

## FULL-YEAR 2012 RESULTS

### Re-Inventing the customer experience

*“In Unibail-Rodamco’s 5<sup>th</sup> year anniversary since the merger in 2007, the Group’s 2012 performance demonstrates the relevance of its strategy of accelerating the differentiation of the Group’s portfolio of prime shopping centres. Unibail-Rodamco focused on re-inventing the customer experience in its shopping malls by introducing new international premium retailers, successfully opening three new generation shopping centres, redesigning many others and launching innovative marketing initiatives. With its strong base of 82 shopping centres, three strategic partnerships signed in 2012 and its flexible prime quality development projects, its strong balance sheet, secured low cost of financing and talented professionals, Unibail-Rodamco expects to deliver strong earnings growth in the future.”*

Guillaume Poitrial, CEO and Chairman of the Management Board

### Recurring EPS growing +6.7%

The 2012 recurring EPS of €9.60 represents a growth of +6.7% compared to 2011, significantly outperforming the 4% outlook provided for the year 2012. These results reflect strong underlying like-for-like performance across all of the Group’s divisions, market share gains by the Group’s tenants with an increase in sales, decreasing average cost of debt and a continued focus on cost efficiency.

### Strong operating performance

Footfall in Unibail-Rodamco’s shopping centres was up +1.3% in 2012. Tenant sales in the Group’s malls were up by +2.5% through November 2012, outperforming national sales indices by 350 bps over the same period. Despite a challenging macro-economic environment, Unibail-Rodamco’s performance was notably driven by its focus on large malls, which represent 89% of the Group’s shopping centre gross market value, and its active operating management. Like-for-like net rental income (NRI) grew +4.2% in 2012, an outperformance of 200 bps over indexation. The Group’s rotation rate increased to 13.2% and rental uplifts on relettings and renewals were up by +21.4%. 139 deals were signed with international premium retailers, confirming the appeal of the Group’s malls for both customers and tenants alike. Vacancy remained low at 2.1%.

The office division showed good like-for-like results in a difficult market, with like-for-like NRI increasing by +6.9% in 2012. Convention and Exhibition saw its recurring net operating income grow +10.7% vs the last comparable period of 2010, with large shows performing very well and an increase of international congresses.

### A number of innovations launched in 2012

2012 was an exceptional year in terms of innovation with a number of initiatives launched by the UR Lab in order to re-invent the customer experience in Unibail-Rodamco’s malls and strengthen their leadership position in terms of customer services and differentiation:

- The 4 Star label: the Group’s new quality referential based on a list of 571 criteria. 9 shopping centres were 4 Star labelled in 2012;
- The iconic shop fronts project to make Unibail-Rodamco’s malls “the Home of the Flagships<sup>TM</sup>” by upgrading the overall height and quality of the Group’s tenants’ shop fronts, thus promoting variety, innovation and design excellence in the Group’s malls;
- The Dining Experience, a new initiative aimed at doubling the space dedicated to dining in Unibail-Rodamco’s shopping centres by offering a collection of the best local restaurateurs and international food concepts and creating a new outstanding “Dining Plaza”;
- Digital applications to strengthen the customer relationship: all of the Group’s shopping centres now have an iPhone and/or Android app and the number of apps downloaded reached 1.3 Mn. The number of facebook fans of the Group’s shopping malls grew to 2.6 Mn.

## **Asset values increase reflects superior rental growth**

The Gross Market Value of the Group's portfolio as of December 31, 2012 stood at €29.3 Bn, up +4.8% like-for-like compared to December 31, 2011. The shopping centre portfolio grew +6.0% like-for-like to €23.0 Bn with a strong contribution from rents (+4.9%) as a result of rental uplifts generated by the Group. Despite significant negative impact of the mark-to-market of debt and financial instruments, the Going Concern Net Asset Value per share was €151.10, an increase of +5.6% compared to December 31, 2011, and the EPRA triple Net Asset Value per share was €138.40, an increase of +5.9% from €130.70 per share as at December 31, 2011.

## **Record low cost of debt**

Taking advantage of the Group's robust balance sheet (Loan-To-Value of 37% and Interest Coverage Ratio of 3.5x) and "A" rating with a stable outlook from S&P and Fitch, the Group raised €4.6 Bn of medium to long-term debt at very attractive rates, of which €2.4 Bn on the bond market at an average margin of 99 bps over mid-swap. As a result, Unibail-Rodamco's average cost of debt decreased to 3.4% in 2012, from 3.6% in 2011.

## **€7.0 Bn flexible development pipeline**

The Group's development projects amounted to €7.0 Bn at year end 2012, out of which €2.9 Bn was committed. Retail accounts for 70% of committed projects. 11 projects were delivered in 2012, including the successful openings of shopping centres Confluence and So Ouest in France and El Faro in Spain. The Group enters a period of momentum for new deliveries with the openings in 2013 of the extensions and renovations of Centrum Cerny Most in Prague, Alma in Rennes and Toison d'Or in Dijon and the brownfield mall Aéroville in the Paris region. In addition, the Group captured landmark development projects in 2012 such as Polygone Riviera, a 71,474 m<sup>2</sup> GLA new generation open air mall on the French Riviera in Cagnes-sur-Mer, next to Nice.

Unibail-Rodamco retains full flexibility on the controlled and secured exclusivity segments of the pipeline.

## **Outlook**

For 2013, the Group remains positive in its expectations on rental income growth. In addition to the impact of new deliveries from extensions and brownfield projects, this growth should be driven by on-going strong fundamentals, such as outperforming tenant sales, low vacancy, sustainable occupancy cost ratios and good rental uplifts. The cost of debt is also expected to be contained at low levels. In light of the strong fundamentals outlined above, the Group sets a recurring EPS growth target of at least 5% for 2013.

For the longer term, the Group expects to reach recurring EPS of €14 by 2017. This objective, based on the Group's current 5-year plan, assumes (i) the successful execution of the Group's development projects, (ii) no major evolution of the Group's current capital structure, (iii) no significant change in the macro-economic conditions in Europe, (iv) no adverse tax law changes, (v) the Group's pay-out ratio maintained at its current level and (vi) the payment by the Group of the annual dividends in cash with respect to fiscal years 2013 through 2016.

## **Dividend**

The Group will propose to the Annual General Meeting (AGM) of shareholders to declare a dividend for 2012 of €8.40 per share, representing an increase of 5% compared to 2011 and a pay-out ratio of 88% comparable to the one in 2011. Subject to the approval from the AGM, the Group's shareholders will be paid on June 3, 2013 the following amounts per Unibail-Rodamco share:

- €5.27 in cash paid from Unibail-Rodamco's tax exempt (SIIC) real estate activities;
- €3.13 per share distributed from Unibail-Rodamco's non-tax exempt activities for which shareholders will have the option to elect payment in either (i) new shares created at a discount of 7%, or (ii) cash. The withholding tax historically paid by non-French mutual funds (OPCVM) no longer applies to this part of the dividend.

## **Change of market of reference**

As of February 28, 2013, Unibail-Rodamco's market of reference will be NYSE Euronext Amsterdam instead of Paris in order to emphasise its truly pan-European status, its unique nature as a Societas Europaea and maintain its inclusion in both the CAC40 and AEX25 indices. This change of market of reference does not impact: (i) Unibail-Rodamco's organisation (including its Paris legal headquarters), French presence or activities, (ii) the Group's dual listing on NYSE Euronext Paris and NYSE Euronext

Amsterdam, (iii) the liquidity of the shares, (iv) the tax situation of the Group's shareholders<sup>(1)</sup>, and (v) the ISIN (FR0000124711) and mnemonic (UL) codes of the Group, which will remain unchanged.

As a result of this election of NYSE Euronext as its market of reference, Unibail-Rodamco's shares will not be eligible to the French "Service à Réglements Différés" (SRD), a deferred settlement service for individual shareholders residing in France only, as of February 23, 2013. SRD trades will be possible until February 22, 2013.

*Note (1): tax elements are not intended to constitute tax advice and shareholders should consult their own tax advisors*

	FY-2012	FY-2011	Growth	Like-for-like growth
<b>Net Rental Income (in € Mn)</b>	<b>1,318</b>	<b>1,262</b>	<b>+4.4%</b>	<b>+4.8%</b>
- Shopping centres	1,044	984	+6.1%	+4.2%
- Offices	173	185	-6.5%	+6.9%
- Conventions & Exhibitions	101	93	+7.7%	+7.7%
Recurring net result (in € Mn)	886	826	+7.2%	
<b>Recurring EPS (in € per share)</b>	<b>9.60</b>	<b>9.00</b>	<b>+6.7%</b>	
	Dec. 31, 2012	Dec. 31, 2011		
<b>Total portfolio valuation (in € Mn)</b>	<b>29,292</b>	<b>25,924</b>	-	<b>+4.8%</b>
<b>Going Concern Net Asset Value (in € per share)</b>	<b>151.10</b>	<b>143.10</b>	<b>+5.6%</b>	
<b>EPRA triple Net Asset Value (in € per share)</b>	<b>138.40</b>	<b>130.70</b>	<b>+5.9%</b>	

*Figures may not add up due to rounding*

*The appendix to the press release and the full-year 2012 results presentation are available on the Group's website [www.unibail-rodamco.com](http://www.unibail-rodamco.com)*

*The audit procedures by statutory auditors are currently in progress.*

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### About Unibail-Rodamco

Created in 1968, Unibail-Rodamco SE is Europe's largest listed commercial property company, with a presence in 12 EU countries, and a portfolio of assets valued at €29.3 billion as of December 31, 2012. As an integrated operator, investor and developer, the Group aims to cover the whole of the real estate value creation chain. With the support of its 1,500 professionals, Unibail-Rodamco applies those skills to highly specialised market segments such as large shopping centres of major European cities, and large offices and convention & exhibition centres in the Paris region.

The Group distinguishes itself through its focus on the highest architectural, city planning and environmental standards. Its long term approach and sustainable vision focuses on the development or redevelopment of outstanding places to shop, work and relax. Its commitment to environmental, economic and social sustainability has been recognised by inclusion in the DJSI (World and Europe), FTSE4Good and STOXX Global ESG Leaders indexes.

The Group is a member of the CAC 40, AEX 25 and EuroSTOXX 50 indices. It benefits from an A rating from Standard & Poor's and Fitch Ratings.

For more information, please visit our website: [www.unibail-rodamco.com](http://www.unibail-rodamco.com)