7	2.5	11.3%
TOTAL NRI Lfl	**68.1**	**59.5**	**14.4%**

Figures may not add up due to rounding.

18,528 weighted square meters (wm²) were leased in standing assets, including 9,808 wm² in France.
In addition, the lease agreement with Nestlé for the entire 43,293 wm² Shift building was signed.

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	1.2	0.7%	1.2	0.7%
2018	7.2	4.3%	5.1	3.0%
2019	34.8	20.8%	21.8	13.0%
2020	12.7	7.6%	5.8	3.5%
2021	11.9	7.1%	4.5	2.7%
2022	9.2	5.5%	6.4	3.8%
2023	9.7	5.8%	15.8	9.4%
2024	2.1	1.3%	5.1	3.0%
2025	41.3	24.6%	11.9	7.1%
2026	5.0	3.0%	8.7	5.2%
2027	5.0	3.0%	27.0	16.1%
2028	17.4	10.4%	38.3	22.9%
Beyond	10.1	6.0%	16.1	9.6%
TOTAL	**167.6**	**100%**	**167.6**	**100%**

Figures may not add up due to rounding.

ERV of vacant office space in operation amounted to €8.2 Mn as at June 30, 2018, corresponding to a financial vacancy[26] of 4.6%, stable compared to December 31, 2017, of which €5.4 Mn or 3.5% (3.3% at year-end 2017) was in France. The slight increase in France is mainly due to the acquisition of offices in the Rosny 2 co-ownership and to newly vacant units in Les Villages.

3. Convention & Exhibition

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

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

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

H1-2018 has been characterized by the following shows:

Annual shows:
- The 55th edition of the International Agriculture show ("SIA") attracted 672,600 visitors, +8.7% vs. 2017;
- The January 2018 edition of Maison & Objet welcomed 89,500 visitors, + 4% vs. January 2017;
- The 3rd edition of Vivatech attracted over 100,000 visitors (+47% vs. 2017) of more than 125 nationalities.

Biennial show:
- The 26th edition of Eurosatory, the Land and Airland Defence and Security Exhibition, attracted 57,000 visitors. With 1,802 exhibitors, +15% compared to 2016, it maintained its position as the leading international exhibition in its field.

Triennial show:
- One of the world's leading shows, the International Exhibition for Equipment and Techniques for Construction and Materials Industries ("INTERMAT") attracted more than 173,000 visitors, including 30% from outside France from 160 countries.

Following the opening of the Paris Convention Centre in H2-2017, several large corporate events took place during H1-2018, including the Google Cloud Summit, with 2,500 participants, and the International Microsoft Tech Summit.

In the congresses segment, the Paris Convention Centre hosted the annual EASL (the European Association for Study of the Liver) congress, which attracted ca. 10,000 delegates and 250 media representatives from all over the world. The ISMRM (International Society for Magnetic Resonance in Medicine) congress welcomed 7,000 professionals, +20% vs. the 2017 edition in Hawaii.

In total, 407 events were held in Viparis venues during H1-2018, of which 146 shows, 45 congresses and 216 corporate events.

Viparis's EBITDA[27] came to €78.5 Mn, an increase of +€9.6 Mn (+13.9%) compared to H1-2016. Adjusted for the impact of the triennial Intermat exhibition, the growth was +2.6%, mainly explained by the revenue growth in the congress segment (+19.8%).

The second phase (2017-2019) of renovation works on the Porte de Versailles site continued, with the construction of the new Pavilion 6 and two new hotels (Novotel & Mama Shelter) scheduled to open in H2-2019.

The NRI from hotels amounted to €3.5 Mn for the period, compared to €7.6 Mn in H1-2017, mainly due to the closure in August 2017 of the Pullman Montparnasse hotel for renovation works.

[26] EPRA Vacancy rate = Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces.
[27] EBITDA (Viparis): "Net rental income" and "Other site property services operating result" + "Recurring contribution of affiliates" of Viparis venues.

4. Westfield business review

This section provides an overview of the most significant business events for WFD during H1-2018. While the Group's consolidated accounts reflect WFD's activity only from June 1, 2018, in this section references are to events over the entire 6-month period ended June 30, 2018, and comparisons relate to the same period last year.

4.1. United States

Economic environment

At a macroeconomic level, key US indicators appear healthy. The economy is expected to grow by an average of +3.1% (real GDP) in 2018 and 2019 and is likely to see wage growth and higher producer prices, signaling firming inflation.[28] The economy is at or near full employment, thought to be around 4.6% in the US.[29] The unemployment rate as at July has moved to 3.9% and is expected to remain low through 2019[30]. However, the US 10-year Treasury yield has risen +50 bps this year, with the Federal Reserve raising rates twice and two more increases expected in 2018. In addition, political uncertainty, including potential trade disruption due to tariffs, could impact the economy and constitutes the key risk to the outlook.

Tenant Sales[31]

Tenant sales in the US portfolio grew by +2.5%, and +3.6% for the Flagship centres[32]. Specialty tenant sales per square foot (psf) increased by +4.9%[33] to June 30, 2018, on a trailing 12-month basis, of which +5.7% in Flagship centres. For the six months to June 30, 2018, specialty sales psf showed an improving trend: +7.7% overall, and +8.4% in Flagships. Luxury sales were strong, up +13.1% psf on a rolling 12-month basis and +20.8% for the six months to June 30.

Although not yet comparable, the recent deliveries performed strongly, with YTD tenant sales[34] growth of +109% at Westfield Century City, +28% at Westfield UTC and +22% at Westfield World Trade Center. Despite on-going works, Westfield Valley Fair saw sales growth of +8%.

Leasing activity, Occupancy and Comparable Net Operating Income (NOI)[35]

WFD signed 341 new leases (394), a decrease primarily due to the impact of a high number of development related signings in H1-2017 (94 vs. 43 in H1-2018).

Notable retailers to sign a new commitment for stores to open at the Group's centres include:

- Hermès in Westfield UTC;
- Seaquest Interactive Aquariums (a new concept of interactive sea-life immersion), in Westfield Sunrise and Westfield Trumbull;
- James Perse (designer clothing, bags and furniture) in Westfield UTC;
- 85°C Bakery Café in Westfield Century City, Westfield Fashion Square and Westfield UTC;
- Stance in Westfield Century City and Westfield UTC;
- Sugar Factory ("the most Instagrammed restaurant in America"[36]) in Westfield Century City;
- The Hampton Social in Westfield Old Orchard;
- Rosa Cha and John John (1st US market entry for these lifestyle fashion brands, with 308 stores Brazil) in Westfield Century City;
- Ted Baker London and John Varvatos deals in Westfield San Francisco Centre;
- Adidas, for a flagship store at Westfield Century City;
- Warby Parker at Westfield Garden State Plaza.

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28 The Conference Board, "The Conference Board Economic Forecast for the U.S. Economy", July 11, 2018.
29 Congressional Budget Office estimate of long-term NAIRU.
30 The Balance, "US Economic Outlook: For 2018 and Beyond", July 11, 2018.
31 Sales growth and specialty tenant sales growth per square foot is for centres in operation and excludes new brownfield deliveries, acquired assets and assets under heavy refurbishment (in line with the UR methodology), such as Westfield Century City, Westfield UTC and Westfield Valley Fair.
32 Sales data is year-to-date through June 2018. Tenant sales data reflects specialties and mini-majors (tenants >10K sq. ft, but not anchors).
33 Calculated on the basis of sales psf for specialty tenants, being stores with <10K sq. ft (ca. 929m m^2).
34 For mini-majors and specialty tenants.
35 Comparable NOI is based on Net Operating Income before management fees, termination / settlement income and straight-line adjustments, and excluding one-offs. For comparability, recent project deliveries or centres undergoing significant development works are excluded.
36 Business Insider, October 30, 2017.

The average rental spread was +6.9%, of which +7.6%[37] for the Flagship assets. The average rent[38] for shops under 20K sq. ft (ca. 1,858m^2) grew by +4.2% to \$84.91 psf (ca. €781/m^2), and by +4.1% for the Flagship centres to \$105.64 psf (ca. €971/m^2).

As at June 30, occupancy[39] stood at 94.3%, a decrease of -140 bps since December 31, 2017. For the Flagship centres, occupancy was 95.5% (-130 bps)[40]. Occupancy in the period was particularly impacted by bankruptcies including Claire's, A'Gaci, Charming Charlie and The Walking Company, as well as the closure of Best Buy and Pirch at Westfield Garden State Plaza. Several department store redevelopments are planned for 2019/2020 to enhance centres which have seen a rise in vacancy, such as Westfield Annapolis or to further strengthen high performing assets such as Westfield Garden State Plaza.

Comparable NOI growth in the US was down -3.0%, of which -2.6% in the Flagship assets. The decrease was due primarily to the increase in vacancy and the absorption by WFD of the common area maintenance charge for that vacant space. However, several Flagship centres such as Westfield Century City, Westfield UTC and Westfield World Trade Center are not included in the comparable NOI. Reflecting the contribution of these projects, total NOI in the US was up +6.1%.

Occupancy costs as a percent of sales for specialty tenants declined by -20 bps to 14.5% within the Flagship assets and declined by -30 bps to 13.8%[41] in the Regional portfolio, as compared to December 31, 2017.

4.2. United Kingdom

Economic environment

The economy continued to show positive growth, albeit more slowly than last year. Overall GDP growth is expected to reach 1.4% in 2018 (1.8% in 2017). The unemployment rate as at June 2018 stands at its lowest level since 1975 at 4.0%, -0.4% lower than June 2017. The key variable for the forecasts is the on-going Brexit process. It is unclear under what conditions the UK will leave the European Union in March 2019. Political uncertainty also remains elevated.

Footfall

Footfall was up +3.7%, driven by the opening of the extension of Westfield London in March 2018 (+5.3%), whilst Westfield Stratford City was also up (+2.8%), largely due to increased traffic to events at the London Stadium and Queen Elizabeth Olympic Park.

Tenant Sales

Overall tenant sales in the UK centres were down by -0.5%, slightly better than the market, partly due to Zara closing its store at Westfield Stratford City to create a state of the art flagship store of almost 50,000 sq. ft, integrating a suite of online and digital tools to create a seamless physical and digital experience for its customers. The VISA UK consumer spending index was down by -0.7%.[42] For specialty tenants, sales psf decreased by -1.8% in H1-2018. Strong growth in jewelry (+7.8%) was offset by a decline in general retail (-11.5%) and leisure (-3.1%). While overall sales at Westfield London grew +2.2%, specialty sales psf fell -3.4% as a result of the opening of the first phase of the new extension in March, with larger stores. For the trailing 12-months to June 2018, specialty sales psf were up +0.2%.

Leasing activity, Occupancy and Comparable NOI

WFD signed 49 leases (70), a decrease primarily due to the timing of the leasing cycle at Westfield Stratford City. In addition, a further 47 development leases were signed in the period in relation to Westfield London.

The average MGR uplift was +17.0%. The average rent for shops under 20 K sq. ft (ca. 1,858 m^2) decreased by -0.6%, compared to June 2017, to GBP 119.25 psf (ca. €1,448/m^2), primarily due to the opening of larger units in the Westfield London extension.

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[37] For the US portfolio, the rental spread reflects the average increase in total rent inclusive of base rent and common area maintenance charges.
[38] Comprising base rent and share of common area maintenance charges.
[39] Vacancy based on unleased space on a square foot basis, excluding development space, and including temporary leasing.
[40] Financial vacancy (reflecting the base rent and common area maintenance charge of vacant space as a percentage of that amount plus the current actual rent and common area charges) at June 30, 2018 was 9.3% in the Flagship centres and 12.0% in the Regional portfolio.
[41] Calculated for tenants with <20K sq. ft of space. Occupancy cost is based on total rent, including common area maintenance charges.
[42] Based on spending on all Visa debit, credit, prepaid cards. Source: Hammerson HY-2018 results.

Occupancy stood at 97.7%, a decrease of -70 bps from December 31, 2017, primarily driven by tenant relocations in Westfield London.[43]

Comparable NOI in the UK grew by +6.7%.[44]

Despite a sizeable number of UK retailers entering into a Company Voluntary Arrangement (CVA) procedure, only three stores within Westfield London and Westfield Stratford City saw an impact on rent (GBP 1.1 Mn in total, on an annual basis) as a result, with a further nine stores seeing no impact, out of a total of 790 stores in the two centres.

Occupancy costs as a percent of sales for specialty tenants increased by +160 bps to 20.1%.[45]

Since the opening of the extension of Westfield London in March 2018, a variety of new premium retailers, including John Lewis, Primark, Putt-Shack, West Elm, Stradivarius, Ichiba (the largest Japanese food hall in Europe) and Flying Tiger, have opened stores.

4.3. Brand Events and Marketing

<u>Brand Event activities</u>

Brand ventures, media and specialty leasing revenues increased by more than 20%, primarily driven by increased media revenue from the internalization and roll out of a digital media screen network in 2017 in the US. In total, the roll-out has now been extended to 17 centres, including 14 out of the 15 Flagships.

Significant events included:

- Louis Vuitton showcased rare and celebrated objects from the Louis Vuitton archive at Westfield Century City;
- Kim Kardashian West had her first-ever KKW Beauty pop-up shop at Westfield Century City selling cosmetics, beauty, and skincare products;
- The new Westfield Square screens at Westfield London were used to promote Samsonite and a launch campaign for Adidas, among others;
- At Westfield Stratford City, the North gallery was transformed into a Samsung Studio;
- The UK centres also hosted The Void, a multi-sensory Star Wars experience.

<u>Marketing and digital</u>

As a result of on-going promotion of centre events and a continuous social media presence, the number of digital subscribers rose to 1.5 million in the US (+49%) and to 1.5 million in the UK (+36%). In the UK, WFD had 50,000 Instagram followers and 2.8 million Wi-Fi users, an increase since H1-2017 of +16.5% and +7.6%, respectively.

Other key marketing highlights for the period include:

- Nine awards were received at the 2018 International Council of Shopping Centers (ICSC) leasing convention, including six gold medals at the MAXI Awards, which recognize innovative shopping centre events, programmes or technologies;
- At Westfield London, WFD completed a Food / Health & Wellness campaign featuring Joe Wicks and Miss Piggy, which was activated in the centre through a Joe Wicks pop-up café and health and wellness classes.

4.4. Extension, renovation and brownfield projects

Key projects in H1-2018 included:

- Westfield Century City: Since opening in October 2017, the redeveloped centre is already seeing tenant sales[46] growth of +42% through June 30, 2018 compared to H1-2015 (prior to the project). Key food destinations, Eataly and Javier's, are performing very well with Eataly opening their rooftop terrace in late March 2018. Other key openings included Din Tai Fung (10,800 sq. ft) and St. Marc (8,000 sq. ft), in March and April, respectively. As a result of the project, space dedicated to fashion has decreased by -17%, while the total space for dining, leisure and health and beauty has increased by +11%.

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[43] Vacancy based on unleased space on a square foot basis, excluding development space. Financial vacancy (reflecting the base rent of vacant space as a percentage of the ERV) in the UK was 4% as at June 30, 2018.
[44] Excluding Westfield London, which was impacted by the development project. Comparable NOI is based on Net Operating Income before management fees and excluding one-off items such as termination/settlement income and straight-line adjustments.
[45] Calculated for tenants with <20K sq. ft of space. Occupancy costs reflect base rent plus business rates as a percent of sales.
[46] For mini-majors and specialty tenants.

A total of 26 further stores will open by December 2018, including the 20,000 sq. ft Anthropologie and a large format H&M store.

- Westfield UTC: The extension project opened in November 2017, and the H1-2018 figures already show substantial growth with tenant sales[47] through June 30, 2018 growing by +26% compared to H1-2015 (prior to the project). The new Nordstrom has been particularly successful. Future openings will enhance the food offering, with a new 9,900 sq. ft Din Tai Fung opening in Q3-2018 and the 8,900 sq. ft Javier's opening in Q4-2018. Overall, the food offering at UTC has expanded from 17% to 25% of total space. In addition, a large format H&M store will also open.

- Westfield Garden State Plaza: a complete large scale renovation project, including upgrade of all IT and digital infrastructure, will be inaugurated in Q3-2018. The JC Penney department store was acquired to be redeveloped to enable the further expansion of offers in the luxury, youth and fast moving fashion sectors.

- Westfield Valley Fair: Construction is progressing well on the extension and renovation project. The ShowPlace ICON Theatre is expected to open in Q4-2018, in line with the completion of the extensive refurbishment of the existing part of the centre. Despite on-going works, the centre continues to perform well with tenant sales through June 30, 2018 up by +8%. Several key food related signings have been made, including the 14,500 sq. ft Del Frisco's Double Eagle Steak House and the 3,000 sq. ft Shake Shack.

- Westfield World Trade Center: New brands opened in the Oculus (Phase 1), including Ugg and Casper, which are performing well. Planned larger scale events are being developed to activate the Oculus floor, to help drive awareness and dwell time. The delayed opening of the important 1-line connection to WTC will occur in Q3-2018 further increasing customer flow to important sections of the asset.

- Westfield London: Since the opening of the extension on March 20, 2018, footfall for the centre has grown +11% compared to the same period in 2017. Overall, 92% of the extension is let. John Lewis is trading in line with expectations and the 70,000 sq. ft Primark opened as planned at the end of June. The food and leisure offering has also been enhanced with the opening of Ichiba, the largest Japanese food hall in Europe, and the new leisure concepts Putt-Shack and All Star Lanes. The extension has also created a new homeware hub, with new retailers including West Elm, Bo Concept, Raft, DFS, Heal's and the soon to open Habitat.

4.5. Integration

To manage the integration process, URW has set up an Integration Management Office (IMO), led by the Group Chief Resources Officer and the Group Chief Financial Officer with the support of McKinsey & Company. The integration is being managed through dedicated workstreams, involving representatives from both organizations. Before the closing of the transaction, the IMO focused on two main objectives: ensuring business continuity upon completion of the transaction, and defining the fundamentals of the future organization of the Group, including governance principles and key decision-making processes. Following the completion of the transaction, the IMO has deployed dedicated efforts to lead the integration of the US and the UK businesses, aiming at defining a new operating model based on the strengths of both organizations, and enabling the synergies and expected benefits of the transaction.

Since the closing of the WFD transaction on June 7, 2018, significant progress has been made to integrate UR and WFD:

- Nomination of Senior Management Team and corporate roles;
- New governance systems put in place;
- New corporate identity and branding created;
- Organization and target operating model identified;
- Talent retention plan implemented;
- Cultural diagnostic initiated.

The objectives for H2-2018 are focused on three main areas:

- **Operating**: establishing the operating management function in the US and UK, preparing a 5-year business plan for all assets, preparing the roll-out of the Westfield brand in Continental Europe, integrating digital, brand ventures and international leasing, and reviewing major developments;
- **Capital**: an in-depth portfolio review, progress on disposal plans, realizing planned synergies, and active debt management;
- **Organization**: integrating IT and other corporate functions, implementing the organizational model, and the ramp down of the Sydney headquarters.

[47] For mini-major and specialty tenants.

III. Corporate social responsibility ("CSR")

The following section relates to the UR perimeter only.

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

In 2016, UR took up a new long-term challenge, "Better Places 2030", with a set of ambitious and tangible objectives to be achieved by 2030. This roadmap is structured around one main target: reduce UR's carbon footprint by -50% in 2030 (vs. 2015). In doing so, UR was the first listed real estate company to incorporate CSR into its entire value chain and address the wide scope of indirect carbon emissions resulting from construction works, transportation, and energy consumption by tenants. In order to ensure the achievement of "Better Places 2030", a clear governance has been set up, both at strategic and operational levels across the Group.

"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 UR's business activities with the local communities. UR also develops a favorable CSR ecosystem through open partnerships with NGOs, major cities, large corporates and start-ups.

As at June 30, 2018, the main achievements on the four pillars of "Better Places 2030" are:

- **Pillar 1 - "Better buildings"**
  - 100% of development projects have conducted a Life Cycle Assessment analysis in the design phase (80% in 2017);
  - All UR regions are now supplied with Green Electricity[48];
  - 55 LED partnerships were signed, bringing the total to 24.8% of total retail GLA covered[49] (15.6% as at December 31, 2017);
  - UR continued its programme of environmental asset certification:
    - For its development projects, one new post-construction BREEAM Excellent certificate was obtained for Mall of Scandinavia, and four new design state BREEAM Excellent certificates were obtained for Gaîté Montparnasse offices and retail, Trinity and Versailles Chantiers;
    - For its standing portfolio, UR had 51 owned and managed shopping centres certified BREEAM In-Use in Continental Europe, of which 63% rated "Outstanding" for "Building Management (Part 2)", representing 3.1 million m² of total GLA.

- **Pillar 2 - "Better connectivity"**
  - 96% of UR's standing assets[50] are now equipped with electric vehicle charging spaces;
  - 35 shopping centres have engaged in Mobility Action Plans to improve access through sustainable transportation and reduce the associated carbon footprint (public transportation, car sharing, bicycles) after a first pilot phase with three assets in 2017.

- **Pillar 3 - "Better communities"**
  - "UR for Jobs" programme: during H1-2018, this initiative aimed at creating job opportunities for young people was conducted in 18 shopping centres. For the three shopping centres for which final data are available, 54 initial job and training placements were provided by UR's tenants and suppliers;
  - "Solidarity Days": eight initiatives took place in close partnership with NGOs, such as UNICEF and Childhood;
  - 533 of UR's employees (more than one third of the total employees excluding Viparis) dedicated at least one day to volunteer for one of these initiatives.

[48] In the common areas of owned and managed shopping centres.
[49] For owned and managed assets.
[50] For the shopping centres for which UR owns and manages the car parks.

- **Pillar 4 - " Better Collective Power"**
  - In addition to the CSR objectives included since January 2017 in the Short Term Incentive objectives of UR's Management Board and leadership teams, individual CSR objectives have now been extended to all employees;
  - UR also leveraged UR Link, its open-innovation platform, to identify innovative CSR solutions regarding food waste, urban farming or the circular economy.

UR was reconfirmed in the main ESG indices for 2018: Euronext Vigeo indices (World 120, Eurozone 120, Europe 120 and France 20), the FTSE4Good Index series, the Ethibel Sustainability Index (ESI) Excellence Europe / Excellence Global and the Ethibel Pioneer / Excellence Investment Registers. UR's comprehensive CSR agenda has once again been recognized by equity and debt investors as a value creation driver for its stakeholders.

Finally, in June 2018, for its first ESG post-closing rating by ISS-Oekom as URW, the Group was rated B-, the highest rating among real estate companies assessed worldwide.

IV. H1-2018 RESULTS

The results of the Group presented below are based on the Consolidated statement of comprehensive income prepared according to IFRS, under which certain property investments held in joint-ventures are accounted for using the equity method. These results include WFD's results since June 1, 2018.

Unless otherwise indicated, all references below relate to the period ended June 30, 2018, and comparisons relate to the same period last year.

Gross rental income

The Gross Rental Income (GRI) of URW amounted to €989.4 Mn (€908.2 Mn), an increase of +8.9%. This growth results mainly from the acquisition of WFD (+€49.1 Mn, corresponding to one month of GRI[51], which includes the US common area maintenance charges billed to tenants) and from the growth in the retail segment of UR (+4.3%), due to deliveries and a strong like-for-like growth, partially offset by the negative impact of disposals.

Region	Gross Rental Income (€Mn)		
	H1-2018	**H1-2017**	**%**
France	346.4	336.1	3.1%
Central Europe	105.1	84.6	24.2%
Spain	90.6	87.9	3.1%
Nordics	77.2	82.9	-6.9%
Austria	55.9	53.5	4.5%
Germany	50.3	49.9	0.8%
The Netherlands	34.4	33.5	2.6%
Sub-Total UR - Retail	**759.9**	**728.4**	**4.3%**
Offices UR	75.4	73.5	2.5%
C&E UR	99.1	96.2	3.1%
Hotels UR	5.9	10.1	-41.6%
Sub-Total UR	**940.3**	**908.2**	**3.5%**
United States	38.5	-	-
United Kingdom	10.6	-	-
Sub-Total WFD	**49.1**	**-**	**-**
TOTAL URW	**989.4**	**908.2**	**8.9%**

Figures may not add up due to rounding.

[51] As a result of WFD's joint-ventures, a significant portion of its activities are reflected in "Share of the result of companies accounted for using the equity method".

Net rental income
The Net Rental Income (NRI) of URW amounted to €860.6 Mn (€794.3 Mn), an increase of +8.3%. This growth is a result of the growth in the retail segment of UR (+6.1%), due to deliveries and a strong like-for-like growth, partially offset by the negative impact of disposals, and of the acquisition of WFD (+€27.3 Mn, corresponding to one month of NRI).

Region	Net Rental Income (€Mn)		
	H1-2018	H1-2017	%
France	320.9	303.2	5.8%
Central Europe	104.2	83.5	24.7%
Spain	81.7	79.5	2.8%
Nordics	73.3	75.2	-2.5%
Austria	54.0	52.1	3.7%
Germany	47.3	47.1	0.4%
The Netherlands	29.5	29.4	0.3%
Sub-Total UR - Retail	**710.8**	**670.0**	**6.1%**
Offices UR	72.8	69.6	4.6%
C&E UR	46.3	47.1	-1.7%
Hotels UR	3.5	7.6	-54.1%
Sub-Total UR	**833.4**	**794.3**	**4.9%**
United States	19.9	-	-
United Kingdom	7.4	-	-
Sub-Total WFD	**27.3**	**-**	**-**
TOTAL URW	**860.6**	**794.3**	**8.3%**

Figures may not add up due to rounding.

Net property development and project management income was €5.1 Mn, as a result of URW's design, development and construction activity.

Net property services and other activities income from property services companies in France, US, UK, Spain and Germany was €48.1 Mn (€39.4 Mn), an increase of +€8.7 Mn mainly due to the increase in the C&E services activity and the impact of the acquisition of WFD.

Contribution of companies accounted for using the equity method
The Contribution of companies accounted for using the equity method[52] amounted to €80.7 Mn (€50.2 Mn), an increase of €30.6 Mn, of which €28.7 Mn due to the acquisition of WFD, which operates a significant number of assets through joint-ventures. The contribution of these joint-ventures are for the month of June, and do not include valuation movements (following the market valuation of all of WFD's assets as at May 31, 2018).

[52] Contribution of companies accounted for using the equity method represents URW'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.

Region	Contribution of companies accounted for using the equity method (€Mn)						
	H1-2018 Recurring activities	H1-2018 Non-recurring activities	H1-2018 Total	H1-2017 Recurring activities	H1-2017 Non-recurring activities	H1-2017 Total	Change
France	4.1	2.4	6.6	4.0	4.6	8.6	-2.1
Central Europe	26.4	1.9	28.3	22.8	0.3	23.2	5.2
Spain	0.1	1.0	1.1	0.1	0.1	0.2	0.9
Germany	14.4	1.5	15.9	14.6	3.5	18.1	-2.2
The Netherlands	-	-	-	-	-0.1	-0.1	0.1
Sub-Total UR - Retail	**45.1**	**6.8**	**51.9**	**41.6**	**8.5**	**50.1**	**1.8**
Offices UR	-	-	-	-	-0.1	-0.1	-
C&E UR	0.1	-	0.1	0.3	-0.2	0.1	n.m
Sub-Total UR	**45.2**	**6.8**	**52.0**	**41.9**	**8.3**	**50.2**	**1.9**
United States	23.2	-	23.2	-	-	-	23.2
United Kingdom	5.5	-	5.5	-	-	-	5.5
Sub-Total WFD	**28.7**	**-**	**28.7**	**-**	**-**	**-**	**28.7**
TOTAL URW	**73.9**	**6.8**	**80.7**	**41.9**	**8.3**	**50.2**	**30.6**

Figures may not add up due to rounding.

Administrative expenses amounted to -€62.7 Mn (-€54.7 Mn), an increase mainly due to the acquisition of WFD. As a percentage of NRI from shopping centres and offices, administrative expenses were 7.7% (7.5%).

Acquisition and related costs amounted to -€214.7 Mn, of which -€105.3 Mn were incurred by UR (financial and legal advisory fees, including VAT) and -€108.7 Mn by WFD (redundancy and other employee related costs as well as the costs associated with the accelerated vesting of the WFD employee share plan). In 2017, UR and WFD collectively booked as expenses -€68.0 Mn of WFD related transaction costs.
In addition, -€80.9 Mn of financial advisory and legal fees paid by WFD were included in the opening balance sheet of WFD as at May 31, 2018.

Lastly, UR paid -€94.7 Mn to hedge the USD cash component of its offer for WFD, of which -€47.3 Mn was registered in 2017 in "Fair value adjustments of derivatives and debt" in its 2017 financial accounts and -€47.4 Mn was accounted for in the purchase consideration in 2018. The fair value gain on the hedge was +€159.6 Mn and was accounted for in the purchase consideration in 2018. The net gain in cash resulting from the FX hedge was +€64.9 Mn.

Consequently, the aggregate amount of expenses associated with the WFD transaction were -€457.6 Mn, or -€392.7 Mn after taking into account the cash gain on the FX hedge.

Result on disposal of investment properties was -€1.2 Mn in H1-2018, (€1.2 Mn), resulting mainly from minor adjustments from previous year disposals.

Valuation movements on assets amounted to +€335.4 Mn, (+€1,073.2 Mn), and break down as follows:

Region	Valuation movements on assets (€Mn)		
	H1-2018	**H1-2017**	**Change**
France	31.5	397.4	- 365.8
Central Europe	119.0	136.0	- 17.0
Spain	22.0	128.0	- 106.1
Nordics	16.3	45.7	- 29.4
Austria	18.5	22.5	- 4.0
Germany	19.3	17.4	1.9
The Netherlands	- 43.6	- 10.3	- 33.2
Sub-Total UR - Retail	**183.0**	**736.6**	**- 553.6**
Offices UR	181.5	246.3	- 64.8
C&E UR	- 27.9	91.5	- 119.4
Services UR	- 1.2	- 1.2	- 0.0
Sub-Total UR	**335.4**	**1,073.2**	**- 737.9**
United States	-	-	-
United Kingdom	-	-	-
Sub-Total WFD	**-**	**-**	**-**
TOTAL URW	**335.4**	**1,073.2**	**- 737.9**

Figures may not add up due to rounding.

Financing result

Net financing costs (recurring) totalled -€120.9 Mn (after deduction of capitalised financial expenses of €11.0 Mn allocated to projects under construction) (-€112.1 Mn). This increase (€8.8 Mn) includes -€16.5 Mn related to the net financing costs of WFD's debt in June, partially offset by lower financial expenses[53] on UR's stand-alone perimeter.

The Group's average cost of debt[54] was 1.5% and includes one month of financial expenses of WFD as well as the cost of the senior debt issued to finance the acquisition of WFD. URW's financing policy is described in the section *"Financial resources"*. On a stand-alone basis, UR's cost of debt for the period was 1.3%, down from 1.4%.

Non-recurring financial result amounted to -€100.4 Mn (-€20.9 Mn), which breaks down as follows:

- +€28.9 Mn mark-to-market of the ORNANE issued in 2014 and 2015;
- -€129.3 Mn mainly due to the mark-to-market of derivatives, exchange rate losses resulting from the revaluation of bank accounts and debt issued in foreign currencies, and revaluation of preference shares. URW recognises the change in value of its derivatives directly in the income statement.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies[55] do not exist and from activities in France not eligible for the SIIC regime, mainly in the Convention & Exhibition business. They amounted to -€77.6 Mn (-€27.0 Mn).

Income tax allocated to the recurring net result amounted to +€0.3 Mn (-€1.8 Mn), largely due to the positive impact of the reversal of a provision related to tax litigation decided in favour of UR. Non-recurring income tax expenses amounted to -€77.9 Mn (-€25.2 Mn), an increase mainly due to the positive impact of a decrease of deferred tax liabilities in H1-2017.

External non-controlling interests amounted to €109.3 Mn (€282.0 Mn). The recurring external non-controlling interests amounted to €101.6 Mn (€94.1 Mn) and mainly relate to French shopping centres (€56.4 Mn, mainly Les Quatre Temps, Parly 2 and Le Forum des Halles), to the stake of CCIR in Viparis (€25.9 Mn) and to UR Germany and Ruhr Park (€16.4 Mn).

[53] The coupon on the Hybrid securities will be deducted directly from shareholder's equity.

[54] 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.

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

The non-recurring non-controlling interests amounted to €7.7 Mn, down from €187.9 Mn in H1-2017, due primarily to lower valuation movements in H1-2018.

Net result for the period attributable to the holders of the Stapled Shares was a profit of €642.6 Mn. This figure breaks down as follows:

- €702.9 Mn of recurring net result (+14.5%) as a result of strong NRI growth and the acquisition of WFD;
- -€60.3 Mn of non-recurring result[56] (€848.6 Mn) as a result of lower valuation movements, acquisition and related costs for the WFD transaction, the mark-to-market of financial instruments and an increase in non-recurring taxes.

The average number of shares and ORAs[57] outstanding during H1-2018 was 106,268,095, compared to 99,632,796 in H1-2017. The increase is mainly due to the capital increase of 38,319,974 shares issued for the acquisition of WFD (with an impact of +6,351,377 on the average number of shares in H1-2018), stock options exercised in 2017 and H1-2018 and the issuance of performance shares in 2017 and H1-2018.

EPRA Recurring Earnings per Share (REPS) for H1-2018 came to €6.61 compared to €6.16 for H1-2017, representing an increase of +7.3%.

Adjusted Recurring Earnings[58] per Share (AREPS) for H1-2018 came to €6.58 compared to €6.16 for H1-2017, representing an increase of +6.8%.

V. CONSOLIDATED STATEMENT OF CASH FLOWS

Unless otherwise indicated, all references below relate to the period ended June 30, 2018, and comparisons relate to the same period last year.

Cash flow from operating activities
The total cash flow from operating activities was +€710.7 Mn (+€789.9 Mn), mainly due to the acquisition and other related costs (net negative impact of -€106.0 Mn principally resulting from the WFD acquisition) and to the change in working capital requirement (net negative impact of -€57.2 Mn year-on-year, including -€58.9 Mn resulting from the WFD acquisition).
Excluding the impact of the acquisition costs and change in working capital requirement related to the WFD transaction, the total cash flow from operations would have been +€875.6 Mn (a +€85.7 Mn increase compared to H1-2017).

Cash flow from investment activities
The cash flow from investment activities increased to -€4,958.2 Mn (-€949.4 Mn), mainly as a result of the cash component of the acquisition of WFD.

Cash flow from financing activities
The total cash flow from financing activities amounted to +€4,279.5 Mn (+€1,135.0 Mn), an increase related to the financing of the acquisition of WFD (Hybrid securities €1,989.3 Mn and €3,000 Mn of senior debt).

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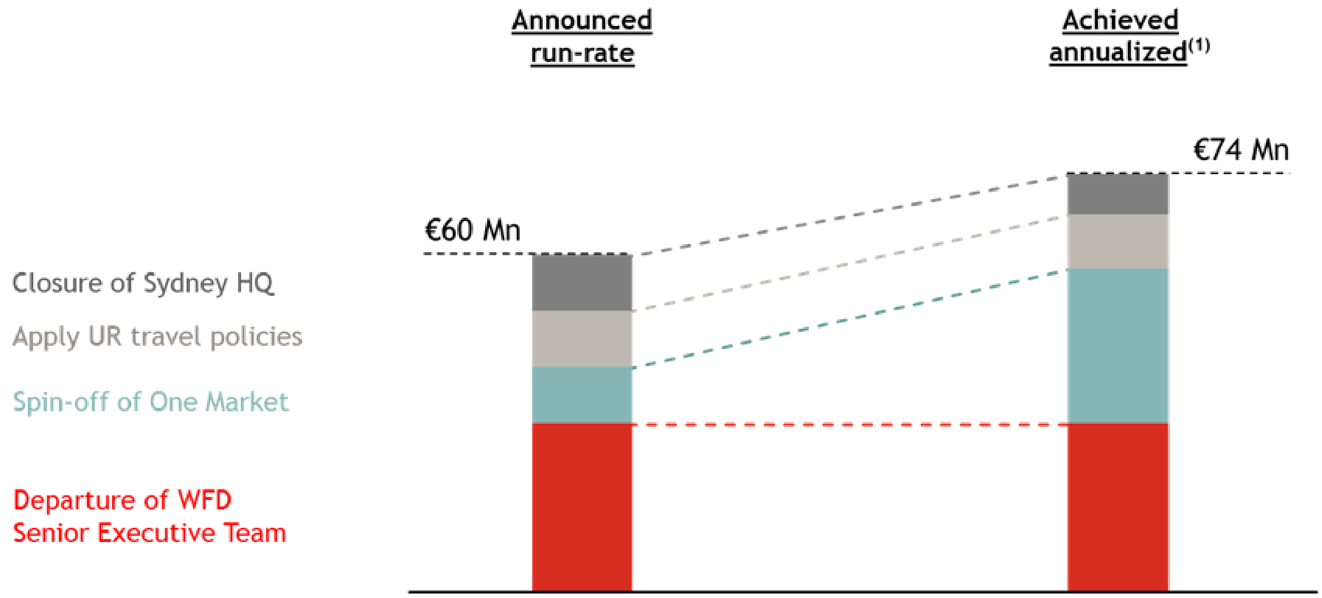
[56] Include valuation movements, disposals, mark-to-market and termination costs of financial instruments, including bond tender premiums, impairment of goodwill or reversal of negative goodwill and other non-recurring items.
[57] The ORAs have been accounted for as equity.
[58] Under IFRS, the Hybrid Securities are accounted for as shareholders' equity. The Adjusted Recurring Earnings are calculated based on the Recurring net result for the period attributable to the holders of the Stapled Shares minus the coupon on the Hybrid Securities (from June 1, 2018).

VI. SYNERGIES

Through June 30, 2018, URW has realized €74 Mn in cost synergies on an annualized basis.



(1) As of June 30, 2018. OneMarket synergies based on pro forma 2017 statement of income.

VII. POST-CLOSING EVENTS

The Group disposed of a number of and entered into another agreement to dispose of non-core assets.

On July 2, 2018, URW disposed of Orebro hotel in Stockholm, with a premium to its last unaffected book value.
On July 24, 2018, URW announced it had entered into an agreement to sell the Capital 8 office building to Invesco, with a premium to its last unaffected book value. The closing of this transaction is expected to occur in Q4-2018.
The total Net Disposal Price (NDP)[59] of these two assets was €791 Mn.

On July 31, URW disposed of four shopping centres in Spain (El Faro, Bahia Sur, Los Arcos and Vallsur) for a NDP of €449 Mn, representing a Buyer's Net Initial Yield (NIY)[60] of 5.6% and a premium to unaffected book value.

Collectively, these disposals represented a Total Acquisition Cost (TAC)[61] of €1,338 Mn, a blended NIY of 4.4% and were made at a weighted average premium of +6.2% to their last unaffected book value.
These disposals are part of the €3.0 Bn of disposals to be made over the next few years identified in UR's annual business plan exercise and announced previously.
In addition, on August 23, URW disposed of Horton Plaza in San Diego and generated a NDP of €81 Mn. The TAC represented a discount of approximately -5% to the value at which UR had underwritten the asset.

VIII. OUTLOOK

URW's Continental European business is trading in line with UR's assumptions for 2018, and the US and UK operations are trading in line with UR's underwriting of the Westfield transaction. Consequently, there currently is no change to the guidance for 2018 provided on January 31, 2018. Following the Group's annual 5-year business plan process, a medium-term outlook will be provided at the time of the release of URW's 2018 full year results.

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59 Net Disposal Price (NDP): Total Acquisition Cost (TAC) incurred by the acquirer minus all transfer taxes and transaction costs.
60 Buyer's Net Initial Yield (NIY): annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the TAC.
61 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.

3. INVESTMENTS AND DIVESTMENTS

In H1-2018, URW invested €429.2 Mn, group share, in capital expenditures on assets and in construction, extension and refurbishment projects, compared to €636.2 Mn in H1-2017 for UR only. These investments included €12.5 Mn invested in US and UK assets during the month of June.

1. Total capital expenditures

The total investments breaks down as follows:

in € Mn	H1-2018		H1-2017		2017	
	100%	Group Share	100%	Group Share	100%	Group Share
Shopping Centres	370.6	339.2	565.4	528.1	1,101.1	1,020.8
Offices & Others	66.5	66.3	56.0	55.8	114.7	114.4
Convention & Exhibition	38.3	23.7	72.0	52.3	139.5	88.3
Services	-	-	-	-	-	-
Total Capital Expenditure	**475.3**	**429.2**	**693.5**	**636.2**	**1,355.3**	**1,223.4**

2. Shopping centres

URW invested €339.2 Mn[62] in its shopping centre portfolio in H1-2018:

- New acquisitions amounted to €0.5 Mn;
- €236.8 Mn were invested in construction, extension and refurbishment projects, including mainly the Vélizy 2, Mall of the Netherlands, Überseequartier and Gaîté Montparnasse projects (see also section *"Development projects"*);
- Replacement Capex[63] amounted to €37.1 Mn;
- Financial, eviction and other costs were capitalized for €7.0 Mn, €40.0 Mn and €17.8 Mn, respectively.

3. Offices and others

URW invested €66.3 Mn in its office portfolio in H1-2018:

- New acquisitions amounted to €6.7 Mn, mainly in Tour Rosny;
- €49.7 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 €1.7 Mn;
- Financial and other costs capitalized amounted to €8.2 Mn.

4. Convention & Exhibition

URW invested €23.7 Mn in its Viparis sites in H1-2018:

- €19.5 Mn were invested for works, mainly in Porte de Versailles;
- Replacement Capex amounted to €2.7 Mn;
- Financial and other costs capitalized amounted to €1.5 Mn.

The second phase (2017-2019) of renovation works on the Porte de Versailles site continued, with the construction of the new Pavilion 6 and two new hotels (Novotel and Mama Shelter) scheduled to open in H2-2019.

[62] Total capitalized amount in asset value Group share.
[63] 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.

4. DEVELOPMENT PROJECTS AS AT JUNE 30, 2018

As at June 30, 2018, the URW Expected Cost[64] of its development project pipeline amounted to €12.5 Bn, with a total of 2.4 Mn m² of Gross Lettable Area (GLA[65]) to be re-developed or added to the Group's standing assets. The Group retains significant flexibility on its development portfolio (68% of the URW Expected Cost[66]).

1. Development projects portfolio overview

The Group's development portfolio, with the addition of the WFD projects in the UK, the US and Italy at year-end 2017, was estimated to be €13.0 Bn.

The evolution to €12.5 Bn[67] as at June 30, 2018, is due to:

- The reassessment of WFD projects under UR's methodology, the use of value at completion instead of costs at today's value, variances of costs on UR projects and certain disposals (-€0.4 Bn);
- The completion and delivery of Westfield London Phase 2 (-€0.3 Bn);
- The addition of the Metropole Zlicin and Villeneuve 2 extensions (+€0.2 Bn).

The first phase of the 77,046 m² extension of Westfield London opened in March 2018, six months ahead of schedule. This opening signals the start of phased openings of over 100 new flagship stores, kiosks, cafés, restaurants and leisure outlets in 2018, taking Westfield London to over 450 stores[68] and 240,000 m² of GLA upon completion, making it the largest shopping centre in Europe. This extension was 92% let as at June 30, 2018.

In addition to the WFD projects, two new extension and renovation projects were added in the "Controlled" category:

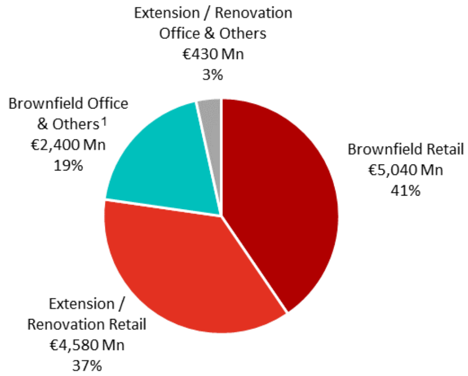
- The 22,651 m² GLA Metropole Zlicin extension and renovation project, with a 100% Expected Cost[69] of €120 Mn; and
- The 18,125 m² GLA extension of Villeneuve 2, with a 100% Expected Cost of €150 Mn.

[64] URW Expected Cost equals 100% Expected Cost multiplied by URW percentage of ownership of the project, plus specific own costs, if any.
[65] GLA equals Gross Lettable Area at 100% of projects.
[66] In terms of URW Expected Cost to completion of "Controlled" and "Secured Exclusivity" projects, as % of URW Expected Cost of the development portfolio.
[67] This includes the Group's share of projects fully consolidated and projects accounted for using the equity method.
[68] Including kiosks.
[69] 100% Expected Cost is expressed in value at completion. It 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, design 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 excludes: (i) capitalized financial interests; (ii) overheads costs; (iii) early or lost Net Rental Income; and (iv) IFRS adjustments.

The pipeline categories are as follows:

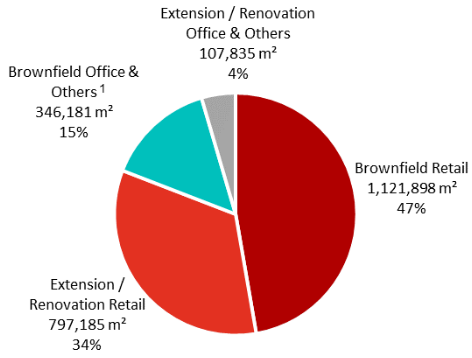
URW Development pipeline by category[70]

URW Expected Cost
(€12,450 Mn)



(1) Including Residential units.

GLA
(2,373,098 m²)



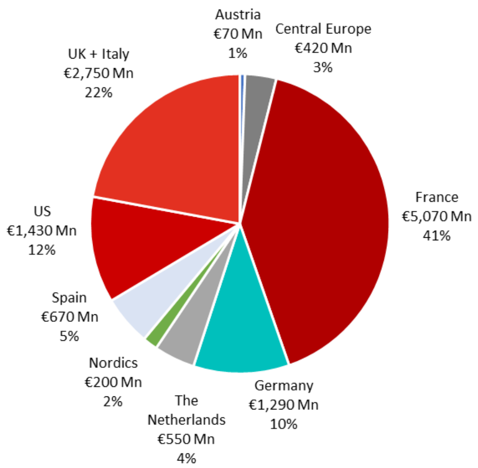
(1) Including Residential units.

The €9.6 Bn Retail pipeline is split between brownfield projects (52%) and extensions and renovations (48%). The Group currently expects to add to its existing portfolio and redevelop or refurbish 1.9 million m² of retail GLA, representing ca. 20% of the Group's existing retail GLA. Out of the Retail pipeline, €1.9 Bn (20%) are committed.

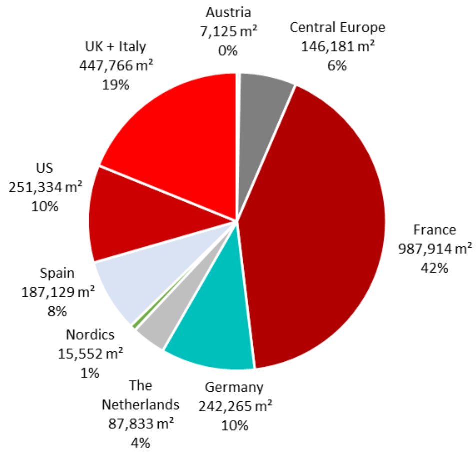
Development projects in the Office & Others sector amount to €2.8 Bn. Brownfield projects represent 85% and correspond to approximately 346,000 m^2 of new GLA, of which 37% are expected to be delivered after 2022. The remainder will be invested in the redevelopment or refurbishment of almost 108,000 m² GLA of existing assets. Out of the €2.8 Bn Office & Others pipeline, €880 Mn (31%) are committed.

URW Development pipeline by region[70]

URW Expected Cost
(€12,450 Mn)



GLA
(2,373,098 m²)



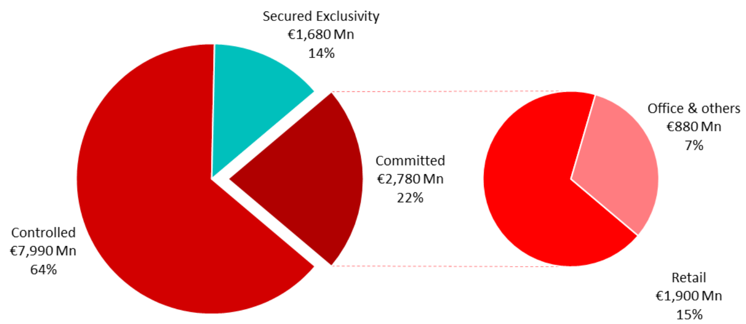
[70] Figures may not add up due to rounding.

The major WFD development projects included in the URW pipeline are in:

- Italy: the Westfield Milano retail brownfield project of 184,854 m² GLA in a joint venture (URW share: 75%);
- UK: the Croydon 162,116 m² GLA brownfield retail project in a 50/50 joint venture with Hammerson, benefiting from the commitment by London authorities for major infrastructure upgrades in Croydon; and Cherry Park, a residential project at Westfield Stratford City of 79,852 m² GLA and 1,200 apartments;
- US: with many extension, restructuring and renovation projects of existing shopping centres, including the 45,309 m² extension of Westfield Valley Fair.

2. A secured and flexible development pipeline

URW Development pipeline by project phase[71]



The €2.8 Bn "Committed" development pipeline now includes the Carré Sénart leisure extension following the start of construction works and the following projects in the US:

- The renovation of Westfield Garden State Plaza;
- The 45,309 m^2 GLA extension of Westfield Valley Fair;
- Westfield World Trade Center's Tower 3 and North Temporary Access (NTA) with an additional 7,164 m^2 GLA;
- Residential units at Westfield UTC with 26,845 m^2 GLA (300 apartments).

€1.2 Bn have already been spent for Committed projects, €1.1 Bn for Controlled and €0.1 Bn for Secured Exclusivity projects. For committed projects, €1.6 Bn are still to be invested over the next three years, of which €0.9 Bn have been contracted.

3. Variances in UR development pipeline projects in H1-2018

Since December 31, 2017, there have been changes in the URW Expected Cost and in the delivery dates of some of the UR projects, in particular:

- The 3 Pays development was delayed by 15 months due to modifications on the accessibility scheme, required for the filing of administrative authorizations;
- The Überseequartier project was delayed by 12 months and its URW Expected Cost increased due to changes to include a larger leisure and Food & Beverage component, to enlarge and upgrade the residential component and due to the impact of the booming German construction market on the first tenders;
- The Vélizy 2 retail extension was delayed by 10 months mainly due to project changes aiming to improve the parking accessibility during construction works;
- The Vélizy 2 leisure extension's URW Expected Cost increased following a project change;
- The NEO development was delayed by eight months due to delays in urban planning;
- The Garbera extension was delayed by seven months due to delays in urban planning;

[71] "Committed" projects: projects currently under construction, for which URW 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 URW controls the land or building rights, but where not all administrative authorizations have been obtained yet.
"Secured exclusivity" projects: projects for which URW has the exclusivity but where negotiations for building rights or project definition are still underway.

- The Gaîté Montparnasse redevelopment was delayed by five months due to the discovery of asbestos and removal works, as well as foundation issues;
- The URW Expected Cost of the Shift project's increased as UR signed a lease contract requiring additional construction works.

4. Investments in H1-2018

See section *"3. Investments and divestments".*

5. Deliveries expected in the next 12 months

Five projects representing a URW Expected Cost of ca. €280 Mn are scheduled to be delivered in H2-2018 and H1-2019:

- The complete refurbishment of Villeneuve 2 in August 2018;
- The renovation of Garden State Plaza in September 2018;
- The 16,147 m² GLA Versailles Chantiers brownfield office project in December 2018;
- The 3,909 m² GLA Carré Sénart leisure extension in February 2019;
- The 19,704 m² GLA Vélizy 2 leisure extension in March 2019.

The average pre-letting[72] of the retail and office deliveries stands at 77% and 34%, respectively.

6. Projects overview (See table next page)

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

DEVELOPMENT PROJECTS – June 30, 2018

Development Projects (1)	Business	Country	City	Type	URW Ownership	100% GLA (m²)	100% Expected Cost (€Mn)	URW Expected Cost (€Mn)	Yield on cost (2)	Opening date (3)	Project Valuation (4)
WESTFIELD GARDEN STATE PLAZA RENOVATION	Shopping Centre	US	New York region	Extension / Renovation	50%	0 m²	110			H2 2018	Fair value
VERSAILLES CHANTIERS	Office & others	France	Paris region	Greenfield / Brownfield	100%	16,147 m²	60			H2 2018	Fair value
VELIZY 2 LEISURE EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	100%	19,704 m²	140			H1 2019	Fair value
WESTFIELD UTC RESIDENTIAL	Office & others	US	San Diego	Greenfield / Brownfield	50%	26,845 m²	140			H2 2019	Fair value
WESTFIELD VALLEY FAIR	Shopping Centre	US	San Jose	Extension / Renovation	50%	45,309 m²	920			H2 2019	Fair value
GROPIUS PASSAGEN	Shopping Centre	Germany	Berlin	Extension / Renovation	10%	471 m²	130			H2 2019	Fair value
TRINITY	Office & others	France	Paris	Greenfield / Brownfield	100%	48,939 m²	320			H2 2019	Fair value
SHIFT	Office & others	France	Paris region	Redevelopment / Extension	100%	46,709 m²	210			H2 2019	Fair value
MALL OF THE NETHERLANDS *	Shopping Centre	The Netherlands	The Hague region	Redevelopment / Extension	100%	87,833 m²	550			H1 2020	At cost
LA PART-DIEU EXTENSION	Shopping Centre	France	Lyon	Extension / Renovation	100%	30,208 m²	360			H1 2020	At cost
WESTFIELD WORLD TRADE CENTER PHASE 2 (5)	Shopping Centre	US	New York	Extension / Renovation	100%	7,164 m²	120			H1 2020	Fair value
GAITE MONTPARNASSE RETAIL *	Shopping Centre	France	Paris	Redevelopment / Extension	100%	28,881 m²	160			H2 2020	At cost
GAITE MONTPARNASSE OTHERS *	Office & others	France	Paris	Redevelopment / Extension	100%	61,126 m²	220			H2 2020	At cost
OTHERS						7,608 m²	60				
Total Committed Projects								2,780	6.7%		
WESTFIELD TOPANGA RENOVATION	Shopping Centre	US	Los Angeles region	Extension / Renovation	55%	0 m²	50			H2 2019	Fair value
BENIDORM	Shopping Centre	Spain	Benidorm	Greenfield / Brownfield	100% (6)	58,887 m²	210			H2 2020	At cost
VALTOLOSA	Shopping Centre	France	Toulouse region	Greenfield / Brownfield	60% (6)	65,308 m²	290			H1 2021	At cost
GARBERA EXTENSION	Shopping Centre	Spain	San Sebastián	Extension / Renovation	100%	19,598 m²	120			H2 2021	At cost
WESTFIELD MILANO	Shopping Centre	Italy	Milan	Greenfield / Brownfield	75%	184,854 m²	1,500			H2 2021	Fair value
SISTERS	Office & others	France	Paris	Greenfield / Brownfield	100%	89,259 m²	640			H1 2022	At cost
VELIZY 2 RETAIL EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	100%	20,111 m²	200			H2 2022	At cost
ÜBERSEEQUARTIER	Shopping Centre	Germany	Hamburg	Greenfield / Brownfield	100%	217,332 m²	1,220			H2 2022	At cost
VILLENEUVE 2 EXTENSION	Shopping Centre	France	Lille region	Extension / Renovation	100%	18,125 m²	150			H2 2022	At cost
CROYDON *	Shopping Centre	UK	London	Greenfield / Brownfield	50%	162,116 m²	1,550			2023	Fair value
3 PAYS	Shopping Centre	France	Hésingue	Greenfield / Brownfield	100%	86,600 m²	420			H1 2023	At cost
TRIANGLE	Office & others	France	Paris	Greenfield / Brownfield	100%	85,140 m²	560			H2 2023	At cost
NEO	Shopping Centre	France	Brussels	Greenfield / Brownfield	86%	125,352 m²	670			H2 2023	At cost
METROPOLE ZLICIN EXTENSION	Shopping Centre	Czech Rep.	Prague	Extension / Renovation	50%	22,651 m²	120			Post 2023	At cost
BUBNY	Shopping Centre	Czech Rep.	Prague	Greenfield / Brownfield	65%	55,114 m²	240			Post 2023	At cost
CHERRY PARK	Office & others	UK	London	Greenfield / Brownfield	100%	79,852 m²	750			Post 2023	Fair value
MAQUINEXT	Shopping Centre	Spain	Barcelona	Extension / Renovation	51%	37,616 m²	190			Post 2023	At cost
OTHER						267,331 m²	1,180				
Total Controlled Projects								7,990	7-8% target		
WESTFIELD GARDEN STATE PLAZA RESTRUCTURING *	Shopping Centre	US	New York region	Extension / Renovation	50%	11,111 m²	110			H1 2020	Fair value
WESTFIELD OAKRIDGE RESTRUCTURING *	Shopping Centre	US	San Jose	Extension / Renovation	55%	15,144 m²	50			H1 2020	Fair value
WESTFIELD MONTGOMERY RESTRUCTURING PHASE 1 *	Shopping Centre	US	Washington region	Extension / Renovation	50%	35,024 m²	250			H1 2021	Fair value
WESTFIELD MISSION VALLEY *	Shopping Centre	US	San Diego	Extension / Renovation	42%	29,723 m²	120			H1 2021	Fair value
WESTFIELD TOPANGA RESTRUCTURING *	Shopping Centre	US	Los Angeles region	Extension / Renovation	55%	14,911 m²	220			H1 2021	Fair value
WESTFIELD UTC PHASE 3	Shopping Centre	US	San Diego	Extension / Renovation	50%	11,893 m²	160			H2 2021	Fair value
SCS WEST EXTENSION	Shopping Centre	Austria	Vienna	Extension / Renovation	100%	7,125 m²	70			H2 2022	At cost
WESTFIELD VALENCIA RESTRUCTURING *	Shopping Centre	US	Valencia	Extension / Renovation	50%	18,185 m²	90			H2 2022	Fair value
WESTFIELD MONTGOMERY RESTRUCTURING PHASE 2 *	Shopping Centre	US	Washington region	Extension / Renovation	50%	12,235 m²	140			Post 2023	Fair value
FISKETORVET EXTENSION	Shopping Centre	Denmark	Copenhagen	Extension / Renovation	100%	15,552 m²	200			Post 2023	At cost
VITAM	Shopping Centre	France	Neydens	Extension / Renovation	80%	69,621 m²	350			Post 2023	At cost
OTHER						110,386 m²	730				
Total Secured Exclusivity Projects								1,680	7-8% target		
URW TOTAL PIPELINE								12,450	7-8% target		

(1) Figures subject to change according to the maturity of projects.
(2) Stabilized expected net rental income divided by URW Expected Cost.
(3) In the case of staged phases in a project, the date corresponds to the opening of the last phase.
(4) For the purpose of preparing the opening balance sheet of URW, all WFD projects were assessed at fair value as at May 31, 2018.
(5) Including Tower 3 and NTA and excluding Tower 2 which has not started yet.
(6) % ownership after exercise of option rights.

*Units acquired for the project are included in the Expected Cost at their acquisition cost.

5. PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT JUNE 30, 2018

URW's EPRA triple Net Asset Value (NNNAV)[73] amounted to €204.20 per share as at June 30, 2018, an increase of +1.8%, or +€3.70, from €200.50 as at December 31, 2017. This increase of +€3.70 is the result of: (i) the value creation of +€12.54 per share representing the sum of: (a) the Recurring Earnings Per Share of +€6.61, (b) the revaluation of property and intangible assets and capital gains on disposals of +€2.66 per share, (c) foreign exchange movements and other items for -€2.13 per share, (d) the change of transfer taxes and deferred tax adjustments of +€7.05 per share, and (e) the dilutive effect of the instruments giving access to the Group's shares of -€1.65 per share; (ii) the impact of the payment of the entire dividend for 2017 of -€10.80 per share; and (iii) the positive impact of the mark-to-market of debt and financial instruments of +€1.96 per share.

The Going Concern NAV[74] (GMV based) came to €227.10 per share as at June 30, 2018, up by +3.6%, or +€7.90, compared to €219.20 as at December 31, 2017.

The Group's EPRA NAV per share increased by +2.4% to €216.10 as at June 30, 2018, compared to €211.00 as at December 31, 2017.

1. PROPERTY PORTFOLIO

The total URW asset portfolio[75] amounted to €61.3 Bn as at June 30, 2018. The proportionate GMV[76] was €63.7 Bn (€44.4 Bn for UR and €19.4 Bn for WFD).

Continental Europe

The Group's asset portfolio[77] amounted to €43,938 Mn as at June 30, 2018, compared to €43,057 Mn as at December 31, 2017. On a like-for-like basis, the GMV of the Group's portfolio increased by +0.6%, or +€235 Mn, net of investments.

Demand for real estate in H1-2018 remained at robust levels. Investment volumes in European commercial real estate[78] amounted to €75.6 Bn in H1-2018, a decrease of -5% vs. the same period in 2017.

Retail

Retail investment volumes in Europe totaled €18.7 Bn. Shopping centre transactions accounted for 41% of the total.

Retail yields stabilized at historic lows. The spreads to bonds remained historically wide. Given low yields, investors are moving up the risk curve. As a result, the length of due diligence periods is increasing. Stock is anticipated to be brought to the market as a consequence of M&A activity. Due to the limited number of transactions for prime assets in H1-2018, appraisers maintained the exit capitalization rates for prime assets stable.

UR's shopping centre portfolio GMV increased by +0.7% or +€211 Mn on a like-for-like basis compared to December 31, 2017. The growth was driven by the rental impact (+0.9%), partly offset by a negative yield impact (-0.3%). The value of the Group's Central Europe shopping centre portfolio experienced the highest increase with +2.9% on a like-for-like basis, of which +1.7% driven by the rental impact. The like-for-like GMV growth of the Group's Spanish, German, Austrian, Nordics and French shopping centres was +0.9%, +0.9%, +0.8%, +0.5% and +0.3%, respectively, while The Netherlands saw a like-for-like GMV decline of -4.0%.
Shopping centres attracting ten million or more visits per annum experienced a like-for-like growth in GMV of +1.3%.

[73] EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV per share less the estimated transfer taxes and capital gain taxes.
[74] Going Concern NAV: the amount of equity per share needed to replicate the Group's portfolio with its current financial structure.
[75] Including transfer taxes and transaction costs. Doesn't include goodwill and intangible assets for WFD (currently being valued).
[76] The sum of the GMV for the assets fully consolidated, the ownership at share of the GMV of assets accounted for using the equity method and the equity values for the assets not controlled (Zlote Tarasy, Ring-Center and Gropius Passagen).
[77] Including transfer taxes and transaction costs.
[78] Source: JLL, estimates.

Offices

The value of UR's office portfolio increased by +2.2% on a like-for-like basis, primarily as a result of yield compression (+2.1%) driven by reference transactions in the Paris region, where the Group's portfolio saw like-for-like GMV growth of +2.3%, of which +2.7% due to the yield impact.

Convention & Exhibition

The Convention & Exhibition portfolio value decreased by -1.7% on a like-for-like basis as a result of an increase in the weighted average cost of capital.

Westfield's Portfolio

The WFD asset portfolio amounted to €17,364 Mn[79] as at June 30, 2018, and represented 28% of URW's total portfolio.

United States (US)

Investment volumes in US retail saw another year-over-year (YoY) decrease, with total sales reported by Real Capital Analytics of $26.3 Bn in H1-2018 (excluding the impact of the acquisition of Westfield). This represents a -22% YoY decrease and a -9% YoY decline in single-asset transaction activity. For shopping centres, the decline in deal volume was -33%.

Given the bifurcation of the retail real estate market, capitalization rates vary vastly based on the quality of the shopping centres. They average as low as 3.5% for prime and super prime shopping centres, but can exceed 20% for centres struggling with vacancy and other performance issues. Investors are concerned by the challenges facing certain shopping centres in a changing retail environment, in which some department stores and retailers continue to battle to attract sufficient footfall and sales as a result of changing consumer preferences and growth of online retail. The situation has led to an increased number of bankruptcies, especially for heavily leveraged retailers.

Prime and super prime quality malls simply have not transacted, which is likely a function of owners holding on to these assets for the long term, as they are best equipped to thrive in a changing retail environment. Capitalization rates for such centres are holding steady as they are still in high demand. The outlook for prime and super prime assets remains stable. Vacancies from former department stores are seen as an opportunity for "A" grade malls, allowing landlords to replace struggling anchors with better income streams from large-format retailers, attractive leisure concepts or in-line tenants.

On the other end of the spectrum, despite strong fundamentals for the US economy, funds being raised to invest in lower quality shopping centres and the emerging belief that capitalization rates may have stabilized for many of the lower quality retail asset classes, transaction volume remained low due to very limited availability of financing for lower quality malls and concerns about future interest rates. In the near term, mall investors are expected to closely track the impact of risks of anchor performance and interest rates on regional malls pricing.

United Kingdom (UK)

Investment volumes in UK real estate[80] amounted to €30.3 Bn in H1-2018, an increase of +7% vs. the same period in 2017. Retail investment volumes accounted for 14% of total volumes, of which shopping centres represented 14%, or €607 Mn.

The UK economy is still impacted by uncertainties around Brexit. Despite lackluster growth of +0.1% in Q1-2018, the unemployment rate remained at 4.2%, one of the lowest levels in 40 years. The number of UK shopping centre transactions was limited, as investors are more selective in terms of asset quality. The best assets are still considered highly attractive, although their scarcity implies a limited number of transactions. Meanwhile, secondary asset valuations are under pressure, leading to a bifurcation in the shopping centre market. Yields have expanded by +25 to +50 bps in this category. The outlook for super prime assets is stable, based on continued occupier demand for and the limited impact of Company Voluntary Arrangements on such shopping centres.

[79] Including transfer taxes and transaction costs.
[80] Source: JLL, estimates.

Asset portfolio valuation (including transfer taxes) (a)	June 30, 2018		Like-for-like change net of investment - H1-2018 (b)		Dec. 31, 2017	
	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	35,942	59%	211	0.7%	35,408	82%
Offices	4,461	7%	74	2.2%	4,171	10%
Convention & Exhibition	3,121	5%	- 50	-1.7%	3,063	7%
Services	415	1%	-	0.0%	415	1%
Subtotal UR	**43,938**	**72%**	**235**	**0.6%**	**43,057**	**100%**
Shopping centres	16,779	27%				
Offices & Others	584	1%				
Services		0%				
Subtotal WFD	**17,364**	**28%**				
Total URW	**61,302**	**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 and proportionate figures).
The portfolio valuation includes:
- The acquisition of WFD for a total fair value (in GMV) of €17,346 Mn as at May 31, 2018;
- The appraised or at cost value of the entire property portfolio, when fully consolidated or under joint operation;
- The equity value of UR's investments in assets accounted for using the equity method. The equity value of UR's share investments in assets accounted for using the equity method amounted to €1,969 Mn as at June 30, 2018, compared to €1,913 Mn as at Dec. 31, 2017.
The equity value of WFD's share investments in assets accounted for using the equity method amounted to €8,078 Mn as at June 30, 2018. The total equity value of URW's share investments in assets accounted for using the equity method amounted to €10,047 Mn as at June 30, 2018.
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 goodwill and intangibles for WFD nor financial assets such as the €584 Mn of cash and cash equivalents on the Group's balance sheet as at June 30, 2018.
(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 H1-2018. Changes in scope consist mainly of:
- Acquisition of office units in Tour Rosny;
- Acquisition of retail units in Leidsenhage for the Mall of The Netherlands project and in La Part-Dieu.
The like-for-like change in the portfolio valuation is calculated excluding changes described above.

UR Valuation as at Dec. 31, 2017 (€ Mn)	**43,057**	
Like-for-like revaluation	235	
Revaluation of non like-for-like assets	237	(a)
Revaluation of shares	56	(b)
Capex/ Acquisitions	454	
Disposals	- 0	(c)
Constant Currency Effect	- 100	(d)
UR Valuation as at June 30, 2018 (€ Mn)	**43,938**	**1**
Acquisition of the Westfield portfolio on June 1, 2018	17,346	(e)
Revaluation of shares	39	(b)
Capex/ Acquisitions / Disposals	- 43	(f)
Constant Currency Effect	21	(g)
WFD Valuation as at June 30, 2018 (€ Mn)	**17,364**	**2**
URW Valuation as at June 30, 2018 (€ Mn)	**61,302**	**1+2**

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 cinema in Parly 2, the Vélizy 2 extension, the DEX & IMAX project in Carré Sénart, the two hotel projects in Porte de Versailles and the Shift, Versailles Chantiers and Trinity offices.
(b) Revaluation of the shares in companies holding the assets accounted for using the equity method.
(c) Value as at Dec. 31, 2017.
(d) Currency impact of -€100 Mn mainly in the Nordics, before offsets from foreign currency loans and hedging programs.
(e) Fair value of WFD's portfolio as at May 31, 2018.
(f) Capex spent in June 2018, net of disposals.
(g) Currency impact of +€21 Mn in the US and the UK, before offsets from foreign currency loans and hedging programs.

Appraisers

Since June 30, 2015, three international appraisal firms, Cushman & Wakefield, JLL and PwC, have valued URW's Continental European 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 Continental European retail and office properties of the Group. The valuation process has a centralized approach, intended to ensure that, on the Group's European portfolio, pan-European capital market views are taken into account. UR 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 all of the Group's services activities. Assets are appraised twice a year (in June and December), except service companies, which are appraised once a year.

Appraisals of WFD's assets were made as of May 31, 2018, for the purpose of preparing the opening balance sheet of URW. Other than the changes listed in the table above, no changes have been recorded in the value of the WFD portfolio since May 31, 2018.

The Group's US portfolio, including projects under development, has been valued by independent appraisers Cushman & Wakefield, Duff & Phelps, Altus and CBRE.

The Group's UK portfolio, including projects under development, has been valued by independent appraisers Cushman & Wakefield, GVA, Savills and CBRE.

The Westfield Milano development project has been valued by JLL.

Appraiser	Property location	% of total portfolio
Cushman & Wakefield	France / The Netherlands / Central Europe / UK / US	53%
JLL	France / Germany / Nordics / Spain / Austria / Italy	26%
Altus	US	6%
Duff & Phelps	US	5%
PwC	France / Germany	4%
Other appraisers	Central Europe / Spain / US / UK	3%
At cost, under sale agreement or internal.		2%
		100%

Figures may not add up due to rounding.

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

Valuation methodology

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).

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

In H1-2018, 98% of URW's portfolio was appraised by independent appraisers (including appraisals made as at May 31, 2018 for the WFD assets).

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. URW 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[81]) as deemed appropriate by the independent appraisers. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The Vélizy 2 extension, the DEX & IMAX project in Carré Sénart, the Trinity offices and the two hotel projects in Porte de Versailles have been assessed at fair value for the first time as at June 30, 2018.

All WFD's projects under development were assessed at fair value as at May 31, 2018, as a result of acquisition accounting, and the value as at June 30, 2018, has been calculated by adding the June capital expenditures.

Refer to the table in the Section *"Development Projects as at June 30, 2018"* for an overview of valuation methods used for development projects.

The remaining assets of the portfolio (2%) were valued as follows:

- At cost for IPUC for which a reliable value could not yet be established. These include assets under development: Gaîté Montparnasse retail and office, Mall of The Netherlands and the 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), excluding WFD projects;
- At bid value for assets subject to an agreement pursuant to which these will be disposed of: Bobigny 2, Örebro hotel and Horton Plaza.

Unless otherwise indicated, valuation changes and references to asset values include transfer taxes and transaction costs.

1.1. Shopping centre portfolio

The value of URW'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 URW's shopping centre portfolio valuation

The value of the Group's Continental European shopping centre portfolio grew from €35,408 Mn as at December 31, 2017, to €35,942 Mn as at June 30, 2018.

The US and UK shopping centre portfolio, based on the sum of the Group's US and UK assets as at May 31, 2018, and the capital expenditures incurred during June 2018, was valued at €16,779 Mn as at June 30, 2018.

The total value of URW's shopping centre portfolio amounted to €52,721 Mn as at June 30, 2018.

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

UR Valuation as at Dec. 31, 2017 (€ Mn)	35,408	
Like-for-like revaluation	211	
Revaluation of non like-for-like assets	22	(a)
Revaluation of shares	52	(b)
Capex / Acquisitions	343	
Disposals	- 0	(c)
Constant Currency Effect	- 94	(d)
UR Valuation as at June 30, 2018 (€ Mn)	**35,942**	**1**
Acquisition of the Westfield portfolio on June 1, 2018	16,707	(e)
Revaluation of shares	38	(b)
Capex / Acquisitions / Disposals	10	(f)
Constant Currency Effect	24	(g)
WFD Valuation as at June 30, 2018 (€ Mn)	**16,779**	**2**
URW Valuation as at June 30, 2018 (€ Mn)	**52,721**	**1+2**

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 cinema in Parly 2, the Vélizy 2 extension, the DEX & IMAX project in Carré Sénart.
(b) Revaluation of the shares in companies holding the assets accounted for using the equity method.
(c) Value as at Dec. 31, 2017.
(d) Currency impact of -€94 Mn mainly in the Nordics, before offsets from foreign currency loans and hedging programs.
(e) Fair value of WFD's portfolio as at May 31, 2018.
(f) Capex spent in June 2018, net of disposals.
(g) Currency impact of +€24 Mn in the US and the UK, before offsets from foreign currency loans and hedging programs.

Based on an asset value excluding estimated transfer taxes and transaction costs, the Continental European shopping centre division's Net Initial Yield (NIY) is stable at 4.3% as at June 30, 2018 compared to December 31, 2017.

Shopping centre portfolio by region - June 30, 2018	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn (a)	Net Inital Yield (b) June 30, 2018	Net Inital Yield (b) Dec. 31, 2017
France (c)	16,004	15,401	4.0%	4.0%
Central Europe (d)	5,233	5,188	4.8%	4.9%
Spain	3,823	3,733	4.7%	4.7%
Nordics	3,456	3,382	4.2%	4.3%
Germany	3,283	3,158	4.5%	4.5%
Austria	2,536	2,523	4.2%	4.2%
The Netherlands	1,607	1,531	5.2%	5.0%
Subtotal UR	**35,942**	**34,916**	**4.3%**	**4.3%**
US	12,503	12,406	4.0%	
UK & Italy	4,277	4,147	4.0%	
Subtotal WFD	**16,779**	**16,553**	**4.0%**	
Total URW	**52,721**	**51,469**	**4.2%**	

Figures may not add up due to rounding.
(a) Valuation amounts include the Group's share equity investments in assets accounted for using the equity method.
(b) 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.
(c) The effect of including key money in the region's net rental income would increase the Net Initial Yield to 4.1% as at June 30, 2018.
(d) Ring-Center is included in the Central Europe region.

US shopping centre portfolio by category - June 30, 2018	Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net Initial Yield (a) June 30, 2018
US Flagships	10,551	10,457	3.8%
US Regionals	1,952	1,950	7.8%
Total US	**12,503**	**12,406**	**4.0%**

(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.

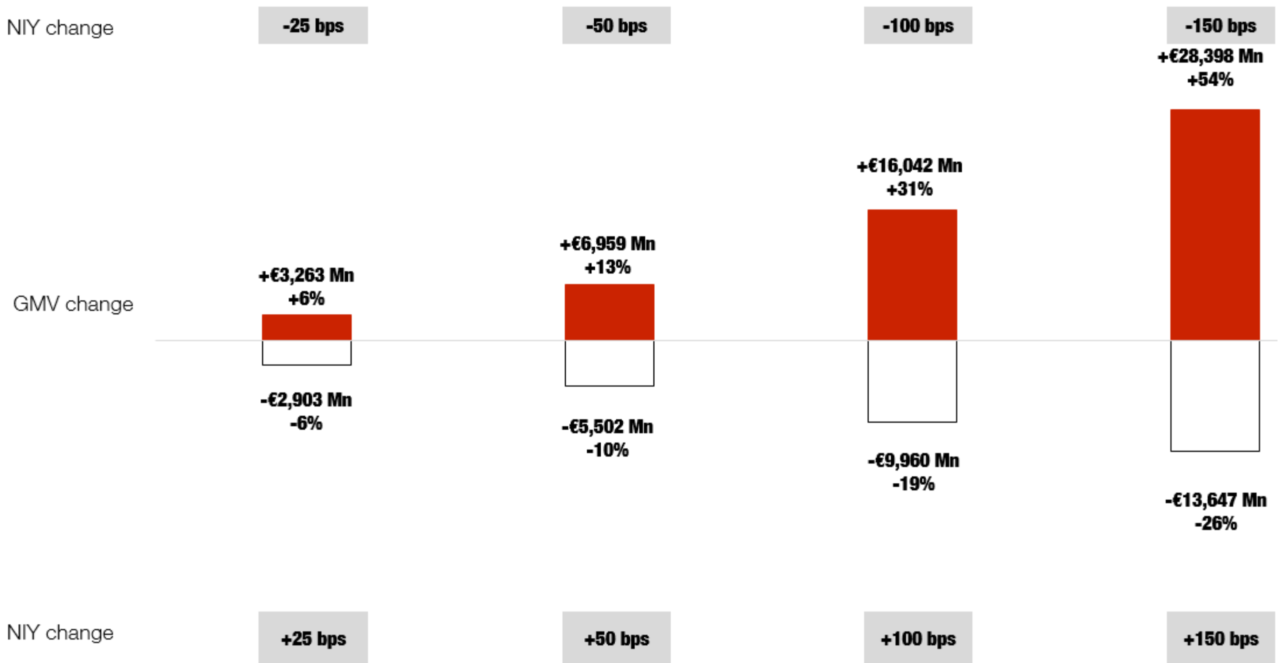
The following table shows the geographic split of the Group's retail assets:

Valuation of shopping centre portfolio (including transfer taxes)	June 30, 2018		Dec. 31, 2017	
	€ Mn	%	€ Mn	%
France	16,004	30%	15,752	44%
Central Europe	5,233	10%	5,063	14%
Spain	3,823	7%	3,764	11%
Nordics	3,456	7%	3,516	10%
Germany	3,283	6%	3,209	9%
Austria	2,536	5%	2,498	7%
The Netherlands	1,607	3%	1,607	5%
Subtotal UR (a)	**35,942**	**68%**	**35,408**	**100%**
US	12,503	24%		
UK & Italy	4,277	8%		
Subtotal WFD (a)	**16,779**	**32%**		
Total URW (a)	**52,721**	**100%**		

Figures may not add up due to rounding.
(a) Valuation amounts include the value of the Group's equity 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 (bps) in Net Initial Yield, the main output of the appraisal models, would result in a downward adjustment of -€2,903 Mn (or -5.5%) of URW's shopping centre portfolio value (excluding assets under development).

Like-for-like analysis

On a like-for-like basis, the value of URW's Continental European shopping centre portfolio, after accounting for works, capitalized financial and leasing expenses and eviction costs, increased by +€211 Mn (+0.7%). This increase was the result of a rent impact of +0.9%, partly offset by a negative yield impact of -0.3%.

Shopping centres - Like-for-like (LfL) change (a)				
H1-2018	**LfL change in € Mn**	**LfL change in %**	**LfL change - Rent impact**	**LfL change - Yield impact (b)**
France	42	0.3%	0.7%	-0.4%
Central Europe	122	2.9%	1.7%	1.2%
Spain	34	0.9%	0.8%	0.1%
Nordics	18	0.5%	-0.2%	0.7%
Germany	21	0.9%	1.8%	-0.9%
Austria	21	0.8%	1.9%	-1.1%
The Netherlands	- 46	-4.0%	0.4%	-4.3%
Total	**211**	**0.7%**	**0.9%**	**-0.3%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from Dec. 31, 2017 to June 30, 2018, 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 Continental European assets attracting ten million or more visits per annum.

Shopping centres - Like- for-like (LfL) change by footfall category (a)				
H1-2018	**LfL change in € Mn**	**LfL change in %**	**LfL change - Rent impact**	**LfL change - Yield impact (b)**
10 Mn visits and above	336	1.3%	1.4%	-0.1%
Below 10 Mn visits	- 125	-1.8%	-0.6%	-1.2%
Total	**211**	**0.7%**	**0.9%**	**-0.3%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from Dec. 31, 2017 to June 30, 2018, 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.

Since December 31, 2011, the increase in the quality of URW's Continental European shopping centres has resulted in a +54.9% increase in value[82] per square meter, from €6,102 to €9,450 as at June 30, 2018. On a like-for-like basis[83], the net revaluation amounted to +42.1% of which +26.6% due to the rent impact and +15.4% due to yield compression.

1.2. Office portfolio

Evolution of URW's office portfolio valuation

The value of URW's Continental European office portfolio increased to €4,461 Mn as at June 30, 2018, from €4,171 Mn as at December 31, 2017.

The value of URW's US and UK office portfolio was €584 Mn as at June 30, 2018 (value as at May 31, 2018, increased by the capital expenditures incurred during June).

The total value of URW's office portfolio amounted to €5,045 Mn as at June 30, 2018.

[82] Gross Market Value per m² of the Group's standing shopping centres, excluding assets accounted for using the equity method.
[83] Analysis made on a constant like-for-like standing perimeter from Dec. 31, 2011 to June 30, 2018 (assets owned by UR as at Dec. 31, 2011 through June 30, 2018).

UR Valuation as at Dec. 31, 2017 (€ Mn)	4,171	
Like-for-like revaluation	74	
Revaluation of non like-for-like assets	154	(a)
Revaluation of shares	3	(b)
Capex/ Acquisitions	64	
Disposals	-	
Constant Currency Effect	- 6	(c)
UR Valuation as at June 30, 2018 (€ Mn)	**4,461**	**1**
Acquisition of the Westfield portfolio on June 1, 2018	639	(d)
Revaluation of shares	1	(b)
Capex/ Acquisitions / Disposals	- 53	(e)
Constant Currency Effect	- 3	(f)
WFD Valuation as at June 30, 2018 (€ Mn)	**584**	**2**
URW Valuation as at June 30, 2018 (€ Mn)	**5,045**	**1+2**

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 June 30, 2018.
(b) Revaluation of the shares in companies holding the assets accounted for using the equity method.
(c) Currency impact of -€6 Mn in the Nordics, before offsets from foreign currency loans and hedging programs.
(d) Fair value of WFD's portfolio as at May 31, 2018.
(e) Capex spent in June 2018, net of disposals.
(f) Currency impact of -€3 Mn in the US and the UK, 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)	June 30, 2018		Dec. 31, 2017	
	€ Mn	%	€ Mn	%
France	4,023	80%	3,738	90%
Nordics	171	3%	173	4%
Other countries	267	5%	260	6%
Subtotal UR	**4,461**	**88%**	**4,171**	**100%**
US	218	4%		
UK & Italy	366	7%		
Subtotal WFD	**584**	**12%**		
Total URW	**5,045**	**100%**		

Figures may not add up due to rounding.

For occupied offices and based on an asset value excluding estimated transfer taxes and transaction costs, the office division's Net Initial Yield fell by -15 bps to 5.5% as at June 30, 2018.

Valuation of occupied office space - June 30, 2018	Valuation including transfer taxes in € Mn (a) (b)	Valuation excluding estimated transfer taxes in € Mn (b)	Net Inital Yield (c) June 30, 2018	Net Inital Yield (c) Dec. 31, 2017
France	3,077	2,984	5.3%	5.5%
Nordics	143	140	7.7%	7.6%
Other countries	248	246	6.6%	5.9%
Subtotal UR	**3,468**	**3,369**	**5.5%**	**5.6%**
US	215	213	6.0%	
UK & Italy	48	46	n.m.	
Subtotal WFD	**264**	**259**	**6.0%**	
Total URW	**3,732**	**3,628**	**5.5%**	

Figures may not add up due to rounding.
(a) Valuation of occupied office space as at June 30, 2018, based on the appraiser's allocation of value between occupied and vacant spaces.
(b) Valuation amounts include the Group's share equity investments in assets 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. Assets under development or held by companies accounted for using the equity method are not included in this calculation.

Sensitivity

A change of +25 bps in Net Initial Yield, the main output of the appraisal models, would result in a downward adjustment of -€169 Mn (-4.5%) of URW's office portfolio value (occupied and vacant spaces, excluding assets under development).

Like-for-like analysis

The value of URW's Continental European office portfolio, after accounting for the impact of works and capitalized financial and leasing expenses, increased by +€74 Mn (+2.2%) on a like-for-like basis, due to a rent impact of +0.2% and yield impact of +2.1%.

Offices - Like-for-like (LfL) change (a)				
H1-2018	**LfL change in € Mn**	**LfL change in %**	**LfL change - Rent impact**	**LfL change - Yield impact (b)**
France	70	2.3%	-0.4%	2.7%
Nordics	2	1.5%	3.1%	-1.6%
Other countries	1	1.2%	6.7%	-5.5%
Total	**74**	**2.2%**	**0.2%**	**2.1%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from Dec. 31, 2017 to June 30, 2018. 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 - June 30, 2018	Valuation (including transfer taxes)	
	€ Mn	%
La Défense	2,386	59%
Paris CBD and others	1,637	41%
Total	**4,023**	**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 5.3%, reflecting a -18 bps yield compression during H1-2018.

Valuation of French occupied office space - June 30, 2018	Valuation including transfer taxes in € Mn (a)	Valuation excluding estimated transfer taxes in € Mn	Net Inital Yield (b) June 30, 2018	Average price €/m² (c)
La Défense	1,953	1,893	5.9%	8,196
Paris CBD and others	1,124	1,090	4.2%	13,453
Total	**3,077**	**2,984**	**5.3%**	**9,529**

Figures may not add up due to rounding.
(a) Valuation of occupied office space as at June 30, 2018, 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 URW's Convention & Exhibition portfolio is the sum of the values of each of the individual assets.

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 capital expenditures to be spent on Porte de Versailles (€429 Mn).

The discounted cash flow methodology has been adopted for the CNIT Hilton, the Novotel Confluence and the Pullman Montparnasse hotels as at June 30, 2018.

The hotels in Porte de Versailles were assessed at fair value for the first time as at June 30, 2018, using the same methodology.

Evolution of the Convention & Exhibition valuation

The value of URW's Convention & Exhibition centres and hotels, including transfer taxes and transaction costs, grew to €3,121 Mn[84] as at June 30, 2018:

Valuation Dec. 31, 2017 (€ Mn)	3,063	(a)
Like-for-like revaluation	- 50	
Revaluation of non like-for-like assets	61	
Revaluation of shares	0	
Capex / Acquisitions	46	
Valuation June 30, 2018 (€ Mn)	**3,121**	(b)

Figures may not add up due to rounding.
(a) Of which €2,783 Mn for Viparis (including Palais des Sports) and €280 Mn for hotels (including the two hotel projects in Porte de Versailles). Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by URW, the valuation for Viparis (including Palais des Sports) is €2,624 Mn.
(b) Of which €2,765 Mn for Viparis (including Palais des Sports) and €355 Mn for hotels (including the two hotel projects in Porte de Versailles). Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by URW, the valuation for Viparis (including Palais des Sports) is €2,617 Mn.

On a like-for-like basis, net of investments, the value of Convention & Exhibition properties and hotels decreased by -€50 Mn (-1.7%) compared to December 31, 2017.

Convention & Exhibition - Like-for-like change (a)	H1-2018	
	€ Mn	%
Viparis and others (b)	- 51	-1.8%
Hotels	1	1.9%
Total	**- 50**	**-1.7%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from Dec. 31, 2017 to June 30, 2018. Does not include assets accounted for using the equity method.
(b) 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 increased by +9 bps from December 31, 2017, to 5.4% as at June 30, 2018.

1.4. Services

The services portfolio is composed of URW's French, German, UK and US property services companies.

URW's Continental European 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 URW's NAV. In URW's consolidated statement of financial position, intangible assets are not revalued but recognized at cost less any amortization charges and / or impairment losses booked.

URW's US and UK services businesses are currently being valued by PwC in the context of the purchase price allocation and are therefore not included in the valuation of the services business as at June 30, 2018.

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

1.5. Group share and proportionate figures for the property portfolio

The figures above are based on a full scope of consolidation.

The following tables provide the Group share level (in GMV) and the proportionate GMV for UR's assets:

	Full scope consolidation		Group share		Proportionate	
UR Asset portfolio valuation - June 30, 2018	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	35,942	82%	31,498	83%	36,362	82%
Offices	4,461	10%	4,436	12%	4,461	10%
Convention & Exhibition	3,121	7%	1,784	5%	3,118	7%
Services	415	1%	329	1%	415	1%
Total UR	**43,938**	**100%**	**38,047**	**100%**	**44,356**	**100%**

UR Asset portfolio valuation - Dec. 31, 2017	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	35,408	82%	31,018	83%	35,851	82%
Offices	4,171	10%	4,146	11%	4,171	10%
Convention & Exhibition	3,063	7%	1,747	5%	3,061	7%
Services	415	1%	329	1%	415	1%
Total UR	**43,057**	**100%**	**37,241**	**100%**	**43,497**	**100%**

UR Like-for-like change - net of Investments - H1-2018	€ Mn	%	€ Mn	%	€ Mn	%
Shopping centres	211	0.7%	177	0.6%	228	0.7%
Offices	74	2.2%	74	2.2%	74	2.2%
Convention & Exhibition	- 50	-1.7%	- 30	-1.9%	- 50	-1.7%
Services	-	0.0%	-	0.0%	-	0.0%
Total UR	**235**	**0.6%**	**221**	**0.7%**	**252**	**0.6%**

UR Like-for-like change - net of Investments - H1-2018 - Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping centres	0.9%	-0.3%	0.9%	-0.3%	0.9%	-0.3%
Offices	0.2%	2.1%	0.1%	2.1%	0.2%	2.1%

UR Net Initial Yield	June 30, 2018	Dec. 31, 2017	June 30, 2018	Dec. 31, 2017	June 30, 2018	Dec. 31, 2017
Shopping centres (a)	4.3%	4.3%	4.3%	4.3%	4.3%	4.3%
Offices - occupied space (b)	5.5%	5.6%	5.5%	5.6%	5.5%	5.6%

Figures may not add up due to rounding.

(a) Annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development and shopping centres not controlled (Zlote Tarasy, Ring-Center and Gropius Passagen) are not included in the calculation. Shopping centres held by companies accounted for using the equity method are not included in the calculation of full scope of consolidation and group share but are included in the proportionate.

(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. Offices under development and offices not controlled (Zlote Tarasy Lumen & Skylight) are not included in the calculation.

The following table provides the Group share level (in GMV) and the proportionate GMV for WFD's assets:

WFD Asset portfolio valuation - June 30, 2018	Full scope consolidation € Mn	Full scope consolidation %	Group share € Mn	Group share %	Proportionate € Mn	Proportionate %
Shopping centres	16,779	97%	16,286	97%	18,747	97%
Offices & Others	584	3%	583	3%	616	3%
Services	-	0%	-	0%	-	0%
Total WFD	**17,364**	**100%**	**16,869**	**100%**	**19,363**	**100%**

The following table provides the Group share level (in GMV) and the proportionate GMV for URW's assets:

URW Asset portfolio valuation - June 30, 2018	Full scope consolidation € Mn	Full scope consolidation %	Group share € Mn	Group share %	Proportionate € Mn	Proportionate %
Shopping centres	52,721	86%	47,784	87%	55,109	86%
Offices & Others	5,045	8%	5,020	9%	5,076	8%
Convention & Exhibition	3,121	5%	1,784	3%	3,118	5%
Services	415	1%	329	1%	415	1%
Total URW	**61,302**	**100%**	**54,916**	**100%**	**63,719**	**100%**

1.6. Additional Valuation parameters - IFRS 13

URW complies with the IFRS 13 fair value measurement and the position paper[85] 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, URW believes it is 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 URW'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.

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

Shopping centres

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

Shopping centres - June 30, 2018		Net Initial Yield	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
France	Max	7.6%	882	8.5%	7.2%	9.1%
	Min	2.0%	160	5.3%	3.5%	1.2%
	Weighted average	4.0%	516	5.7%	4.0%	4.2%
Central Europe	Max	6.9%	587	7.9%	7.7%	3.0%
	Min	4.6%	210	6.3%	4.7%	2.2%
	Weighted average	4.8%	392	6.7%	5.0%	2.5%
Spain	Max	8.1%	814	11.0%	7.0%	3.8%
	Min	4.0%	122	7.0%	4.3%	1.6%
	Weighted average	4.7%	330	7.4%	4.6%	3.1%
Nordics	Max	5.3%	462	8.7%	5.0%	4.9%
	Min	3.9%	191	6.4%	3.9%	2.1%
	Weighted average	4.2%	373	6.7%	4.2%	3.1%
Germany	Max	7.3%	481	8.0%	6.6%	3.7%
	Min	3.9%	244	6.0%	3.9%	2.1%
	Weighted average	4.5%	311	6.4%	4.4%	3.0%
Austria	Max	4.3%	396	6.2%	4.1%	2.9%
	Min	4.1%	375	6.1%	4.1%	2.5%
	Weighted average	4.2%	385	6.2%	4.1%	2.7%
The Netherlands	Max	6.7%	413	7.4%	6.6%	3.7%
	Min	4.4%	172	5.8%	4.2%	2.8%
	Weighted average	5.2%	273	6.5%	5.2%	3.0%
US	Max	8.9%	2,437	10.0%	8.5%	5.7%
	Min	3.3%	73	5.5%	4.3%	2.4%
	Weighted average	4.0%	377	6.1%	4.8%	4.6%

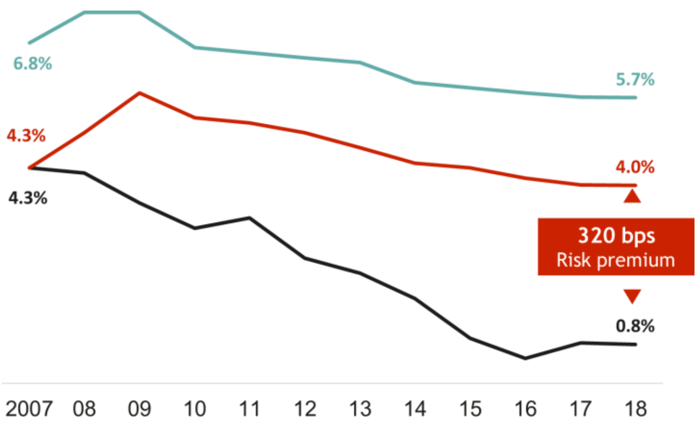
Net Initial Yield, Discount Rate and Exit yield weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development and assets accounted for using the equity method are not included in this table, as well as UK assets.
(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).

For the US, the split between Flagship and Regional shopping centres is as follows:

Shopping centres - June 30, 2018		Net Initial Yield	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
US Flagships	Max	4.8%	2,437	6.5%	5.8%	5.7%
	Min	3.3%	201	5.5%	4.3%	3.9%
	Weighted average	3.8%	587	5.9%	4.7%	4.8%
US Regionals	Max	8.9%	146	10.0%	8.5%	4.9%
	Min	6.9%	73	9.0%	7.5%	2.4%
	Weighted average	7.8%	103	9.3%	7.8%	3.0%

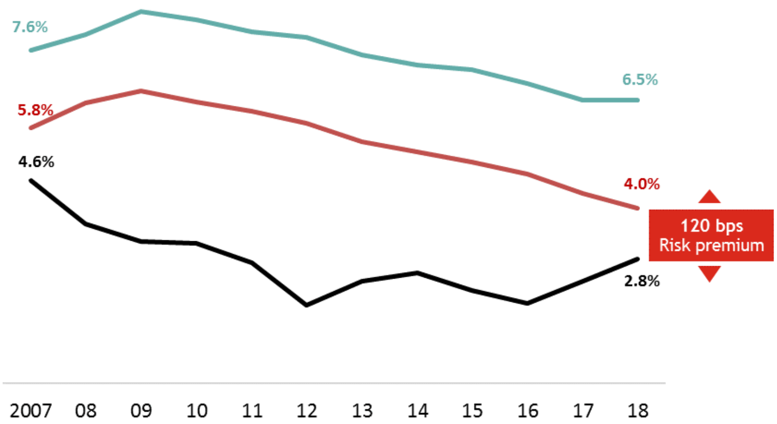
Net Initial Yield, Discount Rate and Exit yield weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development and assets accounted for using the equity method are not included in this table.
(a) Average 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).

France shopping centres



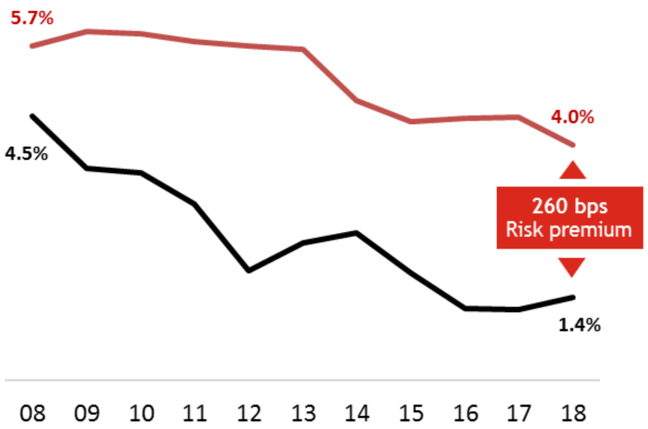
Appraisers' Discount Rate (weighted average)
URW shopping centre NIY (weighted average)
French 10-year government bond yield (1-year average)

US shopping centres



Appraisers' Discount Rate (weighted average)
WFD Estimated Yield (weighted average)
US 10-year government bond yield (1-year average)

UK shopping centres



WFD Estimated Yield (weighted average)
UK 10-year government bond yield (1-year average)

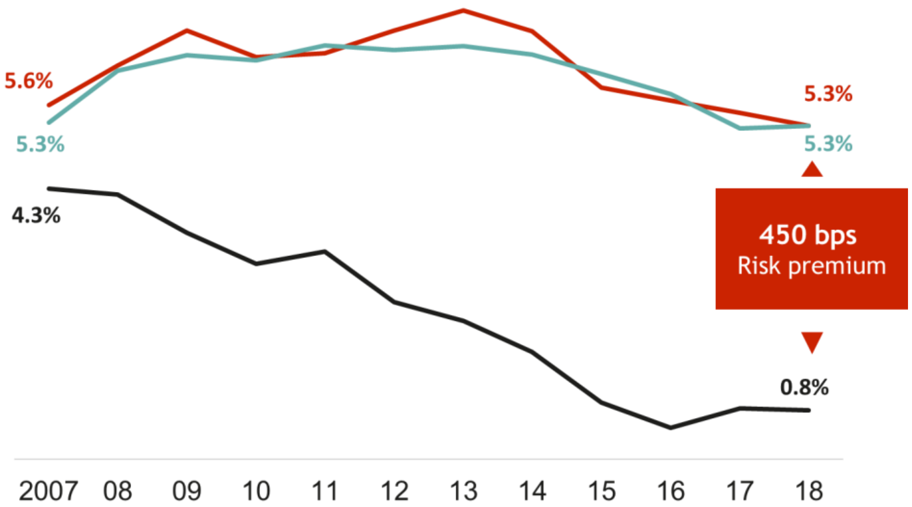
Offices

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

Offices - June 30, 2018		Net Initial Yield on occupied space	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
	Max	11.6%	733	9.0%	8.2%	2.6%
France	Min	3.8%	107	4.3%	3.4%	-4.2%
	Weighted average	5.3%	498	5.3%	4.5%	0.7%
	Max	9.2%	224	9.4%	7.8%	3.3%
Nordics	Min	6.4%	166	7.1%	5.2%	2.3%
	Weighted average	7.7%	189	7.7%	6.1%	2.6%
	Max	13.9%	159	8.8%	8.7%	14.6%
Other countries	Min	4.7%	49	5.9%	4.1%	0.4%
	Weighted average	6.6%	105	7.5%	6.1%	2.9%

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 Min and Max calculation. Assets under development and assets accounted for using the equity method are not included in this table, as well as WFD's assets.
(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)
URW office NIY (weighted average; occupied offices)
French 10-year 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 capitalization 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 June 30, 2018, consolidated shareholders' equity (Owners of the parent) came to €25,699 Mn.

Shareholders' equity (Owners of the parent) incorporated the net recurring profit of €702.9 Mn and the net negative impact of -€60.3 Mn of fair value adjustments on property assets and financial instruments, as well as the capital gain on sales of properties.

As the purchase price allocation of the WFD acquisition is still in progress as at June 30, 2018, it has been assumed that the goodwill generated by the transaction (€3,367 Mn) will not be impaired at year-end.

2.2. Impact of rights giving access to share capital

Dilution from securities giving access to share capital as at June 30, 2018, was computed for such instruments "in the money" and having fulfilled the performance conditions.

In accordance with IFRS, financial instruments and the ORNANEs[86] were recorded on URW'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 ORNANEs issued in 2014 and 2015 were not restated for the NNNAV calculation as they are "out of the money" as at June 30, 2018, 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 June 30, 2018, would have led to a rise in the number of shares by +682,823, generating an increase in shareholders' equity of +€98 Mn.

As at June 30, 2018, the fully-diluted number of shares taken into account for the NAV calculations was 138,973,702.

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 URW (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 +€447 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 June 30, 2018.
For the purpose of the EPRA NAV calculation, deferred taxes on unrealized capital gains on assets not qualifying for tax exemption (€3,720 Mn) were added back, including the deferred tax liabilities resulting from the acquisition of WFD.

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 (€1,781 Mn) were deducted. For US and UK assets, this estimation is based on 50% of the deferred tax liabilities booked in the consolidated balance sheet.

[86] 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 URW's statement of financial position at their fair value.

The fair value adjustment (€320 Mn, excluding exchange rate hedging in accordance with the EPRA best practice recommendations) 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, the fair value of the ex-Rodamco debt at the accounting combination date (June 30, 2007) and the value of the WFD debt at the accounting combination date (May 31, 2018). Taking fixed rate debt at its fair value would have had a negative impact of -€206 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 June 30, 2018, 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 €660 Mn.

2.7. EPRA Triple Net Asset Value

URW's EPRA NNNAV (Owners of the parent) stood at €28,380 Mn or €204.20 per share (fully-diluted) as at June 30, 2018.

The EPRA NNNAV per share increased by +1.8% (or +€3.70) compared to December 31, 2017 and increased by +4.6% (or +€8.90) compared to June 30, 2017.

The increase of +€3.70 compared to December 31, 2017 was the sum of: (i) the value creation of +€12.54 per share, (ii) the impact of the entire dividend for the 2017 financial year (paid in March and May 2018) of -€10.80, and (iii) the positive impact of the +€1.96 mark-to-market of the fixed-rate debt and derivatives.

If only interim dividend would have been paid in H1-2018 (i.e. -€5.40), the EPRA NNNAV would have increased by +4.5% (or +€9.10) compared to December 31, 2017.

3. GOING CONCERN NET ASSET VALUE

URW 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 €227.10 per share as at June 30, 2018, an increase of +€7.90 (+3.6%) compared to December 31, 2017.

This increase was the sum of: (i) the value creation of +€16.74 per share, (ii) the impact of the dividend paid in March and May 2018 of -€10.80, and (iii) the positive impact of the +€1.96 mark-to-market of the fixed-rate debt and derivatives.

If only interim dividend would have been paid in H1-2018 (i.e. -€5.40), the Going Concern NAV would have increased by +6.1% (or +€13.30) compared to December 31, 2017.

The following tables show the calculation presented in compliance with EPRA best practices recommendations. A bridge from December 31, 2017 to June 30, 2018 is also presented.

EPRA NNNAV calculation (All figures are Group share, in €Mn)	**June 30, 2017**		**Dec. 31, 2017**		**June 30, 2018**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
Fully diluted number of shares	100,242,464		99,910,659		138,973,702	
NAV per the financial statements	18,001		18,916		25,699	
Amounts owed to shareholders	510		0		0	
ORA and ORNANE	2		0		0	
Effect of exercise of options	74		3		98	
Diluted NAV	18,586		18,919		25,797	
Add						
Revaluation of intangible and operating assets	366		406		447	
Added back/deducted						
Fair value of financial instruments	265		232		320	
Deferred taxes on balance sheet	1,716		1,776		3,720	
Goodwill as a result of deferred taxes	-264		-256		-256	
EPRA NAV	20,669	206.20 €	21,078	211.00 €	30,027	216.10 €
Fair value of financial instruments	-265		-232		-320	
Fair value of debt	-559		-579		-206	
Effective deferred taxes	-810		-823		-1,781	
Impact of transfer taxes estimation	544		591		660	
EPRA NNNAV	**19,579**	**195.30 €**	**20,035**	**200.50 €**	**28,380**	**204.20 €**

% of change over 6 months		**6.3%**		**2.7%**		**1.8%**
% of change over 1 year		**12.0%**		**9.1%**		**4.6%**

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

Going Concern NAV calculation (All figures are Group share, in €Mn)	**June 30, 2017**		**Dec. 31, 2017**		**June 30, 2018**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
EPRA NNNAV	19,579		20,035		28,380	
Effective deferred capital gain taxes	810		823		1,781	
Estimated transfer taxes	1,021		1,040		1,404	
GOING CONCERN NAV	**21,410**	**213.60 €**	**21,898**	**219.20 €**	**31,565**	**227.10 €**

% of change over 6 months		**6.0%**		**2.6%**		**3.6%**
% of change over 1 year		**11.4%**		**8.8%**		**6.3%**

Evolution of EPRA NNNAV and Going concern NAV			**EPRA NNNAV**	**Going concern NAV**
As at Dec. 31, 2017, per share (fully diluted)			**200.50 €**	**219.20 €**
Revaluation of property assets *			2.42	2.42
Retail		1.15		
Offices		1.42		
Convention & Exhibition	-	0.16		
Revaluation of intangible and operating assets			0.25	0.25
Capital gain on disposals			-0.01	-0.01
Recurring Net Result			6.61	6.61
Distribution			-10.80	-10.80
Mark-to-market of debt and financial instruments			1.96	1.96
Variation in transfer taxes & deferred taxes adjustments			7.05	16.56
Variation in the fully diluted number of shares			-1.65	-6.95
Other (including foreign exchange difference)			-2.13	-2.14
As at June 30, 2018, per share (fully diluted)			**204.20 €**	**227.10 €**

(*) Revaluation of property assets is €1.24 per share on like-for-like basis, of which +€2.39 due to rental effect and -€1.15 € due to yield effect.

6. FINANCIAL RESOURCES

In H1-2018, markets remained focused on the monetary policy of the European Central Bank (ECB) and the US Federal Reserve (Fed). Monetary policy became less accommodative with the ECB deciding to taper its QE programme with a view towards ending its bond purchases by December 2018, the Fed deciding to increase its Fed Funds rate in March and June and two further rate hikes expected in H2-2018.

The market was also impacted by geopolitical events, including escalating trade tensions following the imposition of tariffs by the US administration, North Korea's pursuit of nuclear capabilities and the political situation in Italy, leading to increased volatility.

This half-year was further characterized by the completion of the WFD acquisition on June 7, 2018. UR raised €6,513 Mn of new senior debt and €2.0 Bn of hybrid securities. Following these issuances, the bridge loan of €6.1 Bn put in place in January 2018 to finance the acquisition of WFD was cancelled, without having been drawn.

URW benefits from healthy financial ratios[87] as at June 30, 2018[88]:

- The Interest Coverage Ratio (ICR) was 7.1x[89] (>5x in 2017 on a pro forma basis and 6.7x for UR on a stand-alone basis);
- The Loan-to-Value (LTV) ratio[90] amounted to 38.0%[91] (37.1%[92] on a pro forma basis and 33.2% for UR on a stand-alone basis, both as at December 31, 2017).

The LTV after taking into account disposals completed since June 30, or for which binding agreements have been signed would be 36.7%[93].

The average cost of debt for the period was 1.5% (1.4% for 2017) and includes one month of financial expenses of WFD and the cost of the senior debt issued to finance the transaction.

1. Debt structure as at June 30, 2018

URW's consolidated nominal financial debt as at June 30, 2018, increased to €25,133 Mn[94] from €14,864 Mn as at December 31, 2017 (€24,106 Mn as at December 31, 2017 on a pro forma basis), and includes ca. €6,737 Mn of debt from WFD.

Financial debt also includes €1,000 Mn of net share settled bonds convertible into new and/or existing URW stapled shares (ORNANE).

The total cash on-hand of the Group came to €584 Mn as at June 30, 2018 (€575 Mn as at December 31, 2017).

[87] The P&L takes into account one month of activity for WFD impacting financial expenses and EBITDA.
[88] Based on IFRS accounts, hybrid securities are treated as shareholder's equity.
[89] Proportionate ICR ratio of 6.6x (>4.5x on a 2017 pro forma basis).
On a H1-2018 pro forma basis, ICR ratio of 5.5x and proportionate ICR ratio of 4.8x.
[90] Net financial debt / total assets, including transfer taxes.
[91] Including transfer taxes. 39.3% excluding transfer taxes. Proportionate LTV ratio of 39.7% at June 30, 2018.
[92] Including transfer taxes. 38.4% excluding transfer taxes. Proportionate LTV ratio of 38.9% on a 2017 pro forma basis.
[93] The Orebro hotel, the Capital 8 office building, four Spanish non-core retail assets (El Faro, Bahia Sur, Los Arcos and Vallsur) and Horton Plaza.
[94] After impact of derivative instruments on debt raised in foreign currencies.

1.1. Debt breakdown

URW's consolidated nominal financial debt as at June 30, 2018, breaks down as follows[95]:

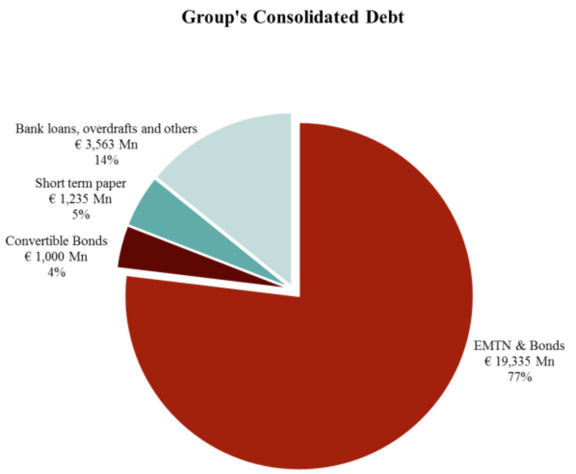
	UR (€ Mn)	WFD[96] (eq. € Mn)	Total URW (€ Mn)
EMTN	14,867	-	14,867
Rule 144A and other Regulation S bonds	-	4,468	4,468
ORNANE	1,000	-	1,000
CP and billets de trésorerie	1,235	-	1,235
Bank loans and overdrafts	359	1,776	2,135
Mortgage loans	936	492	1,429
Total	**18,397**	**6,737**	**25,133**

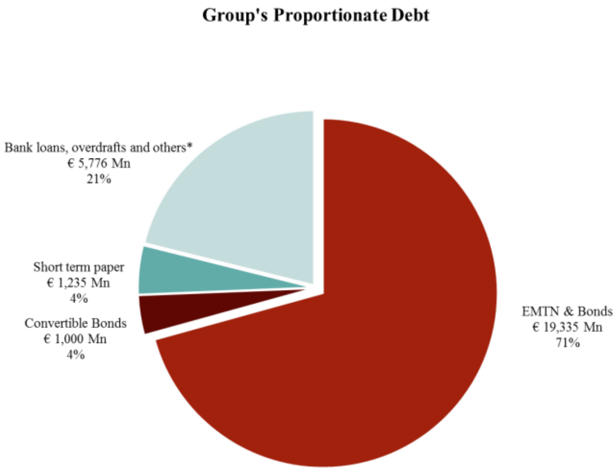
The medium to long-term corporate debt issued by various entities of URW benefits from cross guarantees from entities within the Group.

No loans are subject to prepayment clauses linked to the Group's ratings[97].

The non-consolidated debt of Joint Ventures amounts to €2,212 Mn with cash on hand standing at €115 Mn.

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

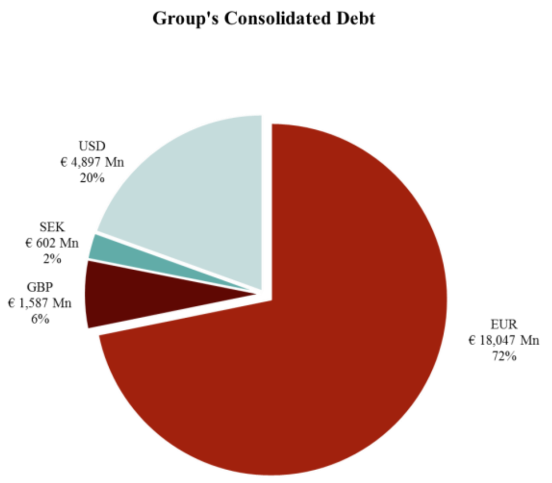


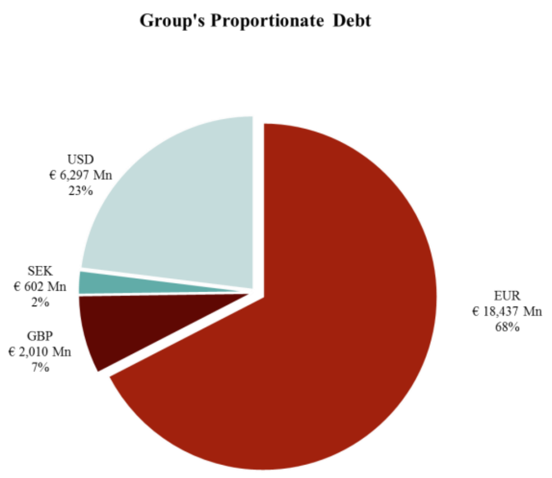


* Includes Westfield Stratford City CMBS (GBP 375 Mn).

[95] Figures may not add up due to rounding.
[96] Based on EUR/USD exchange rate of 1.1658.
[97] Barring exceptional circumstances (change in control).

The split of the debt by currency following the WFD acquisition is as follows[98]:





1.2. Funds Raised

- Four public EMTN bonds were issued in May 2018 for a total amount of €3,000 Mn with the following features:

Amount	Maturity (years)	Coupon
€800 Mn	3.0	0.125%
€800 Mn	7.3	1.125%
€900 Mn	12.7	1.875%
€500 Mn	20.0	2.25%

The weighted average maturity, coupon and spread over mid-swaps were ca. 10 years, 1.27% and 50 bps, respectively.

- Two private placements were issued under URW's EMTN programme for a total amount of €540 Mn:
  - ✓ A €500 Mn Floating Rate Note (FRN) with a 2-year maturity and a margin of 10 bps over 3-month Euribor[99];
  - ✓ A €40 Mn indexed bond swapped back to floating, equivalent to +75 bps over 3-month Euribor with a 15-year maturity.

In total, €3,540 Mn of bonds were issued with a weighted average maturity of nine years at an average margin of +44 bps over mid-swaps, versus an average of +62 bps for an average duration of 14 years in 2017.

- A €400 Mn "green" revolving credit facility, with a 5-year maturity and a margin of 35 bps[100] was signed on May 3, 2018. The margin of the "green" facility depends on the achievement by the Group of three CSR objectives that are part of the Group's strategy.

- A USD 3,000 Mn (€2,573 Mn) revolving credit facility was signed by the Group on June 28, 2018, with a maturity of four years and a margin of 87.5 bps based on the Group's credit ratings and current 1-year drawn levels.

- In addition, URW issued €2,000 Mn of hybrid securities on April 16, 2018, at an average margin of +184 bps over mid swaps in two tranches:
  - ✓ €1,250 Mn with a 2.125% coupon and callable after 5.5 years;
  - ✓ €750 Mn with a 2.875% coupon and callable after 8 years.

[98] Figures may not add up due to rounding.
[99] With a coupon floored at 0%.
[100] 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 revolving line.

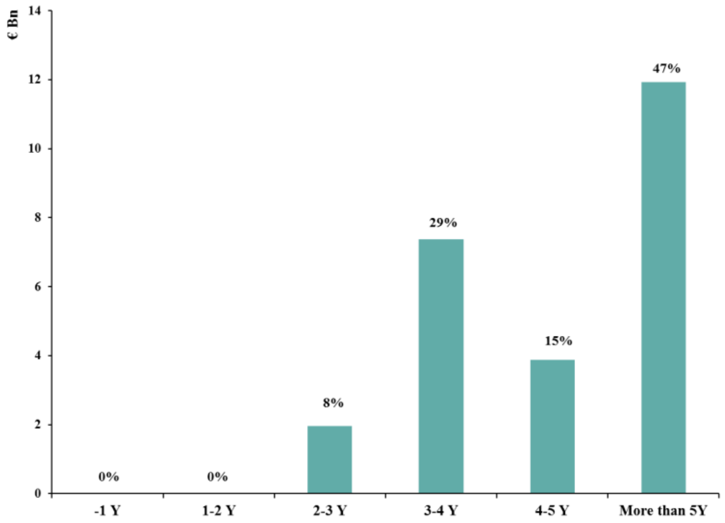
The hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option[101] and are required to be classified as equity under IFRS.

URW also accessed the money market by issuing short-term paper (BMTN and "*billets de trésorerie*"). The average amount of short-term paper outstanding in H1-2018 was €1,100 Mn (€1,378 Mn on average in 2017) including €948 Mn of *billets de trésorerie* raised at Eonia on average (+1 bp above Eonia in 2017).

As at June 30, 2018, the total amount of undrawn credit lines came to €6,995 Mn (€6,203 Mn as at December, 2017) and cash on-hand came to €584 Mn (€575 Mn as at December 31, 2017). The undrawn credit lines include USD 929 Mn (ca. €797 Mn) from the Group's USD revolving credit facility.

1.3. Debt maturity

The following chart illustrates URW's debt as at June 30, 2018, after the allocation of the committed credit lines (including the undrawn part of the revolving loans), by date of maturity and based on the residual life of its borrowings.



100% of the debt had a maturity of more than two years as at June 30, 2018 (after taking into account undrawn credit lines).

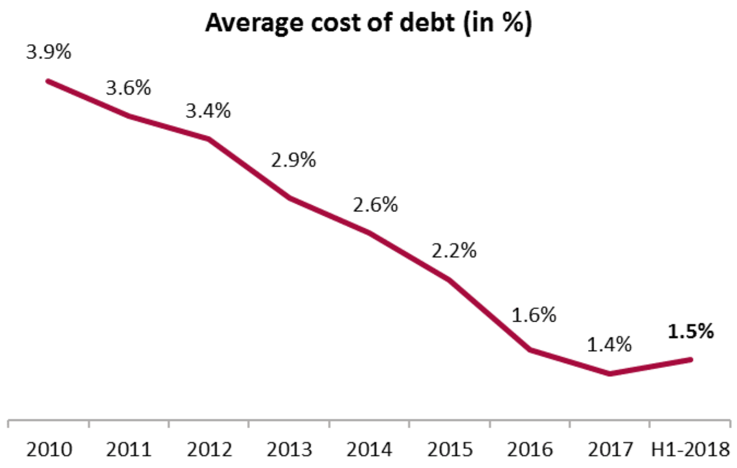
The average maturity of the Group's debt as at June 30, 2018, taking into account the unused credit lines, decreased to 6.9 years (7.2 years as at December 2017) as a result of the inclusion of WFD's debt.

<u>Liquidity needs</u>

URW's debt repayment needs[102] for the next twelve months are covered by the available undrawn credit lines and cash on-hand. The amount of bonds and bank loans outstanding as at June 30, 2018, and maturing or amortising within a year is €1,965 Mn (including a total of €1,699 Mn of bonds) compared with €6,995 Mn of undrawn committed credit lines and €584 Mn of cash on-hand as at June 30, 2018.

[101] Details on the hybrid securities at:
https://www.urw.com/-/media/Corporate~o~Sites/UR-Corporate/Files/Homepage/Investors/FINANCING~o~ACTIVITY/BOND~o~ISSUES/UR-Prospectus/2018_Prospectus-Hybrid.ashx
[102] Excluding Commercial Paper and BMTN maturing in 2018 (€1,013 Mn), overdrafts and other.

1.4. Average cost of Debt



URW's average cost of debt (including one month of WFD financial expenses) for the period was 1.5% (1.4% in 2017). This 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 through tender offer transactions;
- The hedging instruments in place;
- The cost of carry of the undrawn credit lines;
- The cost of acquisition debt;
- The cost of debt of WFD in June 2018 (3.5%), which is higher than URW's due to:
  - ✓ WFD's "BBB+" rating before the completion of the acquisition;
  - ✓ higher rates in the US and UK.

The average cost of debt of UR on a standalone basis for the period would have been 1.3%.

2. Ratings

URW has solicited a rating from both Standard & Poor's (S&P) and Moody's.

In June 2018, both S&P and Moody's confirmed the Group's long-term rating at "A" and "A2", respectively, in each case with a stable outlook, and at "A-1", only from S&P, for its short term rating.

In July 2018, following the implementation of cross guarantees within the Group, the rating agencies also assigned an "A" and "A2" rating to WFD's debt securities.

The Group decided to keep only the S&P and Moody's rating and not to solicit a Fitch rating[103] as:

- Investors usually request two ratings;
- S&P and Moody's already rated WFD;
- S&P and Moody's is recognized in the US, where the Group intends to raise part of its funding for its US activity.

3. Market risk management

Market risks can generate losses resulting from fluctuations in interest rates, exchange rates, raw material prices and share prices. URW's risk mainly relates to interest rate fluctuations on the debt 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 Eurozone, in particular in the US and the UK following the WFD acquisition.

URW's interest 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.

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[103] Last solicited rating: "A". Following the announcement of the Westfield transaction, Fitch put the "A" rating on "watch negative".

URW's exchange rate policy objective is to have a LTV ratio that is consistent currency by currency. Thus, the Group raises debt in local currency, uses derivatives and buys or sells foreign currencies at spot or forward rates.

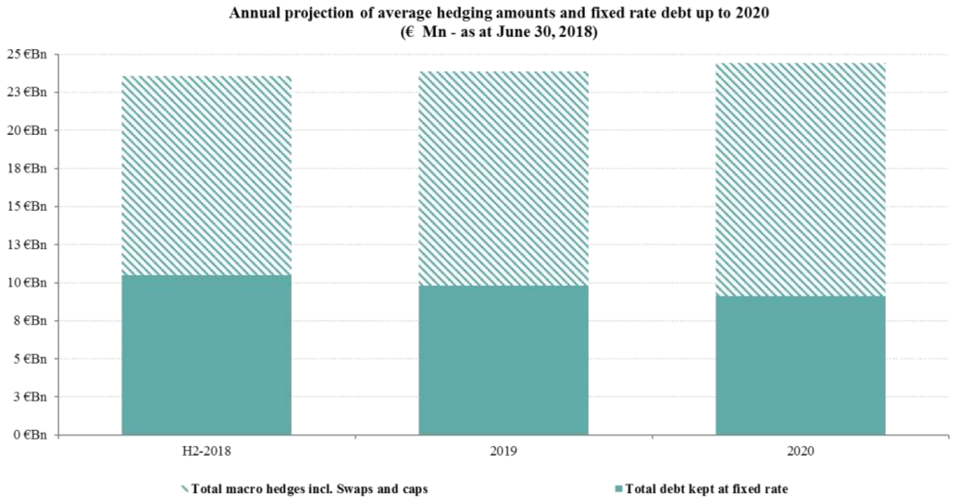
Due to its use of derivatives, the Group is exposed to potential counterparty defaults. The counterparty risk is the risk of replacing the derivative transactions at current market rates in the case of default. The Group implemented IFRS 13 for the mark-to-market calculations of its derivative transactions.

	Euros[104]	USD	GBP	SEK	Total eq. EUR
Assets[105]	44,826	14,830	3,738	29,881	64,668
Net Financial Debt[106]	17,694	5,440	1,406	6,200	24,549
LTV [107]	39%	37%	38%	21%	38%

3.1. Interest rate risk management

The interest rate environment was more volatile but yet offered attractive windows to access the Euro market.
The Group decided to pre-hedge its funding needs for the WFD acquisition and further extended its hedging programme, by adding caps for a nominal amount of €3.0 Bn.

Consequently, the amounts raised to fund the WFD acquisition were swapped to floating (except the 20-year bond).
In July 2018, the Group put in place additional hedging instruments in USD for a nominal amount of USD 2.0 Bn.



In total, including the hedges above, the debt the Group expects to raise is hedged at 97% for 2018, 94% for 2019 and 91% for 2020.

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.

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

[104] Assets valued in Euros and including Danish assets.
[105] On a consolidated basis, including transfer taxes. At this stage, goodwill has been allocated to URW's euro denominated assets pending the final purchase price allocation.
[106] On a consolidated basis.
[107] On a consolidated basis. The LTV per currency, on a proportionate basis, is at 40%, 42%, 42% and 21% on EUR, USD, GBP and SEK, respectively.

Measuring interest rate exposure

As at June 30, 2018, net financial debt stood at €24,549 Mn (vs. €14,289 Mn as at December 31, 2017), excluding partners' current accounts and after taking into account cash on hand of €584 Mn.

The outstanding debt was hedged at 87% as at June 30, 2018, and fully hedged as a result of the hedging instruments put in place in July 2018 through both:

- Debt kept at a fixed rate;
- Hedging in place as part of URW's macro hedging policy.

Based on the estimated average debt position of URW in 2018, if interest rates (Euribor, Libor, Stibor or Pribor) were to rise by an average of +50 bps[108] during H2-2018, the estimated impact on financial expenses[109] would be -€13.9 Mn, reducing the 2018 recurring net profit by a broadly similar amount:

- Euro financial expenses would increase by €10.4 Mn;
- Dollar financial expenses would increase by USD 3.4 Mn (€2.9 Mn);
- Sterling financial expenses would increase by GBP 0.5 Mn (€0.5 Mn).

An additional rise of +50 bps would increase financial expenses by a further -€3.7 Mn.

In total, a +100 bps increase in interest rates during 2018 would have a net negative impact on financial expenses of -€17.6 Mn:

- Euro financial expenses would increase by €13.8 Mn;
- Dollar financial expenses would increase by USD 3.2 Mn (€2.7 Mn);
- Sterling financial expenses would increase by GBP 0.9 Mn (€1.1 Mn).

A -50 bps drop in interest rates would reduce the financial expenses by €35.0 Mn and would increase the recurring net profit in 2018 by a broadly equivalent amount:

- Euro financial expenses would decrease by €30.4 Mn;
- Dollar financial expenses would decrease by USD 4.8 Mn (€4.1 Mn);
- Sterling financial expenses would decrease by GBP 0.5 Mn (€0.5 Mn).

3.2. Foreign exchange risk management

The Group has extended its activities and investments in countries outside the Eurozone following the WFD acquisition. When converted into euros, the income and value of the Group's investments may be influenced by fluctuations in exchange rates against the euro. The Group's policy objective is to apply a consistent LTV by currency allowing it to match part of the foreign currency asset value and income with debt and financial expenses in the same currency, thus reducing the exchange rate effects on net asset value and earnings. Foreign exchange risk can be hedged by either matching investments in a specific currency with debt in the same currency, or using derivatives to achieve the same risk management goal.

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

[108] The impact on exchange rates due to this theoretical increase of 50 bps in interest rates is not taken into account.
The theoretical impact of a rise or decrease in interest rates is calculated relative to the applicable rates as at June 29, 2018: 3m Euribor (-0.32%), 3m USD Libor (2.34%) and 3m GBP Libor (0.67%).
[109] As June 30, 2018 including USD 2.0 Bn of hedging instrument in July 2018.

Measure of exposure to foreign exchange risks (€ Mn)[110]

Currency	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
US$	12,851	-7,423	5,427	600	**6,027**
GBP	4,103	-1,225	2,878	-520	**2,357**
SEK	2,760	-992	1,768	0	**1,768**
Others	525	-684	-159	610	**451**
Total	**20,238**	**-10,324**	**9,914**	**690**	**10,603**

The main exposures kept are in USD, GBP and SEK. A change of +10% change of EUR/USD, EUR/GBP or EUR/SEK (i.e. a +10% increase of EUR against the USD, GBP or SEK) would have an impact on shareholders' equity and on the recurring result as follows:

in €Mn	Impact on	
	Shareholder's Equity	Recurring Result
+10% in EUR/USD	-547.9	-20.5
+10% in EUR/GBP	-214.3	-6.6
+10% in EUR/SEK	-160.7	-5.1

As at June 30, 2018, the SEK 1,750 Mn credit line signed in December 2017 is undrawn and part of the USD 3,000 Mn revolving credit facility (USD 929 Mn) is undrawn.

The Group, through its activities, may be 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 shares 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.

4. Financial structure

As at June 30, 2018, URW's total assets amounted to €64,668 Mn. Pending the definitive purchase price allocation and valuation of intangibles in WFD non-real estate assets, the Group has maintained €3,367 Mn of goodwill in its June 30, 2018, accounts and includes this amount in its total assets.

Debt ratio

As at June 30, 2018, the LTV ratio amounted to 38.0%[111], (37.1% on a pro forma basis and 33.2% for UR on a stand-alone basis, both as at December 31, 2017). This increase results from the WFD transaction which was partly funded through debt as well as the early payment of the UR final dividend in May vs. in July in other years.
The Group also committed to sell €3.0 Bn of Continental European assets during the next several years. Since June 30, 2018, the Group has disposed of or entered into binding agreements to sell €1,321 Mn of assets in Continental Europe and the US.

Interest coverage ratio

The Interest Coverage Ratio (ICR) stood at 7.1x[112] for 2018 (>5x in 2017 on a pro forma basis and 6.7x for UR on a stand-alone basis) as a result of strong rental growth, a controlled cost of debt and the WFD acquisition.

Financial ratios	June 30, 2018	Dec. 31, 2017
LTV[113]	**38.0%**	33.2%
ICR[114]	**7.1x**	6.7x

[110] Liabilities include, but are not limited to, the debt raised in the given currencies, and include deferred tax liabilities. Since the analysis of the allocation of the remaining goodwill arising on WFD acquisition is on-going, the amount of goodwill remains in euros at this stage.
[111] Proportionate LTV ratio of 39.7% (38.9% on a 2017 pro forma basis).
[112] Proportionate ICR ratio of 6.6x (>4.5x on a 2017 pro forma basis).
[113] Loan-to-Value (LTV) = Net financial debt / Total assets including transfer taxes. As at June 30 2018 total assets stood at €64,668 Mn (€43,057 Mn as at December 31, 2017). The LTV excluding transfer taxes is estimated at 39.3%.
[114] Interest Cover Ratio (ICR) = Recurring EBITDA / Recurring Net Financial Expenses (including capitalized interest); Recurring EBITDA is calculated as total recurring operating results and other income less general expenses, excluding depreciation and amortization.

These ratios show ample headroom vis-à-vis the following bank covenants usually set at:

- For URW bank loans (in Europe):
    - a maximum loan to value of 60%;
    - a minimum ICR of 2x and;

- For the US revolving credit facility:
    - a maximum loan to value of 65%;
    - a minimum ICR of 1.5x;
    - a maximum of 50% for the Secured debt ratio[115];
    - a minimum of 1.5x for the Unencumbered leveraged ratio[116].

These covenants are tested twice a year based on the Group's consolidated financial statements.

As at June 30, 2018, 96% of the Group's credit facilities and bank loans allowed a loan to value of up to 60% for the Group or the borrowing entity, as the case may be.

There are no financial covenants (such as loan to value or ICR) in the EMTN, the CP and the USCP programs of UR.

The WFD bond indentures (144A and Regulation S bonds) contain financial covenants based on the Group's financial statements:

- a maximum loan to value of 65%;
- a minimum ICR of 1.5x;
- a maximum of 45% for the Secured debt ratio;
- a minimum of 1.25x for the Unencumbered leveraged ratio.

[115] Secured debt ratio = Secured debt / Total assets. 2.2% as at June 30, 2018, on a pro forma basis.
[116] Unencumbered leverage ratio = unencumbered assets / unsecured debt. 2.21 as at June 30, 2018, on a pro forma basis.

7. PRO FORMA STATEMENTS OF INCOME

Basis of presentation

The following unaudited Pro Forma Condensed Consolidated Financial Information contains unaudited Pro Forma condensed consolidated statements of income for the half-year ended June 30, 2018, for the half-year ended June 30, 2017 and for the full year 2017, with the related explanatory notes (together the "URW Pro Forma Financial Information") as if the acquisition of Westfield Corporation Limited (the "Transaction") and its direct consequences together with the financing of the cash consideration transferred to Westfield shareholders as part of the Transaction had occurred on January 1, 2017.

The acquisition of Westfield Corporation Limited ("WFD") was effective as per June 7, 2018. As the impact was not deemed significant, WFD is consolidated from June 1, 2018 rather than from June 7, 2018. Thus, the unaudited URW Consolidated Financial Statements for the half-year ended June 30, 2018 consolidate one month of WFD's operations.

The URW Pro Forma Financial Information has been derived from and should be read in conjunction with:
- The unaudited URW Consolidated Financial Statements for the half-year ended June 30, 2018;
- The unaudited UR Consolidated Financial Statements for the half-year ended June 30, 2017;
- The unaudited WFD Consolidated Financial Statements for the half-year ended June 30, 2017;
- The audited 2017 UR Consolidated Financial Statements; and
- The audited 2017 WFD Consolidated Financial Statements.

The consolidated statement of income for the half-year ended June 30, 2018 of URW has been extracted from the unaudited URW Consolidated Financial Statements for the half-year ended June 30, 2018. The unaudited URW Consolidated Financial Statements for the half-year ended June 30, 2018 have been prepared in accordance with IAS 34 "Interim Financial Reporting" and were jointly reviewed by Ernst & Young Audit and Deloitte & Associés, statutory auditors of Unibail-Rodamco SE, as stated in their statutory auditors' review report dated August 29, 2018.

The consolidated statement of income of WFD for the period from January 1 to May 31, 2018 has been extracted from the accounting records of WFD. This consolidated statement of income of WFD has been prepared on the basis of measurement and presentation principles applied by WFD in the audited 2017 WFD Consolidated Financial Statements. This consolidated statement of income of WFD for the period from January 1 to May 31, 2018 has not been audited nor reviewed.

The consolidated statement of income for the half-year ended June 30, 2017 of WFD has been extracted from the unaudited WFD Consolidated Financial Statements for the half-year ended June 30, 2017. The unaudited WFD Consolidated Financial Statements for the half-year ended June 30, 2017 were prepared in accordance with Australian Accounting Standards which comply with IAS 34 "Interim Financial Reporting", and were reviewed by Ernst & Young, independent auditor, as stated in their independent auditor's review report on the half-year financial report of WFD dated August 16, 2017.

The consolidated statement of income for the year ended December 31, 2017 of UR has been extracted from the audited 2017 UR Consolidated Financial Statements. The audited 2017 UR Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards and were jointly audited by Ernst & Young Audit and Deloitte & Associés, statutory auditors of Unibail-Rodamco SE, as stated in their statutory auditors' report on the Consolidated Financial Statements of UR dated March 27, 2018.

The consolidated statement of income for the year ended December 31, 2017 of WFD has been extracted from the audited 2017 WFD Consolidated Financial Statements. The audited 2017 WFD Consolidated Financial Statements were prepared in accordance with International Financial Reporting Standards issued by the IASB, and were audited by Ernst & Young, independent auditor, as stated in their independent auditor's report on the Consolidated Financial Statements of WFD dated February 22, 2018.

The URW Pro Forma Financial Information has been presented for illustrative purposes only and because of its nature, addresses a hypothetical situation and is not necessarily indicative of the results of operations that would have been achieved had the Transaction been consummated on the date indicated above, or the future consolidated results of operations of URW.

The Pro Forma adjustments, which are presented below, are based on available information to date, certain assumptions and estimates that URW considers as reasonable, and the above-mentioned information provided by WFD. These adjustments are directly attributable to the business combination, factually supportable and can be estimated reliably.

The direct consequences of the Transaction reflected as pro forma adjustments in the URW Pro Forma Financial Information relate to:

- The demerger of OneMarket effective May 30, 2018, as detailed in Note 1;
- Acquisition and related costs in connection with the acquisition of WFD, as detailed in Note 2;
- Cost savings resulting from the termination of head-office employees and WFD senior management effective June 30, 2018 as provided between UR and WFD as part of the Implementation Agreement entered into on December 12, 2017, and the disposal of the corporate aircraft, as detailed in Note 3;
- Financial expenses and fair value adjustment of debt and derivatives, as detailed in Note 4.

Otherwise, the URW Pro Forma Financial Information does not reflect any revenue enhancements, other anticipated synergies or dis-synergies, operating efficiencies or cost savings that may be achieved nor the disposals URW has announced it expects to make.

The acquisition and related costs, including cost for closing and termination of the lease of the Sydney head-office and termination of WFD senior management effective at the Transaction date, have been recorded as fully incurred on January 1, 2017 in the "Pro Forma consolidated" column of the URW Pro Forma Financial Information and reversed in the "Pro Forma consolidated excluding non-continuing impact" column as non-continuing impact relating to the Transaction.

The financing of the cash consideration transferred to Westfield shareholders as part of the Transaction consisted of:

- The €2,000 Mn deeply subordinated, perpetual hybrid securities issued by UR on April 16, 2018; and
- The four-tranche of public Euro medium Term Notes for a total of €3,000 Mn issued in May 2018.

Consistent with the preliminary purchase accounting reflected in the unaudited URW Consolidated Financial Statements for the half-year ended June 30, 2018, the URW Pro Forma Financial Information for H1-2018, H1-2017 and full year 2017 do not reflect any depreciation impact related to intangible assets with definite useful life.

Furthermore, the change of URW credit spread related to the completion of the transaction is not reflected in the fair value of derivatives and ORNANE in the URW Pro Forma Financial Information for H1-2018, H1-2017 and full year 2017.

The unaudited Pro Forma Condensed Consolidated Financial Information is presented in millions of euros, unless otherwise stated, rounded to the nearest hundred thousand and, as a result, slight differences between rounded figures may exist.

Unaudited Pro Forma consolidated statement of income for the half-year ended June 30, 2018

Consolidated statement of income (€Mn)	**H1-2018 Published (URW)**	**5 months WFD (January to May 2018)**	**Pro Forma adjustments**	**H1-2018 Pro Forma Consolidated**	**Non-continuing impact**	**H1-2018 Pro Forma Consolidated excluding non-contuing impact**	**Note**
Gross rental income	989.4	229.8	-	1,219.2		1,219.2	
Operating expenses and net service charges	(128.8)	(110.7)	-	(239.5)	-	(239.5)	
Net rental income	**860.6**	**119.1**	**-**	**979.7**	**-**	**979.7**	
Property development and project management revenue	73.8	145.0	(1.4)	217.4		217.4	**1**
Property development and project management costs	(68.7)	(146.1)	31.3	(183.5)		(183.5)	**1**
Net property development and project management income	**5.1**	**(1.1)**	**29.9**	**33.9**	**-**	**33.9**	
Property services and other activities revenues	134.0	16.4	-	150.4		150.4	
Property services and other activities expenses	(85.9)	(8.2)	-	(94.1)		(94.1)	
Net property services and other activities income	**48.1**	**8.2**	**-**	**56.3**	**-**	**56.3**	
Share of the result of companies accounted for using the equity method	66.8	204.0	0.3	271.1		271.1	
Income on financial assets	13.9	-	-	13.9		13.9	
Contribution of companies accounted for using the equity method	**80.7**	**204.0**	**0.3**	**285.0**	**-**	**285.0**	
Corporate expenses	(61.5)	(67.0)	26.7	(101.7)		(101.7)	**2**
Development expenses	(0.2)	-	-	(0.2)		(0.2)	
Depreciation of other tangible assets	(1.0)	-	-	(1.0)		(1.0)	
Administrative expenses	**(62.7)**	**(67.0)**	**26.7**	**(102.9)**	**-**	**(102.9)**	
Acquisition and related costs	**(214.7)**	**(70.8)**	**284.8**	**(0.7)**	**-**	**(0.7)**	**3**
Proceeds from disposal of investment properties	49.8	-	-	49.8		49.8	
Carrying value of investment properties sold	(51.0)	-	-	(51.0)		(51.0)	
Result on disposal of investment properties	**(1.2)**	**-**	**-**	**(1.2)**	**-**	**(1.2)**	
Proceeds from disposal of shares	-	15.5	-	15.5		15.5	
Carrying value of disposed shares	-	(88.0)	88.0	0.0		0.0	**1**
Result on disposal of shares	**-**	**(72.5)**	**88.0**	**15.5**	**-**	**15.5**	
Valuation movements on assets	**335.4**	**37.4**	**1.8**	**374.7**	**-**	**374.7**	**1**
Impairment of goodwill/Negative goodwill	**(0.7)**	**-**	**-**	**(0.7)**		**(0.7)**	
NET OPERATING RESULT	**1,050.6**	**157.4**	**431.6**	**1,639.6**	**-**	**1,639.6**	
Result from non-consolidated companies	0.2	-		0.2		0.2	
Financial income	*64.8*	*3.8*	-	*68.6*		*68.6*	
Financial expenses	*(185.7)*	*(61.0)*	*(2.8)*	*(249.5)*		*(249.5)*	**4**
Net financing costs	(120.9)	(57.2)	(2.8)	(180.9)	-	(180.9)	
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	28.9	-	-	28.9		28.9	
Fair value adjustments of derivatives and debt	(129.3)	(7.5)	50.5	(86.3)		(86.3)	**4**
RESULT BEFORE TAX	**829.5**	**92.8**	**479.2**	**1,401.5**	**-**	**1,401.5**	
Income tax expenses	(77.6)	(346.9)	(2.4)	(426.9)		(426.9)	**2**
NET RESULT FOR THE PERIOD	**751.9**	**(254.1)**	**476.8**	**974.6**	**-**	**974.6**	
Net result for the period attributable to:							
- The holders of the Stapled Shares	642.6	(254.1)	476.8	865.2	-	865.2	
- External non-controlling interests	109.3			109.3		109.3	
NET RESULT FOR THE PERIOD	**751.9**	**(254.1)**	**476.8**	**974.6**	**-**	**974.6**	
Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to:							
- Unibail-Rodamco SE members	658.4		448.4	852.6	-	852.6	
- WFD Unibail-Rodamco N.V. members	(15.8)		28.5	12.7	-	12.7	
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES	**642.6**		**476.8**	**865.2**	**-**	**865.2**	

Unaudited Pro Forma consolidated statement of income for the half-year ended June 30, 2017

Consolidated statement of income (€Mn)	**H1-2017 Published (UR)**	**H1-2017 Published (WFD)**	**Pro Forma adjustments**	**H1-2017 Pro Forma Consolidated**	**Non-continuing impact**	**H1-2017 Pro Forma Consolidated excluding non-continuing impact**	**Note**
Gross rental income	908.2	270.4	-	1,178.6		1,178.6	
Operating expenses and net service charges	(113.9)	(119.7)	-	(233.6)	-	(233.6)	
Net rental income	**794.3**	**150.7**	**-**	**945.0**	**-**	**945.0**	
Property development and project management revenue	-	305.4	(0.3)	305.1		305.1	**1**
Property development and project management costs	-	(270.1)	12.9	(257.2)		(257.2)	**1**
Net property development and project management income	**-**	**35.3**	**12.7**	**48.0**	**-**	**48.0**	
Property services and other activities revenues	124.5	25.0	-	149.5		149.5	
Property services and other activities expenses	(85.1)	(10.3)	-	(95.4)		(95.4)	
Net property services and other activities income	**39.4**	**14.7**	**-**	**54.1**	**-**	**54.1**	
Share of the result of companies accounted for using the equity method	37.1	243.8	(1.0)	279.9		279.9	
Income on financial assets	13.2	-	-	13.2		13.2	
Contribution of companies accounted for using the equity method	**50.2**	**243.8**	**(1.0)**	**293.1**	**-**	**293.1**	
Corporate expenses	(54.5)	(54.8)	25.6	(83.8)		(83.8)	**2**
Development expenses	0.9		-	0.9		0.9	
Depreciation of other tangible assets	(1.1)		-	(1.1)		(1.1)	
Administrative expenses	**(54.7)**	**(54.8)**	**25.6**	**(83.9)**	**-**	**(83.9)**	
Acquisition and related costs	**-**	**-**	**(298.3)**	**(298.3)**	**298.3**	**-**	**3**
Proceeds from disposal of investment properties	1.2	-	-	1.2		1.2	
Carrying value of investment properties sold	-	(8.3)	3.7	(4.6)		(4.6)	**1**
Result on disposal of investment properties	**1.2**	**(8.3)**	**3.7**	**(3.5)**	**-**	**(3.5)**	
Proceeds from disposal of shares	-	-	-	-		-	
Carrying value of disposed shares	-	-	-	-	-	-	
Result on disposal of shares	**-**	**-**	**-**	**-**	**-**	**-**	
Valuation movements on assets	**1,073.2**	**174.1**	**7.4**	**1,254.8**	**-**	**1,254.8**	**1**
Impairment of goodwill/Negative goodwill	**-**		**-**	**-**		**-**	
NET OPERATING RESULT	**1,903.7**	**555.5**	**(250.0)**	**2,209.2**	**298.3**	**2,507.6**	
Result from non-consolidated companies	0.9	-		0.9		0.9	
Financial income	*57.9*	*6.7*	-	*64.5*		*64.5*	
Financial expenses	*(170.0)*	*(28.7)*	*(19.5)*	*(218.2)*		*(218.2)*	**4**
Net financing costs	(112.1)	(22.0)	(19.5)	(153.6)	-	(153.6)	
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	23.5	-	-	23.5		23.5	
Fair value adjustments of derivatives and debt	(44.4)	(7.3)	6.4	(45.3)		(45.3)	**4**
RESULT BEFORE TAX	**1,771.6**	**526.2**	**(263.2)**	**2,034.7**	**298.3**	**2,333.1**	
Income tax expenses	(27.0)	18.1	(9.5)	(18.4)		(18.4)	**1,2**
NET RESULT FOR THE PERIOD	**1,744.6**	**544.4**	**(272.6)**	**2,016.4**	**298.3**	**2,314.7**	
Net result for the period attributable to:							
- The holders of the Stapled Shares	1,462.6	544.4	(272.6)	1,734.4	298.3	2,032.7	
- External non-controlling interests	282.0			282.0		282.0	
NET RESULT FOR THE PERIOD	**1,744.6**	**544.4**	**(272.6)**	**2,016.4**	**298.3**	**2,314.7**	

Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to:							
- Unibail-Rodamco SE members				1,532.8	277.7	1,810.5	
- WFD Unibail-Rodamco N.V. members				201.6	20.6	222.2	
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES				**1,734.4**	**298.3**	**2,032.7**	

Unaudited Pro Forma consolidated statement of income for the year ended December 31, 2017

Consolidated statement of income (€Mn)	**2017 Published (UR)**	**2017 Published (WFD)**	**Pro Forma adjustments**	**2017 Pro Forma Consolidated**	**Non-continuing impact**	**2017 Pro Forma Consolidated excluding non-continuing impact**	**Note**
Gross rental income	1,822.3	557.8	-	2,380.1		2,380.1	
Operating expenses and net service charges	(239.6)	(250.6)	-	(490.2)	-	(490.2)	
Net rental income	**1,582.6**	**307.2**	**-**	**1,889.8**	**-**	**1,889.8**	
Property development and project management revenue	-	649.0	(2.1)	646.9		646.9	**1**
Property development and project management costs	-	(557.5)	20.3	(537.2)		(537.2)	**1**
Net property development and project management income	**-**	**91.5**	**18.1**	**109.7**	**-**	**109.7**	
Property services and other activities revenues	256.1	49.8	-	305.9		305.9	
Property services and other activities expenses	(176.3)	(19.1)	-	(195.4)		(195.4)	
Net property services and other activities income	**79.8**	**30.7**	**-**	**110.5**	**-**	**110.5**	
Share of the result of companies accounted for using the equity method	91.6	594.5	(3.1)	683.1		683.1	
Income on financial assets	27.0	-	-	27.0		27.0	
Contribution of companies accounted for using the equity method	**118.6**	**594.5**	**(3.1)**	**710.0**	**-**	**710.0**	
Corporate expenses	(117.3)	(106.1)	50.3	(173.1)		(173.1)	**2**
Development expenses	(3.6)		-	(3.6)		(3.6)	
Depreciation of other tangible assets	(2.2)		-	(2.2)		(2.2)	
Administrative expenses	**(123.1)**	**(106.1)**	**50.3**	**(178.9)**	**-**	**(178.9)**	
Acquisition and related costs	**(62.4)**	**(9.1)**	**(230.3)**	**(301.9)**	**298.3**	**(3.5)**	**3**
Proceeds from disposal of investment properties	592.5	243.4	-	835.9		835.9	
Carrying value of investment properties sold	(518.7)	(255.1)	6.4	(767.5)		(767.5)	**1**
Result on disposal of investment properties	**73.8**	**(11.8)**	**6.4**	**68.4**	**-**	**68.4**	
Proceeds from disposal of shares	27.3	-	-	27.3		27.3	
Carrying value of disposed shares	(27.3)	-	-	(27.3)	-	(27.3)	
Result on disposal of shares	**0.0**	**-**	**-**	**0.0**	**-**	**0.0**	
Valuation movements on assets	**1,364.4**	**482.7**	**20.3**	**1,867.4**	**-**	**1,867.4**	**1**
Impairment of goodwill/Negative goodwill	**(9.2)**	**-**	**-**	**(9.2)**		**(9.2)**	
NET OPERATING RESULT	**3,024.6**	**1,379.7**	**(138.3)**	**4,266.0**	**298.3**	**4,564.3**	
Result from non-consolidated companies	0.9	-		0.9		0.9	
Financial income	*119.5*	*11.7*	-	*131.2*		*131.2*	
Financial expenses	*(347.5)*	*(87.7)*	*(25.2)*	*(460.4)*		*(460.4)*	**4**
Net financing costs	(228.0)	(76.0)	(25.2)	(329.2)	-	(329.2)	
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	21.1		-	21.1		21.1	
Fair value adjustments of derivatives and debt	(21.9)	(34.6)	(52.7)	(109.2)		(109.2)	**4**
RESULT BEFORE TAX	**2,796.7**	**1,269.0**	**(216.2)**	**3,849.5**	**298.3**	**4,147.8**	
Income tax expenses	(74.2)	104.2	(14.7)	15.3		15.3	**1,2**
NET RESULT FOR THE PERIOD	**2,722.5**	**1,373.2**	**(230.9)**	**3,864.8**	**298.3**	**4,163.2**	
Net result for the period attributable to:							
- The holders of the Stapled Shares	2,439.5	1,373.2	(230.9)	3,581.8	298.3	3,880.2	
- External non-controlling interests	283.0			283.0		283.0	
NET RESULT FOR THE PERIOD	**2,722.5**	**1,373.2**	**(230.9)**	**3,864.8**	**298.3**	**4,163.2**	

Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to:							
- Unibail-Rodamco SE members				3,134.1	278.6	3,412.7	
- WFD Unibail-Rodamco N.V. members				447.7	19.7	467.5	
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES				**3,581.8**	**298.3**	**3,880.2**	

Notes to the unaudited Pro Forma Condensed Consolidated Financial Information

The URW Pro Forma Financial Information is presented in euros, which is the presentation currency of the Group. The historical financial information of WFD is reported pursuant to IFRS and presented in USD. It has been translated from USD to EUR by applying the following average exchange rate to all income statement items:

- 0.8265 for the half-year ended June 30, 2018;
- 0.9244 for the half-year ended June 30, 2017;
- 0.8853 for the year ended December 31, 2017.

The historical financial information of WFD for June 30, 2017 and December 31, 2017 has been reclassified to conform to UR's presentation. The reconciliation between both formats is presented below:

	H1-2017 US$ million	H1-2017 € million	Included in the following lines of the Consolidated statement of income :
Revenue			
Property revenue	292.5	270.4	Gross rental income
Property development and project management revenue	330.4	305.4	Property development and project management revenue
Property management income	27.0	25.0	Property services and other activities revenues
	649.9	**600.7**	
Share of after tax profits of equity accounted entities			
Property revenue	337.7	312.2	
Property revaluations	74.4	68.8	
Property expenses, outgoings and other costs	(115.0)	(106.3)	
Net interest expense	(33.2)	(30.7)	
Tax expense	(0.1)	(0.1)	
	263.8	**243.8**	Share of the result of companies accounted for using the equity method
Expenses			
Property expenses, outgoings and other costs	(129.5)	(119.7)	Operating expenses and net service charges
Property development and project management costs	(292.2)	(270.1)	Property development and project management costs
Property management costs	(11.1)	(10.3)	Property services and other activities expenses
Overheads	(59.3)	(54.8)	Corporate expenses
	(492.1)	**(454.9)**	
Interest income	7.2	6.7	Net financing costs
Currency gain/(loss)	1.4	1.3	Fair value adjustments of derivatives and debt
Financing costs	(40.3)	(37.3)	A. Net financing costs for (31.0) US$ million (Note 7 of Westfield H1-2017 Financial report) B. Fair value adjustments of derivatives and debt for (9.3) US$ million (Note 7 of Westfield H1-2017 Financial report)
Gain/(loss) in respect of capital transactions	(9.0)	(8.3)	Result on disposal of investment properties
Property revaluations	196.4	181.5	Valuation movements on assets
Intangible amortisation and impairment	(8.0)	(7.4)	Valuation movements on assets
Profit before tax and non controlling interests	**569.3**	**526.2**	
Tax credit/(expense)	19.6	18.1	Income tax expenses
Profit after tax for the period	**588.9**	**544.4**	

	2017 US$ million	2017 € million	Included in the following lines of the Consolidated statement of income :
Revenue			
Property revenue	630.1	557.8	Gross rental income
Property development and project management revenue	733.1	649.0	Property development and project management revenue
Property management income	56.3	49.8	Property services and other activities revenues
	1,419.5	**1,256.6**	
Share of after tax profits of equity accounted entities			
Property revenue	685.6	606.9	
Property revaluations	279.2	247.2	
Property expenses, outgoings and other costs	(229.9)	(203.5)	
Net interest expense	(62.7)	(55.5)	
Tax expense	(0.6)	(0.5)	
	671.6	**594.5**	Share of the result of companies accounted for using the equity method
Expenses			
Property expenses, outgoings and other costs	(283.1)	(250.6)	Operating expenses and net service charges
Property development and project management costs	(629.7)	(557.5)	Property development and project management costs
Property management costs	(21.6)	(19.1)	Property services and other activities expenses
Overheads	(119.9)	(106.1)	Corporate expenses
	(1,054.3)	**(933.3)**	
Interest income	13.2	11.7	Net financing costs
Currency gain/(loss)	(2.2)	(1.9)	Fair value adjustments of derivatives and debt
Financing costs	(136.0)	(120.4)	A. Net financing costs for (99.1) US$ million (Note 6 of Westfield 2017 Financial report) B. Fair value adjustments of derivatives and debt for (36.9) US$ million (Note 6 of Westfield 2017 Financial report)
Gain/(loss) in respect of capital transactions	(23.6)	(20.9)	A. Result on disposal of investment properties for (13.3) US$ million (Note 7 of Westfield 2017 Financial report) B. Acquisition and related costs for (10.3) US$ million (Note 7 of Westfield 2017 Financial report)
Property revaluations	568.2	503.0	Valuation movements on assets
Intangible amortisation and impairment	(22.9)	(20.3)	Valuation movements on assets
Profit before tax and non controlling interests	**1,433.5**	**1,269.0**	
Tax credit/(expense)	117.7	104.2	Income tax expenses
Profit after tax for the period	**1,551.2**	**1,373.2**	

The Pro Forma adjustments included in the pro forma condensed consolidated statement of income are the following:

1. *OneMarket*

As provided for in the Implementation Deed, WFD demerged on May 30, 2018 a 90% interest in OneMarket into a newly formed ASX listed entity held by WFD Securityholders, and with WFD retaining a 10% interest. Thus the demerger is reflected in the Pro Forma adjustments based on the estimated contribution of OneMarket as at June 30, 2018, June 30, 2017 and December 31, 2017.

URW kept a 10% participation in this company, and expects to keep this stake.

The financial results relating to OneMarket were reversed in the Pro Forma adjustments, and impacted the following lines:

- Property development and project management revenue by -€1.4 Mn in H1-2018, -€0.3 Mn in H1-2017 and -€2.1 Mn in 2017;
- Property development and project management costs by €31.3 Mn in H1-2018, €12.9 Mn in H1-2017 and €20.3 Mn in 2017;
- Carrying value of investment properties sold by €3.7 Mn in H1-2017 and €6.4 Mn in 2017;
- The net loss of -€88.0 Mn following the demerger and classified on the line “Carrying value of disposed shares” in H1-2018 has been reversed in the Pro Forma adjustments posted in the Unaudited Pro Forma consolidated statement of income for the half-year ended June 30, 2018;
- Valuation movements on assets by €1.8 Mn in H1-2018, €7.4 Mn in H1-2017 and €20.3 Mn in 2017;
- Income tax expenses by -€7.3 Mn in H1-2017 and -€10.5 Mn in 2017.

2. *Cost synergies and dis-synergies achieved at June 30, 2018 as part of executing the Implementation Agreement of December 12, 2017*

The cost synergies and dis-synergies included in the administrative expenses in the Pro Forma adjustments are those achieved as at June 30, 2018. They are mainly related to the termination costs of Sydney head office employees and WFD senior management, the disposal of the corporate aircraft and do not include savings related to the OneMarket demerger, as described in Note 1. They have been included in the Pro Forma adjustments as if they had occurred on January 1, 2017.

The net amount of cost synergies and dis-synergies included in the Pro Forma adjustments in the line administrative expenses is €26.7 Mn in H1-2018, €25.6 Mn in H1-2017 and €50.3 Mn in 2017. The annual run rate synergies as at June 30, 2018 amount to €73.6 Mn, including the impact of the OneMarket demerger[117].

The underlying tax effect has been calculated according to the country of realization and included in the Pro Forma adjustments for -€2.4 Mn in H1-2018, -€2.2 Mn in H1-2017 and -€4.2 Mn in 2017.

3. *Acquisition and related costs*

Acquisition and related costs have been cancelled in H1-2018 for €284.8 Mn. An amount of -€272.9 Mn[118] was adjusted as incurred on January 1, 2017 into H1-2017 and -€204.9 Mn for the full year 2017 (as -€68.0 Mn have been incurred in H2-2017).

The amortization in employee share plan benefit accounted for in 2017 and until the acquisition date was also included in the "Acquisition and related costs" in the H1-2017 and 2017 pro forma statements of income for an amount of -€25.4 Mn.

The total Westfield acquisition and related costs of €298.3 Mn was reversed in the "Non-continuing impact" column in the pro forma statements of income for H1-2017 and full year 2017.

4. *Financial expenses and fair value adjustment of debt and derivatives*

- Financial expenses

To finance the Transaction, UR has issued four public EMTN bonds for a total amount of €3,000 Mn in May 2018.

In addition, URW issued €2,0 Bn of hybrid securities on April 16, 2018. These hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option, and are accounted for as equity under IFRS.

The financing costs on the senior bonds net of the related hedging have been calculated as if the transaction has occurred on January 1, 2017, and the corresponding difference resulted in an increase of financing costs in H1-2018 of -€1.9 Mn, H1-2017 of -€1.0 Mn and 2017 of -€1.9 Mn.

- Debt amortization & cancellation of amortization of borrowing costs

The amortization of the fair value of the WFD existing debt at the acquisition date was reflected from January 1, 2017, and amounted to -€1.5 Mn in H1-2018, -€1.7 Mn in H1-2017 and -€3.8 Mn in 2017, on the line "Fair value adjustments of derivatives and debt" of the Pro Forma adjustments.

The discount effect of the amortized cost method has been reversed, as a consequence of the valuation at fair value of the debt, on the line "Net financing costs" of the Pro Forma adjustments. The impact of this reversal amounted to €5.8 Mn in H1-2018, €8.7 Mn in H1-2017 and €17.7 Mn in 2017.

- Capitalized financial expenses

The capitalized financial expenses of WFD have been recomputed for H1-2018, H1-2017 and full year 2017 and using the UR accounting policies. The difference between both calculations was reflected accordingly in the line "Net financing costs" of Pro Forma adjustments for -€6.7 Mn in H1-2018, -€27.3 Mn in H1-2017 and -€41.0 Mn in 2017.

- Compound option and cash-settled equity swap

The cost related to the compound option implemented by UR at the announcement date to cover the EUR/USD foreign exchange risk of the Transaction, has been considered to be incurred as at January 1, 2017. Consequently, the mark-to-market of the instrument was adjusted on the line "Fair value adjustments of derivatives and debt" of the Pro Forma adjustments for €11.7 Mn in H1-2018, -€47.4 Mn in H1-2017 and -€11.7 Mn in 2017.

The change in the fair value of the cash-settled equity swap representing a 4.90% economic interest in Westfield Securities owned by UR was reversed on the line "Fair value adjustments of derivatives and debt" of the Pro Forma adjustments for €40.2 Mn in H1-2018, €55.5 Mn in H1-2017 and -€37.1 Mn in 2017.

[117] Based on 2017 expenses charged to WFD's 2017 income statement and do not include One Market expenses capitalized.
[118] This amount does not include the financial advisory and legal fees paid by WFD, as they were not incurred by the acquirer.

8. EPRA PERFORMANCE MEASURES

In compliance with the EPRA[119] best practices recommendations[120], URW summarises the Key Performance Measures of H1-2018 below.

1. EPRA earnings

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

		H1-2018	H1-2017	2017
EPRA Earnings	€ Mn	702.9	614.0	1,202.1
EPRA Earnings / share	€ / share	6.61	6.16	12.05
Growth EPRA Earnings / share	%	7.3%	6.0%	7.2%

Bridge between Earnings per IFRS Statement of income and EPRA Recurring Earnings:

	H1-2018	H1-2017	2017
Net Result of the period attributable to the holders of the Stapled Shares	**642.6**	**1,462.6**	**2,439.5**
Adjustments to calculate EPRA Recurring Earnings, exclude:			
(i) Changes in value of investment properties, development properties held for investment and other interests	335.4	1,073.2	1,364.4
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	-1.2	1.2	73.8
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties	0.0	0.0	0.0
(iv) Tax on profits or losses on disposals	0.0	0.0	-12.8
(v) Negative goodwill / goodwill impairment	-0.7	0.0	-9.2
(vi) Changes in fair value of financial instruments and associated close-out costs	-100.4	-20.9	-0.9
(vii) Acquisition costs on share deals and non-controlling joint venture interests	-214.7	0.0	-62.4
(viii) Deferred tax in respect of EPRA adjustments	-77.9	-25.2	-43.7
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	6.8	8.3	34.1
(x) External non-controlling interests in respect of the above	-7.7	-187.9	-106.0
EPRA Recurring Earnings	**702.9**	**614.0**	**1,202.1**
Coupons on the Hybrid Securities	**-3.8**	**0.0**	**0.0**
Adjusted Recurring Earnings	**699.1**	**614.0**	**1,202.1**
Average number of shares and ORA	106,268,095	99,632,796	99,752,597
EPRA Recurring Earnings per Share (REPS)	**6.61 €**	**6.16 €**	**12.05 €**
EPRA Recurring Earnings per Share growth	**7.3%**	**6.0%**	**7.2%**

[119] EPRA: European Public Real estate Association.
[120] 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.

		June 30, 2018	Dec. 31, 2017	June 30, 2017
EPRA NAV	€ / share	216.10	211.00	206.20
EPRA NNNAV	€ / share	204.20	200.50	195.30
% change over 1 year	%	4.6%	9.1%	12.0%

3. EPRA Net Initial Yields

The following table provides the Group yields according to the EPRA Net Initial Yield definitions per segment and with a bridge from UR's (Dec. 31, 2017) and URW's (June 30, 2018) Net Initial Yields:

	June 30, 2018		Dec. 31, 2017	
	Retail (3)	Offices (3)	Retail (3)	Offices (3)
Unibail-Rodamco yields	**4.3%**	**5.4%**	**4.3%**	**5.6%**
Effect of vacant units	0.0%	-0.6%	0.0%	-0.1%
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)	**4.2%**	**4.7%**	**4.3%**	**5.3%**
Effect of lease incentives	-0.1%	-2.0%	-0.1%	-1.9%
EPRA Net Initial Yields (2)	**4.1%**	**2.6%**	**4.1%**	**3.4%**

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: 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.
3) Assets under development or held by companies accounted for using 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). The vacancy in the US and UK is calculated as the ERV of vacant units over the sum of existing MGR + ERV of vacant units.

	June 30, 2018	Dec. 31, 2017	June 30, 2017
Retail			
France	2.6%	2.8%	2.8%
Central Europe	0.7%	0.4%	0.3%
Spain	0.9%	1.0%	1.1%
Nordic	3.6%	4.2%	5.4%
Austria	1.9%	1.0%	0.7%
Germany	3.3%	2.6%	2.3%
Netherlands	5.6%	6.5%	5.6%
Total Retail	**2.3%**	**2.4%**	**2.5%**
Offices			
France	3.5%	3.3%	7.7%
Total Offices	**4.6%**	**4.6%**	**7.8%**
United States	10.7%		
United Kingdom	4.0%		

5. EPRA Cost ratios

EPRA references		H1-2018	H1-2017	2017
	Include:			
(i-1)	General expenses	-62.4	-55.6	-119.5
(i-2)	Development expenses	-0.2	0.9	-3.6
(i-3)	Operating expenses	-55.8	-49.3	-111.6
(ii)	Net service charge costs/fees	-14.7	-11.9	-22.8
(iii)	Management fees less actual/estimated profit element	0.0	0.0	0.0
(iv)	Other operating income/recharges intended to cover overhead expenses	0.0	0.0	0.0
(v)	Share of Joint Ventures expenses	-10.2	-4.0	-10.0
	Exclude (if part of the above):			
(vi)	Investment Property Depreciation	0.0	0.0	0.0
(vii)	Ground rents costs	0.0	0.0	0.0
(viii)	Service charge costs recovered through rents but not separately invoiced	22.5	11.7	23.3
	EPRA Costs (including direct vacancy costs) (A)	**-121.0**	**-108.2**	**-244.2**
(ix)	Direct vacancy costs	-14.7	-11.9	-22.8
	EPRA Costs (excluding direct vacancy costs) (B)	**-106.2**	**-96.3**	**-221.4**
(x)	Gross Rental Income (GRI) less ground rents	881.3	808.6	1,633.8
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	-22.5	-11.7	-23.3
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	98.2	55.3	113.2
	Gross Rental Income (C)	**957.1**	**852.2**	**1,723.7**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**12.6%**	**12.7%**	**14.2%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**11.1%**	**11.3%**	**12.8%**

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

6. Capital expenditure

in € Mn	H1-2018		H1-2017		2017	
	100%	Group Share	100%	Group Share	100%	Group Share
Acquisitions (1)	7.2	7.2	14.4	10.3	67.2	62.9
Development (2)	203.2	198.7	412.0	404.5	472.3	465.7
Like-for-like portfolio (3)	179.3	148.7	193.4	157.2	627.0	524.9
Other (4)	85.6	74.5	73.6	64.2	188.8	169.9
Total Capital Expenditure	**475.3**	**429.2**	**693.5**	**636.2**	**1,355.3**	**1,223.4**

Notes:
1) In H1-2018, includes mainly the acquisitions of plots in Tour Rosny.
2) In H1-2018, includes mainly the capital expenditures related to investments in the Vélizy 2 and Mall of The Netherlands extension projects and to the Überseequartier and Trinity new development projects.
3) In H1-2018, includes mainly the capital expenditures related to Viparis Porte de Versailles, Carré Sénart, Parly 2 and Glòries.
4) Includes eviction costs and tenant incentives, capitalized interest relating to projects referenced above, letting fees and other capitalized expenses of €40.0 Mn, €10.1 Mn, €16.6 Mn and €7.8 Mn in H1-2018, respectively (amounts in group share).

7. LTV reconciliation with B/S

€ Mn	June 30, 2018	Dec. 31, 2017
Amounts accounted for in B/S	**62,694.4**	**41,348.5**
Investment properties at fair value	44,770.7	37,181.5
Investment properties at cost	2,347.0	1,342.8
Other tangible assets	282.1	216.3
Goodwill	3,888.5	522.4
Intangible assets	185.4	172.2
Shares and investments in companies accounted for using the equity method	9,965.7	1,913.3
Properties or shares held for sale	1,255.0	0.0
Adjustments	**1,973.9**	**1,708.5**
Transfer taxes	2,213.2	1,947.5
Goodwill	-389.1	-389.2
Revaluation intangible and operating assets	536.1	548.5
IFRS restatements, including	-386.3	-398.4
Financial leases	*-387.5*	*-355.2*
Other	*1.2*	*-43.2*
Total assets, including Transfer Taxes (=A)	**64,668.3**	**43,057.0**
Total assets, excluding Transfer Taxes (=B)	**62,455.1**	**41,109.4**
Amounts accounted for in B/S		
Net share settled bonds convertible into new and/or existing shares (ORNANE)	991.5	1,020.8
Long-term bonds and borrowings	22,571.1	12,889.6
Current borrowings and amounts due to credit institutions	3,068.2	2,301.6
Total financial liabilities	**26,630.8**	**16,212.0**
Adjustments		
Mark-to-market of debt	30.0	-20.5
Current accounts with non-controlling interests	-1,348.1	-1,248.4
Impacts of derivatives instruments on debt raised in foreign currency	-124.3	-30.2
Accrued interest / issue fees	-55.1	-48.9
Total financial liabilities (nominal value)	**25,133.3**	**14,864.0**
Cash & cash equivalents	-584.1	-574.7
Net financial debt (=C)	**24,549.2**	**14,289.3**

LTV ratio including Transfer Taxes (=C/A)	**38.0%**	**33.2%**
LTV ratio excluding Transfer Taxes (=C/B)	**39.3%**	**34.8%**

OTHER INFORMATION:

1. FINANCIAL INFORMATION PREPARED UNDER A PROPORTIONATE FORMAT

For Information Only – Not reviewed by auditors

Consolidated statement of comprehensive income (€Mn)	**H1-2018 published**	**Joint control**	**Total H1-2018**	**H1-2017 published**	**Joint control**	**Total H1-2017**	**2017 Published**	**Joint control**	**Total 2017**
Gross rental income	989.4	81.9	1,071.3	908.2	28.5	936.7	1,822.3	59.6	1,881.9
Ground rents paid	*(14.7)*	*(1.1)*	*(15.8)*	*(9.3)*	*(1.0)*	*(10.3)*	*(18.1)*	*(1.6)*	*(19.7)*
Net service charge expenses	*(10.9)*	*(1.4)*	*(12.3)*	*(11.9)*	*(1.5)*	*(13.4)*	*(22.8)*	*(3.7)*	*(26.5)*
Property operating expenses	*(103.2)*	*(17.0)*	*(120.2)*	*(92.7)*	*(0.1)*	*(92.9)*	*(198.7)*	*(0.2)*	*(198.9)*
Operating expenses and net service charges	(128.8)	(19.5)	(148.3)	(113.9)	(2.7)	(116.5)	(239.6)	(5.5)	(245.1)
Net rental income	**860.6**	**62.4**	**923.0**	**794.3**	**25.8**	**820.1**	**1,582.6**	**54.2**	**1,636.8**
Property development and project management revenue	73.8	-	73.8	-	-	-	-	-	-
Property development and project management costs	(68.7)	-	(68.7)	-	-	-	-	-	-
Net property development and project management income	**5.1**	**-**	**5.1**	**-**	**-**	**-**	**-**	**-**	**-**
Property services and other activities revenues	134.0	-	134.0	124.5	0.4	124.9	256.1	-	256.1
Property services and other activities expenses	(85.9)	(0.7)	(86.6)	(85.1)	(0.6)	(85.7)	(176.3)	(1.4)	(177.7)
Net property services and other activities income	**48.1**	**(0.7)**	**47.4**	**39.4**	**(0.2)**	**39.2**	**79.8**	**(1.4)**	**78.3**
Share of the result of companies accounted for using the equity method	66.8	(61.0)	5.8	37.1	(24.8)	12.3	91.6	(54.7)	36.9
Income on financial assets	13.9	(0.5)	13.4	13.2	(0.5)	12.7	27.0	(1.0)	26.0
Contribution of companies accounted for using the equity method	**80.7**	**(61.5)**	**19.2**	**50.2**	**(25.3)**	**25.0**	**118.6**	**(55.7)**	**62.9**
Corporate expenses	(61.5)	(0.8)	(62.3)	(54.5)	(0.9)	(55.4)	(117.3)	(1.3)	(118.6)
Development expenses	(0.2)	-	(0.2)	0.9	-	0.9	(3.6)	-	(3.6)
Depreciation of other tangible assets	(1.0)	-	(1.0)	(1.1)	-	(1.1)	(2.2)	-	(2.2)
Administrative expenses	**(62.7)**	**(0.8)**	**(63.5)**	**(54.7)**	**(0.9)**	**(55.6)**	**(123.1)**	**(1.3)**	**(124.4)**
Acquisition and related costs	**(214.7)**	**-**	**(214.7)**	**-**	**-**	**-**	**(62.4)**	**-**	**(62.4)**
Proceeds from disposal of investment properties	49.8	0.2	50.0	1.2	-	1.2	592.5	-	592.5
Carrying value of investment properties sold	(51.0)	-	(51.0)	-	-	-	(518.7)	-	(518.7)
Result on disposal of investment properties	**(1.2)**	**0.2**	**(1.0)**	**1.2**	**-**	**1.2**	**73.8**	**-**	**73.8**
Proceeds from disposal of shares	-	-	-	-	-	-	27.3	-	27.3
Carrying value of disposed shares	-	-	-	-	-	-	(27.3)	-	(27.3)
Result on disposal of shares	**-**	**-**	**-**	**-**	**-**	**-**	**0.0**	**-**	**0.0**
Valuation gains on assets	590.5	19.2	609.7	1,249.0	13.5	1,262.5	1,770.0	34.7	1,804.7
Valuation losses on assets	(255.1)	(2.8)	(257.9)	(175.8)	(3.5)	(179.3)	(405.6)	(10.4)	(416.0)
Valuation movements on assets	**335.4**	**16.4**	**351.8**	**1,073.2**	**9.9**	**1,083.1**	**1,364.4**	**24.3**	**1,388.7**
Impairment of goodwill/Negative goodwill	**(0.7)**	**-**	**(0.7)**	**-**	**-**	**-**	**(9.2)**	**-**	**(9.2)**
NET OPERATING RESULT	**1,050.6**	**15.9**	**1,066.5**	**1,903.7**	**9.3**	**1,913.0**	**3,024.6**	**20.0**	**3,044.5**
Result from non-consolidated companies	0.2	-	0.2	0.9	0.0	0.9	0.9	0.0	0.9
Financial income	*64.8*	*-*	*64.8*	*57.9*	*-*	*57.9*	*119.5*	*-*	*119.5*
Financial expenses	*(185.7)*	*(10.2)*	*(195.9)*	*(170.0)*	*(6.7)*	*(176.7)*	*(347.5)*	*(13.5)*	*(361.0)*
Net financing costs	(120.9)	(10.2)	(131.1)	(112.1)	(6.7)	(118.8)	(228.0)	(13.5)	(241.5)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	28.9	-	28.9	23.5	-	23.5	21.1	-	21.1
Fair value adjustments of derivatives and debt	(129.3)	0.4	(128.9)	(44.5)	0.1	(44.4)	(21.9)	0.8	(21.1)
RESULT BEFORE TAX	**829.5**	**6.1**	**835.6**	**1,771.6**	**2.7**	**1,774.3**	**2,796.7**	**7.4**	**2,804.0**
Income tax expenses	(77.6)	(6.1)	(83.7)	(27.0)	(2.7)	(29.7)	(74.2)	(7.4)	(81.5)
NET RESULT FOR THE PERIOD	**751.9**	**(0.0)**	**751.9**	**1,744.6**	**(0.0)**	**1,744.6**	**2,722.5**	**(0.0)**	**2,722.5**
Net result for the period attributable to:									
- The holders of the Stapled Shares [1]	642.6	(0.0)	642.6	1,462.6	(0.0)	1,462.6	2,439.5	(0.0)	2,439.5
- External non-controlling interests	109.3	-	109.3	282.0	-	282.0	283.0	-	283.0
NET RESULT FOR THE PERIOD	**751.9**	**(0.0)**	**751.9**	**1,744.6**	**(0.0)**	**1,744.6**	**2,722.5**	**(0.0)**	**2,722.5**

(1) In 2017, Net result for the period (Owners of the parent)

Note: The columns "Joint control" reflect the impact of proportional consolidation instead of the equity method required by IFRS 11 of the URW jointly controlled assets.

Consolidated Statement of financial position (€ Mn)	**June 30, 2018 Published**	**Joint control**	**June 30, 2018**	**Dec. 31, 2017 Published**	**Joint control**	**Dec. 31, 2017**
NON CURRENT ASSETS	**62,344.6**	**2,322.3**	**64,666.9**	**41,650.8**	**509.0**	**42,159.8**
Investment properties	**47,117.7**	**11,247.7**	**58,365.4**	**38,524.3**	**1,392.7**	**39,917.0**
Investment properties at fair value	*44,770.7*	*10,401.4*	*55,172.1*	*37,181.5*	*1,381.3*	*38,562.8*
Investment properties at cost	*2,347.0*	*846.3*	*3,193.3*	*1,342.8*	*11.4*	*1,354.2*
Shares and investments in companies accounted for using the equity method	9,965.7	(9,017.3)	948.4	1,913.3	(976.0)	937.3
Other tangible assets	282.1	0.6	282.7	216.3	0.9	217.2
Goodwill	3,888.5	90.5	3,979.0	522.4	90.5	612.9
Intangible assets	185.4	0.0	185.4	172.2	0.0	172.2
Loans and receivables	274.4	0.8	275.2	76.8	0.8	77.6
Financial assets	290.5	-	290.5	30.8	-	30.8
Deferred tax assets	29.3	0.0	29.3	21.9	0.2	22.1
Derivatives at fair value	311.0	-	311.0	172.8	-	172.8
CURRENT ASSETS	**3,002.5**	**208.1**	**3,210.6**	**1,590.2**	**58.6**	**1,648.8**
Properties or shares held for sale	1,255.0	-	1,255.0	-	-	-
Derivatives at fair value	0.4	-	0.4	57.9	-	57.9
Inventories	93.5	-	93.5	-	-	-
Trade receivables from activity	539.8	28.0	567.8	416.5	21.5	438.0
Tax receivables	179.2	1.4	180.6	216.2	1.3	217.5
Other receivables	350.5	63.3	413.8	324.9	9.6	334.5
Cash and cash equivalents	584.1	115.5	699.6	574.7	26.2	600.9
TOTAL ASSETS	**65,347.1**	**2,530.4**	**67,877.5**	**43,241.0**	**567.6**	**43,808.6**
Equity attributable to the holders of the Stapled Shares	**25,699.0**	**-**	**25,699.0**	**18,916.2**	**-**	**18,916.2**
Share capital	691.4	-	691.4	499.3	-	499.3
Additional paid-in capital	13,470.2	-	13,470.2	6,470.7	-	6,470.7
Consolidated reserves	11,177.8	-	11,177.8	9,717.0	-	9,717.0
Hedging and foreign currency translation reserves	(283.0)	-	(283.0)	(210.3)	-	(210.3)
Consolidated result	642.6	-	642.6	2,439.5	-	2,439.5
- Equity attributable to Unibail-Rodamco SE members	***24,297.2***	-	***24,297.2***	***18,916.2***	-	***18,916.2***
- Equity attributable to WFD Unibail-Rodamco N.V. members	***1,401.8***	-	***1,401.8***	-	-	-
Hybrid securities	**1,989.0**	**-**	**1,989.0**	**-**	**-**	**-**
External non-controlling interests	**3,860.4**	**-**	**3,860.4**	**3,777.0**	**-**	**3,777.0**
TOTAL SHAREHOLDERS' EQUITY	**31,548.4**	**-**	**31,548.4**	**22,693.2**	**-**	**22,693.2**
NON CURRENT LIABILITIES	**28,832.7**	**2,308.4**	**31,141.1**	**16,851.6**	**502.1**	**17,353.7**
Long-term commitment to non-controlling interests	186.9	-	186.9	-	-	-
Net share settled bonds convertible into new and/or existing shares (ORNANE)	991.5	-	991.5	1,020.5	-	1,020.5
Long-term bonds and borrowings	22,571.1	2,195.3	24,766.4	12,889.6	394.1	13,283.7
Long-term financial leases	384.9	-	384.9	353.2	-	353.2
Derivatives at fair value	428.9	0.0	428.9	315.8	0.0	315.8
Deferred tax liabilities	3,691.8	109.1	3,800.9	1,752.5	103.9	1,856.4
Long-term provisions	13.3	0.5	13.8	30.5	0.6	31.1
Employee benefits	9.7	-	9.7	9.3	-	9.3
Guarantee deposits	236.9	3.5	240.4	223.9	3.5	227.4
Tax liabilities	-	-	-	0.1	-	0.1
Amounts due on investments	317.7	0.0	317.7	256.2	0.0	256.2
CURRENT LIABILITIES	**4,966.0**	**222.0**	**5,188.0**	**3,696.2**	**65.5**	**3,761.7**
Current commitment to non-controlling interests	**1.7**	**-**	**1.7**	**7.0**	**-**	**7.0**
Amounts due to suppliers and other creditors	**1,334.2**	**200.6**	**1,534.8**	**953.9**	**34.8**	**988.7**
Amounts due to suppliers	178.2	161.0	339.2	187.5	12.7	200.2
Amounts due on investments	661.9	0.2	662.1	425.9	0.2	426.1
Sundry creditors	494.1	39.3	533.4	340.5	21.9	362.4
Other liabilities	**225.5**	**4.5**	**230.0**	**207.7**	**4.6**	**212.3**
Current borrowings and amounts due to credit institutions	**3,068.2**	**5.7**	**3,073.9**	**2,301.9**	**23.5**	**2,325.4**
Current financial leases	**2.6**	**8.9**	**11.5**	**2.0**	**-**	**2.0**
Tax and social liabilities	**311.3**	**2.3**	**313.6**	**210.5**	**2.6**	**213.1**
Short-term provisions	**22.5**	**-**	**22.5**	**13.2**	**-**	**13.2**
TOTAL LIABILITIES AND EQUITY	**65,347.1**	**2,530.4**	**67,877.5**	**43,241.0**	**567.6**	**43,808.6**

Note: The columns "Joint control" reflect the impact of proportional consolidation instead of the equity method required by IFRS 11 of the URW jointly controlled assets.

Consolidated Income Statement by segment (€ Mn)			H1-2018 Published	Joint control	Total H1-2018	H1-2017 published	Joint control	Total H1-2017	2017 Published	Joint control	Total 2017
			Recurring activities	Recurring activities	Recurring activities	Recurring activities	Recurring activities	Recurring activities	Recurring activities	Recurring activities	Recurring activities
SHOPPING CENTRES	FRANCE	Gross rental income	346.4	4.5	351.0	336.1	4.5	340.6	682.1	9.0	691.1
		Operating expenses and net service charges	(25.6)	(0.3)	(25.9)	(32.9)	(0.3)	(33.2)	(72.4)	(0.6)	(73.0)
		Net rental income	**320.9**	**4.2**	**325.1**	**303.2**	**4.2**	**307.4**	**609.8**	**8.4**	**618.1**
		Contribution of companies accounted for using the equity method	4.1	(4.1)	-	4.0	(4.0)	-	8.1	(8.1)	-
		Result Shopping Centres France	**325.0**	**0.1**	**325.1**	**307.2**	**0.1**	**307.4**	**617.9**	**0.3**	**618.1**
	UNITED STATES	Gross rental income	38.5	39.9	78.4	-	-	-	-	-	-
		Operating expenses and net service charges	(18.6)	(14.0)	(32.5)	-	-	-	-	-	-
		Net rental income	**19.9**	**26.0**	**45.8**	**-**	**-**	**-**	**-**	**-**	**-**
		Contribution of companies accounted for using the equity method	23.2	(23.2)	0.0	-	-	-	-	-	-
		Result Shopping Centres United States	**43.1**	**2.7**	**45.8**	**-**	**-**	**-**	**-**	**-**	**-**
	CENTRAL EUROPE	Gross rental income	105.1	3.4	108.5	84.6	0.2	84.8	179.0	1.6	180.5
		Operating expenses and net service charges	(0.9)	(0.0)	(0.9)	(1.1)	(0.0)	(1.1)	(6.5)	(0.1)	(6.7)
		Net rental income	**104.2**	**3.4**	**107.6**	**83.5**	**0.2**	**83.7**	**172.4**	**1.4**	**173.9**
		Contribution of companies accounted for using the equity method	26.4	(2.6)	23.8	22.8	(0.1)	22.8	46.6	(1.0)	45.5
		Result Shopping Centres Central Europe	**130.6**	**0.8**	**131.3**	**106.3**	**0.1**	**106.4**	**219.0**	**0.4**	**219.4**
	SPAIN	Gross rental income	90.6	0.2	90.8	87.9	0.2	88.0	178.0	0.3	178.3
		Operating expenses and net service charges	(8.9)	(0.0)	(9.0)	(8.4)	(0.0)	(8.4)	(16.9)	(0.1)	(17.0)
		Net rental income	**81.7**	**0.2**	**81.9**	**79.5**	**0.2**	**79.7**	**161.0**	**0.3**	**161.3**
		Contribution of companies accounted for using the equity method	0.1	(0.1)	-	0.1	(0.1)	-	0.2	(0.2)	-
		Result Shopping Centres Spain	**81.8**	**0.1**	**81.9**	**79.6**	**0.0**	**79.7**	**161.2**	**0.1**	**161.3**
	UNITED KINGDOM	Gross rental income	10.6	9.3	19.9	-	-	-	-	-	-
		Operating expenses and net service charges	(3.3)	(2.8)	(6.1)	-	-	-	-	-	-
		Net rental income	**7.4**	**6.4**	**13.8**	**-**	**-**	**-**	**-**	**-**	**-**
		Contribution of companies accounted for using the equity method	5.5	(5.5)	(0.0)	-	-	-	-	-	-
		Result Shopping Centres United Kingdom	**12.8**	**0.9**	**13.8**	**-**	**-**	**-**	**-**	**-**	**-**
	NORDICS	Gross rental income	77.2	-	77.2	82.9	-	82.9	159.1	-	159.1
		Operating expenses and net service charges	(3.9)	-	(3.9)	(7.7)	-	(7.7)	(13.3)	-	(13.3)
		Net rental income	**73.3**	**-**	**73.3**	**75.2**	**-**	**75.2**	**145.8**	**-**	**145.8**
		Result Shopping Centres Nordics	**73.3**	**-**	**73.3**	**75.2**	**-**	**75.2**	**145.8**	**-**	**145.8**
	AUSTRIA	Gross rental income	55.9	-	55.9	53.5	-	53.5	109.1	-	109.1
		Operating expenses and net service charges	(2.0)	-	(2.0)	(1.5)	-	(1.5)	(5.9)	-	(5.9)
		Net rental income	**54.0**	**-**	**54.0**	**52.1**	**-**	**52.1**	**103.2**	**-**	**103.2**
		Result Shopping Centres Austria	**54.0**	**-**	**54.0**	**52.1**	**-**	**52.1**	**103.2**	**-**	**103.2**
	GERMANY	Gross rental income	50.3	23.6	73.9	49.9	22.7	72.6	99.7	46.3	145.9
		Operating expenses and net service charges	(3.0)	(1.5)	(4.5)	(2.7)	(1.4)	(4.1)	(7.1)	(2.9)	(10.0)
		Net rental income	**47.3**	**22.1**	**69.4**	**47.1**	**21.3**	**68.4**	**92.6**	**43.4**	**135.9**
		Contribution of companies accounted for using the equity method	14.4	(14.0)	0.5	14.6	(13.9)	0.7	29.1	(28.1)	1.0
		Result Shopping Centres Germany	**61.8**	**8.1**	**69.9**	**61.7**	**7.4**	**69.1**	**121.6**	**15.3**	**136.9**
	THE NETHERLANDS	Gross rental income	34.4	-	34.4	33.5	-	33.5	70.2	-	70.2
		Operating expenses and net service charges	(4.8)	-	(4.8)	(4.1)	-	(4.1)	(8.5)	-	(8.5)
		Net rental income	**29.5**	**-**	**29.5**	**29.4**	**-**	**29.4**	**61.7**	**-**	**61.7**
		Result Shopping Centres The Netherlands	**29.5**	**-**	**29.5**	**29.4**	**-**	**29.4**	**61.7**	**-**	**61.7**
		TOTAL RESULT SHOPPING CENTRES	**811.9**	**12.7**	**824.6**	**711.6**	**7.6**	**719.2**	**1,430.4**	**16.0**	**1,446.4**
OFFICES & OTHERS	FRANCE	Gross rental income	65.1	-	65.1	62.9	-	62.9	126.8	-	126.8
		Operating expenses and net service charges	(1.3)	-	(1.3)	(2.2)	-	(2.2)	(3.2)	-	(3.2)
		Net rental income	**63.8**	**-**	**63.8**	**60.7**	**-**	**60.7**	**123.6**	**-**	**123.6**
		Result Offices France	**63.8**	**-**	**63.8**	**60.7**	**-**	**60.7**	**123.6**	**-**	**123.6**
	OTHER COUNTRIES	Gross rental income	10.2	-	10.2	10.6	-	10.6	20.9	-	20.9
		Operating expenses and net service charges	(1.3)	-	(1.3)	(1.8)	-	(1.8)	(3.7)	-	(3.7)
		Net rental income	**8.9**	**-**	**8.9**	**8.9**	**-**	**8.9**	**17.2**	**-**	**17.2**
		Result Offices other countries	**8.9**	**-**	**8.9**	**8.9**	**-**	**8.9**	**17.2**	**-**	**17.2**
		TOTAL RESULT OFFICES & OTHERS	**72.8**	**-**	**72.8**	**69.6**	**-**	**69.6**	**140.8**	**-**	**140.8**
CONVENTION & EXHIBITION	FRANCE	Gross rental income	99.1	0.9	100.1	96.2	1.0	97.1	181.7	2.5	184.2
		Operating expenses and net service charges	(52.9)	(0.8)	(53.7)	(49.1)	(1.0)	(50.0)	(97.8)	(1.8)	(99.6)
		Net rental income	**46.3**	**0.1**	**46.4**	**47.1**	**0.0**	**47.1**	**83.9**	**0.7**	**84.6**
		On site property services net income	**32.1**	**-**	**32.1**	**25.9**	**-**	**25.9**	**50.0**	**-**	**50.0**
		Hotels net rental income	**3.5**	**-**	**3.5**	**7.6**	**0.4**	**8.0**	**11.6**	**-**	**11.6**
		Contribution of companies accounted for using the equity method	0.1	(0.1)	-	0.3	(0.3)	-	0.5	(0.5)	-
		Valuation movements, depreciation, capital gains	(5.9)	-	(5.9)	(5.7)	-	(5.7)	(12.2)	-	(12.2)
		TOTAL RESULT CONVENTION & EXHIBITION	**76.1**	**0.0**	**76.1**	**75.3**	**0.1**	**75.4**	**133.8**	**0.1**	**133.9**
		Net property development and project management income	5.1	-	5.1	-	-	-	-	-	-
		Other property services net income	21.8	(0.7)	21.1	19.2	(0.6)	18.5	42.0	(1.4)	40.5
		Administrative expenses	(62.7)	(0.8)	(63.5)	(54.7)	(0.9)	(55.6)	(123.1)	(1.3)	(124.4)
NET OPERATING RESULT			**924.9**	**11.2**	**936.2**	**821.0**	**6.2**	**827.2**	**1,623.9**	**13.3**	**1,637.2**
		Result from non-consolidated companies	0.2	-	0.2	0.9	-	0.9	0.9	-	0.9
		Financing result	(120.9)	(10.2)	(131.1)	(112.1)	(6.7)	(118.8)	(228.0)	(13.5)	(241.4)
RESULT BEFORE TAX			**804.2**	**1.0**	**805.2**	**709.8**	**(0.5)**	**709.3**	**1,396.8**	**(0.1)**	**1,396.7**
		Income tax expenses	0.3	(1.0)	(0.7)	(1.8)	0.5	(1.3)	(17.7)	0.1	(17.6)
NET RESULT FOR THE PERIOD			**804.5**	**0.0**	**804.5**	**708.0**	**(0.0)**	**708.0**	**1,379.1**	**(0.0)**	**1,379.1**
		External non-controlling interests	101.6	-	101.6	94.1	-	94.1	176.9	-	176.9
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES (1)			**702.9**	**0.0**	**702.9**	**614.0**	**(0.0)**	**614.0**	**1,202.1**	**(0.0)**	**1,202.1**

(1) In 2017, Net result for the period (Owners of the parent).

Note: The columns "Joint control" reflect the impact of proportional consolidation instead of the equity method required by IFRS 11 of the URW jointly controlled assets.

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 URW 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 URW 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 URW's NIY with the EPRA Net Initial Yield definitions, refer to the EPRA Performance Measures.

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.

Flagships: assets of a certain size and / or with footfall in excess of 10 million per year, substantial growth potential for the Group based on their appeal to both retailers and visitors, iconic architecture or design and a strong footprint in their area.

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 capitalized interest); Recurring EBITDA is calculated as total recurring operating results and other income less general expenses, excluding depreciation and amortization.

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 assets, including transfer taxes. Total assets include consolidated portfolio valuation and the Westfield goodwill.

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: 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, amortization of fair value of assets and liabilities recorded for the purpose of purchase price allocation, 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 URW 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 URW'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

3.1. FRANCE: SHOPPING CENTRES

Portfolio as at June 30, 2018	GLA of the whole complex *(m²)*	Consolidation method[121]
SHOPPING CENTRES IN THE PARIS REGION		
Carré Sénart (Lieusaint)	151,500	FC
Les Quatre Temps (La Défense)	141,000	FC
Parly 2 (Le Chesnay)	119,500	FC
Rosny 2 (Rosny-sous-Bois)	114,000	EM-JV
Vélizy 2 (Vélizy-Villacoublay)	104,500	FC
Aéroville (Roissy-en-France)	84,500	FC
Le Forum des Halles (Paris 1)	75,500	FC
So Ouest (Levallois-Perret)	55,500	FC
Ulis 2 (Les Ulis)	54,000	FC
CNIT (La Défense)	28,000	FC
Bobigny 2 (Bobigny)	27,000	FC
L'Usine Mode et Maison (Vélizy-Villacoublay)	20,500	FC
Boutiques Palais des Congrès (Paris 17)	19,000	FC
Galerie Gaîté[122] (Paris 15)	n.a.	FC
Carrousel du Louvre (Paris 1)	13,500	FC
SHOPPING CENTRES IN THE FRENCH PROVINCES		
La Part-Dieu (Lyon)	127,500	FC
La Toison d'Or (Dijon)	78,000	FC
Polygone Riviera (Cagnes-sur-Mer)	75,000	FC
Euralille (Lille)	67,000	FC
Villeneuve 2 (Villeneuve-d'Ascq)	56,500	FC
Lyon Confluence (Lyon)	53,000	FC
Rennes Alma (Rennes)	46,500	FC
La Valentine (Marseille)	39,500	FC
OTHER ASSETS		
Bel-Est (Bagnolet)	49,000	FC
Aquaboulevard (Paris)	38,500	FC
Maine Montparnasse (Paris)	35,500	FC
Villabe (Corbeil)	35,500	FC
Grigny 2 (Grigny)	10,500	FC
Go Sport (Saintes)	2,500	FC

[121] FC = Fully Consolidated; EM-JV = Joint Venture under the equity method; EM-A = Associates under the equity method; JO = Joint Operation.
[122] Under redevelopment.

3.2. FRANCE: CONVENTION & EXHIBITION

Portfolio as at June 30, 2018	Total floor space of the asset *(m²)*	Consolidation method
PARIS REGION		
PROPERTY AND OPERATION		
Paris Porte de Versailles (Paris 15)	202,000	FC
Paris Nord (Villepinte)	245,000	FC
CNIT (La Défense)	24,000	FC
Espace Grande Arche (La Défense)	5,000	FC
Espace Champerret (Paris 17)	9,100	FC
Le Palais des Congrès de Paris	32,000	FC
Carrousel du Louvre (Expos) (Paris 1)	7,100	FC
Hilton CNIT (La Défense)	10,800	FC
Pullman Paris-Montparnasse Hotel[123] (Paris 14)	n.a.	FC
OPERATION		
Paris, Le Bourget (Le Bourget)	80,000	FC
Palais des Congrès de Versailles (Versailles)	3,200	FC
Palais des Congrès d'Issy-les-Moulineaux (Issy-les-Moulineaux)	3,000	FC
Hôtel Salomon de Rothschild (Paris 8)	1,600	FC
Palais des Sports (Paris 15)	n.a.	EM-JV
OUTSIDE PARIS		
Novotel Lyon Confluence (Lyon)	7,100	FC

3.3. FRANCE: OFFICES

Portfolio as at June 30, 2018	Total floor space of the asset *(m²)*	Consolidation method
Capital 8 (Monceau/Murat) (Paris 8)	45,100	FC
Le Sextant (Paris 15)	13,400	FC
7 Adenauer (Paris 16)	12,100	FC
Les Villages de l'Arche (La Défense)	42,000	FC
Tour Ariane (La Défense)	64,700	FC
CNIT (Offices) (La Défense)	37,100	FC
Majunga (La Défense)	65,600	FC
Michelet-Galilée (La Défense)	32,700	FC
Shift[123] (Issy-les-Moulineaux)	n.a.	FC
Gaîté-Montparnasse[123] (Offices) (Paris 15)	n.a.	FC
29, rue du Port (Nanterre)	10,300	FC
Tour Rosny (Rosny-sous-bois)	13,100	FC
Le Blériot (Rueil Malmaison)	3,400	FC

[123] Under redevelopment.

3.4. CENTRAL EUROPE: SHOPPING CENTRES

Portfolio as at June 30, 2018	GLA of the whole complex *(m²)*	Consolidation method
CZECH REPUBLIC		
Centrum Cerny Most (Prague)	107,700	FC
Centrum Chodov (Prague)	101,600	FC
Metropole Zlicin (Prague)	55,600	EM-JV
POLAND		
Arkadia (Warsaw)	117,900	FC
Wroclavia (Wroclaw)	72,600	FC
Galeria Mokotow (Warsaw)	68,300	FC
Zlote Tarasy[124] (Warsaw)	66,400	EM-A
CH Ursynow (Warsaw)	46,200	EM-JV
Wilenska (Warsaw)	39,900	FC
SLOVAK REPUBLIC		
Aupark (Bratislava)	56,700	FC

3.5. CENTRAL EUROPE: OFFICES

Portfolio as at June 30, 2018	Total floor space of the asset *(m²)*	Consolidation method
Zlote Tarasy Lumen (Warsaw)	23,500	EM-A
Zlote Tarasy Skylight (Warsaw)	21,800	EM-A
Wilenska Offices (Warsaw)	13,400	FC
Wroclavia Offices (Wroclaw)	8,600	FC

3.6. SPAIN: SHOPPING CENTRES

Portfolio as at June 30, 2018	GLA of the whole complex *(m²)*	Consolidation method
Parquesur (Madrid)	151,200	FC
Bonaire (Valencia)	135,000	FC
La Maquinista (Barcelona)	95,000	FC
La Vaguada (Madrid)	85,500	FC
Glòries (Barcelona)	68,800	FC
El Faro (Badajoz)	66,300	FC
Bahía Sur (Cádiz)	59,300	FC
Splau (Barcelona)	55,000	FC
Los Arcos (Sevilla)	44,000	FC
Garbera (San Sebastian)	40,000	FC
Equinoccio (Madrid)	36,800	FC
Vallsur (Valladolid)	36,000	FC

[124] Not managed by URW.

3.7. NORDICS: SHOPPING CENTRES

Portfolio as at June 30, 2018	GLA of the whole complex *(m²)*	Consolidation method
SWEDEN		
Mall of Scandinavia (Greater Stockholm)	103,600	FC
Täby Centrum (Greater Stockholm)	83,700	FC
Nacka Forum (Greater Stockholm)	57,100	FC
Solna Centrum (Greater Stockholm)	50,400	FC
DENMARK		
Fisketorvet (Copenhagen)	58,700	FC
FINLAND		
Jumbo (Helsinki)	85,100	JO

3.8. NORDICS: OFFICES

Portfolio as at June 30, 2018	Total floor space of the asset *(m²)*	Consolidation method
SWEDEN		
Solna Centrum (Greater Stockholm)	29,900	FC
Täby Centrum (Greater Stockholm)	21,700	FC
Nacka Forum (Greater Stockholm)	13,500	FC
Eurostop Örebro (Örebro)	4,700	FC

3.9. AUSTRIA: SHOPPING CENTRES

Portfolio as at June 30, 2018	GLA of the whole complex *(m²)*	Consolidation method
Shopping City Süd (SCS) (Vienna)	200,400	FC
Donau Zentrum (Vienna)	122,900	FC

3.10. AUSTRIA: OFFICES

Portfolio as at June 30, 2018	Total floor space of the asset *(m²)*	Consolidation method
Donau Zentrum (Vienna)	10,700	FC
Shopping City Süd (SCS) (Vienna)	9,000	FC

3.11. GERMANY: SHOPPING CENTRES

Portfolio as at June 30, 2018	GLA of the whole complex *(m²)*	Consolidation method
CentrO (Oberhausen)	242,200	EM-JV
Ruhr Park (Bochum)	116,100	FC
Paunsdorf Center (Leipzig)	114,200	EM-JV
Gropius Passagen (Berlin)	93,500	EM-A
Höfe am Brühl (Leipzig)	54,600	FC
Pasing Arcaden (Munich)	53,100	FC
Palais Vest (Recklinghausen)	45,700	FC
Minto (Mönchengladbach)	41,900	FC
Gera Arcaden (Gera)	38,300	FC
Ring-Center (Berlin)	20,600	EM-A

3.12. NETHERLANDS: SHOPPING CENTRES

Portfolio as at June 30, 2018	GLA of the whole complex *(m²)*	Consolidation method
SHOPPING CENTRES		
Stadshart Almere (Almere)	89,500	FC
Stadshart Amstelveen (Amstelveen)	81,300	FC
Stadshart Zoetermeer (Zoetermeer)	75,500	FC
Leidsenhage[125] (The Hague region)	n.a.	FC
OTHER ASSETS		
De Els (Waalwijk)	14,500	FC
Kerkstraat (Hilversum)	12,200	FC
In den Vijfhoek (Oldenzaal)	8,100	FC
Zoetelaarpassage (Almere)	6,700	FC
Carleijspassage10 (Venlo)	1,900	FC
Oosterdijk (Sneek)	1,500	FC

3.13. NETHERLANDS: OFFICES

Portfolio as at June 30, 2018	Total floor space of the asset *(m²)*	Consolidation method
Stadshart Zoetermeer (Zoetermeer)	11,500	FC
Stadshart Amstelveen (Amstelveen)	6,900	FC

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

3.14. UNITED STATES: SHOPPING CENTRES

Portfolio as at June 30, 2018	Company owned GLA *(m²)*	Consolidation method
FLAGSHIPS		
Westfield Garden State Plaza (New York region)	202,800	EM-JV
Westfield Topanga[126] (Los Angeles region)	195,900	EM-JV
Westfield Old Orchard (Chicago region)	159,700	FC
Westfield Southcenter (Seattle region)	156,400	EM-JV
Westfield Annapolis (Washington region)	138,800	EM-JV
Westfield Santa Anita (Los Angeles region)	137,200	EM-JV
Westfield Valley Fair (San Francisco region)	128,000	EM-JV
Westfield Montgomery (Washington region)	123,400	EM-JV
Westfield Galleria at Roseville (San Francisco region)	123,400	EM-JV
Westfield UTC (San Diego)	113,900	EM-JV
Westfield San Francisco Centre (San Francisco)	109,100	FC
Westfield Century City (Los Angeles)	108,100	FC
Westfield Culver City (Los Angeles region)	98,600	EM-JV
Westfield Fashion Square (Los Angeles region)	80,200	EM-JV
Westfield World Trade Center[127] (New York)	28,600	FC
REGIONALS		
Westfield Mission Valley (San Diego)	147,600	EM-JV
Westfield Wheaton (Washington region)	139,600	EM-JV
Westfield Countryside (Tampa region)	116,800	EM-JV
Westfield Brandon (Tampa region)	106,800	EM-JV
Westfield Oakridge (San Francisco region)	106,100	EM-JV
Westfield North County (San Diego region)	116,000	EM-JV
Westfield Citrus Park (Tampa region)	105,800	EM-JV
Westfield Sunrise (New York region)	105,800	FC
Westfield Trumbull (New York region)	105,000	EM-JV
Westfield Valencia Town Center (Los Angeles region)	102,100	EM-JV
Westfield Sarasota (Tampa region)	94,700	EM-JV
Westfield Broward (Miami region)	97,400	EM-JV
Westfield Plaza Bonita (San Diego region)	95,900	EM-JV
Westfield South Shore (New York)	92,800	FC
Westfield Palm Desert (Los Angeles region)	91,400	EM-JV
Westfield Meriden (New York region)	83,900	FC
Westfield Horton Plaza (San Diego)	68,000	EM-JV
Westfield Siesta Key (Tampa region)	40,500	EM-JV

[126] Including "The Village".
[127] Including Fulton.

3.15. UNITED STATES: OFFICES

Portfolio as at June 30, 2018	Total floor space of the asset *(m²)*	Consolidation method
San Francisco Centre (San Francisco)	32,200	FC
Wheaton (Washington)	17,800	EM-JV
Old Orchard (Chicago region)	7,600	FC
Fulton Center (New York)	4,600	FC
The Village at Topanga (Los Angeles region)	4,000	EM-JV

3.16. UNITED KINGDOM: SHOPPING CENTRES

Portfolio as at June 30, 2018	Company owned GLA *(m²)*	Consolidation method
Westfield London (London)	240,000	JO
Westfield Stratford City (London)	174,900	EM-JV
Croydon (London region)	64,700	EM-JV