



UNIBAIL-RODAMCO-WESTFIELD

Paris, Amsterdam, October 25, 2018

Press release

Financial information as at September 30, 2018

- Tenant sales and footfall in URW's European shopping centres up by +2.3% (+3.6% for Flagships) and +2.0%, respectively; US specialty sales per sq. ft up by +5.5% (+5.6% for Flagships);
- More than 55% of the €3 Bn disposal programme announced in December 2017 achieved already;
- URW expects the Adjusted Recurring Earnings per Share for 2018 in the range of €12.75 - €12.90.

1. Turnover

The proportionate turnover of Unibail-Rodamco-Westfield ("URW" or the "Group") for the first nine months of 2018 amounted to €2,164.3 Mn, up +37.9% mainly due to acquisition of Westfield Corporation ("WFD") by Unibail-Rodamco ("UR").

Turnover						
YTD in € Mn, excluding VAT	Consolidated			Proportionate		
	Q3-2018	Q3-2017	Change	Q3-2018	Q3-2017	Change
Shopping Centres	1,347.2	1,103.7	+22.1%	1,605.3	1,145.2	+40.2%
Offices	115.5	112.3	+2.9%	115.5	112.3	+2.9%
Convention & Exhibition	232.4	210.6	+10.4%	233.4	211.7	+10.2%
<i>Rental income</i>	147.0	137.5	+6.9%	148.0	138.6	+6.8%
<i>Services</i>	85.4	73.1	+16.8%	85.4	73.1	+16.8%
Property services and other activities revenues	124.1	101.2	+22.7%	123.0	100.0	+23.0%
Property development and project management revenue	87.2	-		87.2	-	
Total	1,906.4	1,527.7	+24.8%	2,164.3	1,569.2	+37.9%

Figures may not add up due to rounding. Proportionate reflects the impact of proportional consolidation instead of the equity method required by IFRS 11 of the URW jointly controlled assets.



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2. Gross Rental Income

The proportionate Gross Rental Income (GRI) of the Shopping Centre division amounted to €1,605.3 Mn for the first nine months of 2018, an increase of +40.2% (+3.6% on UR's perimeter prior to the acquisition of WFD). The Continental European rental growth was partially offset by the impact of the disposal of non-core shopping centres in the Nordics (Eurostop Arlanda, Arninge Centrum and Eurostop Örebro) in 2017 and in Spain (Bahia Sur, Vallsur, El Faro and Los Arcos) in 2018. The performance of Central Europe was boosted by the delivery of Wroclavia, the extension of Centrum Chodov, and the acquisition of Metropole Zličín in 2017. GRI from the US and UK reflects the contribution from WFD since June 2018.

The GRI of the Office division amounted to €115.5 Mn, up by +2.9% compared to the first nine months of 2017. The rental income of offices in France decreased by -0.7%, due to the disposal of the So Ouest Plaza office building in 2017.

The GRI of the Convention & Exhibition division increased by +6.8% to €148.0 Mn due to the triennial Intermat exhibition and the opening of Pavilion 7 in Porte de Versailles.

Gross Rental Income						
YTD in € Mn, excluding VAT	Consolidated			Proportionate		
	Q3-2018	Q3-2017	Change	Q3-2018	Q3-2017	Change
Shopping Centres	1,347.2	1,103.7	+22.1%	1,605.3	1,145.2	+40.2%
<i>France</i>	522.3	512.4	+1.9%	528.9	519.0	+1.9%
<i>United States</i>	169.3	-		346.1	-	
<i>Central Europe</i>	156.9	128.5	+22.1%	162.1	128.8	+25.9%
<i>Spain</i>	133.3	132.9	+0.3%	133.6	133.1	+0.4%
<i>Nordics</i>	115.3	122.3	-5.7%	115.3	122.3	-5.7%
<i>Austria</i>	83.7	81.8	+2.3%	83.7	81.8	+2.3%
<i>Germany</i>	75.9	74.8	+1.5%	111.1	109.2	+1.7%
<i>The Netherlands</i>	52.0	51.0	+1.9%	52.0	51.0	+1.9%
<i>United Kingdom</i>	38.5	-		72.5	-	
Offices	115.5	112.3	+2.9%	115.5	112.3	+2.9%
<i>France</i>	95.6	96.3	-0.7%	95.6	96.3	-0.7%
<i>Other countries</i>	19.9	16.0	+25.2%	19.9	16.0	+25.2%
Convention & Exhibition	147.0	137.5	+6.9%	148.0	138.6	+6.8%
Total	1,609.7	1,353.4	+18.9%	1,868.7	1,396.1	+33.9%

Figures may not add up due to rounding. Proportionate reflects the impact of proportional consolidation instead of the equity method required by IFRS 11 of the URW jointly controlled assets.



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Major events

1. Tenant sales and footfall

Tenant sales⁽¹⁾ through September 30, 2018, in the Group's European shopping centres⁽²⁾ were up by +2.3% for the Group and +3.6% for Flagships⁽³⁾ compared to the same period in 2017, with strong performance in Central Europe, France and the Nordics.

For the US, specialty sales per sq. ft⁽⁴⁾ for the period through September 30 were up by +5.5% on a trailing 12-month basis.

Through August, tenant sales in Europe (+2.4%) outperformed the aggregate national sales indices⁽⁵⁾ (which for a number of the Group's regions include online sales) by +186 bps, reflecting the superior quality and appeal of the Group's European shopping centres. In France, tenant sales through August outperformed the IFLS⁽⁶⁾ and CNCC⁽⁷⁾ indices by +343 and +493 bps, respectively.

Footfall⁽⁸⁾ in European shopping centres grew by +2.0% through Q3-2018. The UK, France, the Nordics and Central Europe all posted strong footfall growth of +4.6%, +3.8%, +3.6% and +3.4%, respectively.

While overall tenant sales growth in the Group's shopping centres was solid, some retailers are facing significant challenges in dealing with the changing retail environment. Many focus carefully on all elements of their business, including new store openings. Consequently, negotiations on lease terms are generally taking longer.

2. Post-closing events

On October 15, 2018, URW entered into an agreement with Singapore's sovereign wealth fund GIC for the sale of Tour Ariane in La Défense. The net disposal price ("NDP") of €464.9 Mn represents a premium to the book value as at June 30, 2018.

Together with the disposals announced earlier this year, the Group has now disposed or entered into agreements to dispose of a total of 8 assets⁽⁹⁾ representing a total acquisition cost of €1,920 Mn, a blended net initial yield of 4.5% and a weighted average premium of +8.1% to their book value as at June 30, 2018. The NDP to URW of these disposals is expected to amount to €1,787 Mn. More than 55% of the approximately €3 Bn European disposal programme to be accomplished over the next several years announced on December 12, 2017, has already been agreed or completed since June 30, 2018.

3. Outlook

The closing of the WFD acquisition on June 7, 2018, and the impact of the cost synergies realized through June 30 will be accretive for the year 2018. Allowing for the impact of the accelerated disposals, with almost €1.8 Bn already agreed or completed YTD (-11 cents), and the shift of the recognition of development profits (timing differences) on projects in London and California (-17 cents), the Group expects its Adjusted Recurring Earnings per Share to be in the range of €12.75 - €12.90.



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4. Financial schedule

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

February 13, 2019: 2018 Full-Year results, 2019 guidance and medium-term outlook (after market close)

March 29, 2019: Interim dividend

April 24, 2019: 2019 1st quarter results (after market close)

May 17, 2019: AGM Unibail-Rodamco SE

June 13 & 14, 2019: Investor Days

July 5, 2019: Final dividend, subject to approval by the AGMs of Unibail-Rodamco SE and WFD Unibail-Rodamco N.V.

Notes:

- (1) *Tenant sales data include European shopping centres accounted for using the equity method (Rosny 2, CentrO, Paunsdorf, Metropole Zličín and Westfield Stratford City), but not Jumbo and Zlote Tarasy as they are not managed by URW. Tenant sales performance in URW'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 Q3-2018 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.*
- (2) *Including the UK.*
- (3) *The European 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, Pasing Arcaden, Westfield London and Westfield Stratford City.*
- (4) *Specialty tenant sales (<10K sq. ft (ca. 929 m²)) on a trailing 12 month per square foot basis. Excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For Q3-2018 reporting period, shopping centres excluded due to delivery or ongoing works were Westfield Century City, Westfield UTC, Westfield Valley Fair, Westfield WTC, Westfield South Shore, Westfield Siesta Key and Westfield Sunrise.*
- (5) *National indices available (year-on-year evolution) as at August 2018: Institut Français du Libre Service - Mode & Cosmétique, Maison et Loisirs – excluding food (France); Instituto Nacional de Estadística (Spain); Český statistický úřad (Czech Republic); Eurostat (Austria, Slovakia); Danmarks Statistik (Denmark); BDO High Street Sales Tracker (United Kingdom); Germany: Destatis-Genesis (Federal Statistical Office) – excluding online only operators and fuel sales. Polish index (Polska Rada Centrów Handlowych) as at June 2018. Including online only sales for France, Spain, Austria, the Czech Republic and Slovakia and excluding online only sales for Germany, the Nordics, United Kingdom and Poland.*
- (6) *Institut Français du Libre Service index – Mode & Cosmétique, Maison et Loisirs (excluding food).*
- (7) *Conseil National des Centres Commerciaux index – all centres, comparable scope.*
- (8) *Footfall data include European shopping centres accounted for using the equity method (Rosny 2, CentrO, Paunsdorf, Metropole Zličín and Westfield Stratford), but not Jumbo and Zlote Tarasy as they are not managed by URW. Footfall in URW'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 Q3-2018 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 and Gropius Passagen.*
- (9) *Including Horton Plaza*



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About Unibail-Rodamco-Westfield

Unibail-Rodamco-Westfield is the premier global developer and operator of flagship shopping destinations, with a portfolio valued at €63.7 Bn as at June 30, 2018, of which 86% in retail, 8% in offices, 5% in convention & exhibition venues and 1% in services. Currently, the Group owns and operates 97 shopping centres, including 56 flagships in the most dynamic cities in Europe and the United States. Its centres welcome 1.2 billion visits per year. Present on 2 continents and in 13 countries, Unibail-Rodamco-Westfield provides a unique platform for retailers and brand events, and offers an exceptional and constantly renewed experience for customers.

With the support of its 3,700 professionals and an unparalleled track-record and know-how, Unibail-Rodamco-Westfield is ideally positioned to generate superior value and develop world-class projects. The Group has the largest development pipeline in the industry, worth €12.5 Bn.

Unibail-Rodamco-Westfield distinguishes itself by its Better Places 2030 agenda, that sets its ambition to create better places that respect the highest environmental standards and contribute to better cities.

Unibail-Rodamco-Westfield stapled shares are listed on Euronext Amsterdam and Euronext Paris (Euronext ticker: URW), with a secondary listing in Australia through Chess Depository Interests. The Group benefits from an A rating from Standard & Poor's and from an A2 rating from Moody's.

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