UNIBAIL-RODAMCO-WESTFIELD

Paris, Amsterdam, February 12, 2020

Press release

UNIBAIL-RODAMCO-WESTFIELD, THE PREMIER GLOBAL DEVELOPER AND OPERATOR OF FLAGSHIP DESTINATIONS, EXCEEDS GUIDANCE FOR FY-2019

Adjusted Recurring Earnings per Stapled Share ("AREPS") of €12.37 exceed guidance of €12.10 - €12.30

- **Very strong Group tenant sales growth** through December 31, of **+3.7%**, of which **+4.7%** in Europe and **+1.6%** in the US
- Net Rental Income (NRI) like-for-like (Lfl)(1) growth: **+3.1%** in Shopping Centres in **Continental Europe** and **-4.2% in the UK**; comparable Net Operating Income (NOI)(2) of **+2.4%** (**+5.4% in Flagships**) **in the US**
- Continental European rental uplift: **+12.0%** (**+13.9%** in Flagships)
- Average cost of debt: **1.6%;** average debt maturity extended to a **record 8.2 years**
- EPRA NAV: **€213.30**/stapled share
- Development pipeline scaled back to **€8.3 Bn**
- Disposals: **€2.8 Bn agreed or closed,** bringing total disposals proceeds since June 7, 2018, to **€4.8 Bn**
- LTV: **38.6%** (37.2% pro-forma for the disposal of five French assets)(3)
- **Dividend proposed: €10.80** per stapled share
- **2020 AREPS Outlook**: reflecting solid underlying growth in a challenging market, offset by the impact of disposals completed in 2019 and those to be completed in 2020 (around 50 cents per share), AREPS expected to be in the range of **€11.90 - €12.10.**

"The retail environment remains challenging, but URW's high quality portfolio saw a very strong +3.7% growth in Group tenant sales. This, with the exceptional work of our teams, drove LfL NRI growth of +3.1% in Continental Europe, and comparable NOI up by +5.4% in our US Flagships. Adjusted recurring EPS at €12.37 exceeded the 2019 guidance increased in July. The Group remains soundly positioned for the future. We will continue the execution of our strategy of concentration, differentiation and innovation and a disciplined approach to the allocation of capital and deleveraging. With the announcement made today of the disposal of a 54.2% stake in a portfolio of five French centres, we have now agreed disposals of €4.8 Bn since June 2018 (80% of our €6 Bn target) and have scaled back our development pipeline to €8.3 Bn while maintaining its potential for value creation. The integration of Westfield is running according to plan, having already achieved €99 Mn of cost and revenue synergies, and we have extended to the UK and the US our widely recognised and industry leading CSR strategy, Better Places 2030. AREPS will continue to be impacted in the near term by the disposal of assets, but our 5-year Business Plan implies underlying operational growth of +3% to +5%. This underpins our minimum €10.80 dividend per stapled share going forward."

Christophe Cuvillier, Group Chief Executive Officer

	FY-2019	FY-2018	Growth	Like-for-like growth
Net Rental Income (in € Mn)	**2,491**	**2,161**	+15.3%	**+3.0%**
Shopping Centres	**2,293**	**1,912**	+19.9%	**+3.1%**
France	*663*	*647*	*+2.5%*	*+2.8%*
Central Europe	*223*	*212*	*+5.4%*	*+4.0%*
Spain	*157*	*155*	*+0.8%*	*+10.5%*
Nordics	*123*	*141*	*-13.3%*	*-2.6%*
Austria	*111*	*108*	*+3.5%*	*+2.5%*
Germany	*143*	*140*	*+2.8%*	*+0.0%*
The Netherlands	*62*	*59*	*+5.8%*	*+10.7%*
United States	*653*	*351*	*n.m.*	*n.a.*
United Kingdom	*157*	*99*	*n.m.*	*n.a.*
Offices & others	**103**	**149**	-30.9%	**-1.2%**
Convention & Exhibition	**95**	**100**	-4.7%	**+3.4%**
Recurring net result (in € Mn)	**1,760**	**1,610**	+9.3%	
Recurring EPS (in €)	12.72	13.15	-3.3%	
Adjusted Recurring EPS (in €)	***12.37***	***12.92***	*-4.3%*	
	Dec. 31, 2019	**Dec. 31, 2018**	**Growth**	**Like-for-like growth**
Proportionate portfolio valuation (in € Mn)	**65,341**	**65,201**	+0.2%	-1.8%
Going Concern Net Asset Value (in € per stapled share)	**217.50**	**233.90**	-7.0%	
EPRA Net Asset Value (in € per stapled share)	**213.30**	**221.80**	-3.8%	
EPRA Triple Net Asset Value (in € per stapled share)	**199.20**	**210.80**	-5.5%	

Figures may not add up due to rounding

FY-2019 AREPS OF €12.37

Reported AREPS was €12.37 vs. the guidance of €11.80 to €12.00 for 2019, increased to €12.10 to €12.30 at half-year. The 2019 result reflects the full-year effect of the Westfield transaction and the impact of the disposals completed in 2018 and 2019 (€3.3 Bn), which was partially offset by the Group's solid operating performance and the implementation of IFRS 16.

RESILIENT OPERATING PERFORMANCE

Shopping Centres - Continental Europe

Footfall in the Group's centres through December was up by +2.6%, and by +3.0% for Flagships. In France, footfall was up by +4.6% (+431 bps vs. the CNCC index), despite the impact of the public transport strikes of December 2019 in the Paris region.

Through November 30, tenant sales increased[4] by +5.2%, and by +5.5% for Flagships,[5] outperforming national sales indices[6] by +304 bps and +340 bps, respectively. In France, tenant sales increased by +5.4%, outperforming the IFLS index by +379 bps and the CNCC index by +459 bps. Germany also did especially well (+4.4%), outperforming the national sales index by +86 bps. The Nordics, up by +14.1%, was boosted by the outstanding performance of Tesla in its two stores in URW's Stockholm centres. Excluding Tesla, the Group's Continental European tenant sales through November 30 increased by +3.3%.

Lfl NRI grew by +3.1%, +150 bps above indexation. The Group signed 1,367 leases with a Minimum Guaranteed Rent (MGR) uplift of +12.0% (+13.9% for Flagships). The rotation rate amounted to 10.6% in line with URW's objective of 10%. The EPRA vacancy remains limited at 2.5% and down from 2.8% as at June 30, 2019.

United Kingdom
Footfall through December 31 was up by +2.8%, outperforming the UK shopping centre index by +530 bps. Tenant sales through December 31 increased by +4.7%, and through November 30 by +5.3%, outperforming the national sales index by +550 bps. MGR uplift was solid at +11.1%. EPRA vacancy stood at 7.7%, down from 8.7% as at June 30, 2019.

United States
Tenant sales(7) increased by +1.7% through November 30, of which +3.3% in Flagships, compared to the national sales index of +3.7%(8) (which includes e-commerce sales). Growth was +1.6% through December 31. Speciality sales productivity per square foot (psf)(9) increased by +5.1%. Average letting spreads for Flagships were +4.7%. As at December 31, 2019, occupancy stood at 94.8% (96.2% in Flagships), up +140 bps vs. June 30, 2019. Lease commitments of vacant spaces as at December 31, 2019, amounted to 1.4% of GLA. Comparable NOI increased by +2.4% (+5.4% for Flagships), improving from -1.6% and -0.3%, respectively, in 2018.

Offices & Others
The offices & others division sold Majunga on very attractive terms and delivered Versailles Chantiers and Shift. Lfl NRI decreased by -1.2%, of which -1.5% in France, mainly due to the negative impact of a renewal.

Convention & Exhibition
Recurring NOI was up by +11.4% compared to 2017, and flat compared to 2018 when excluding the impact of the triennial INTERMAT show held in that year. The new Pavilion 6 and the Novotel and Mama Shelter hotels at Porte de Versailles were delivered.

ACCELERATING OUR CSR STRATEGY

URW’s CSR strategy, Better Places 2030, was extended to the new regions of the Group (the UK and US). The Group's ambitious goal of reducing carbon emissions by -50% across URW’s value chain in Europe and the US by 2030 was reaffirmed. Better Places 2030 now also tackles new challenges like responsible consumption, circular economy, biodiversity and community resilience. URW’s CSR strategy is widely recognized, illustrated by the prime ISS ESG rating, CDP’s A list and the retail real estate sector leader award of GRESB.

€99 MN OF COST AND REVENUE SYNERGIES CAPTURED

By December 31, 2019, the Group had captured €99.0 Mn of its target of €100 Mn of run-rate synergies, including €87.9 Mn of cost synergies, as well as the first €11.1 Mn of revenue synergies (target of €40 Mn by 2023), through its Commercial Partnerships and International Leasing operations. Commercial Partnership revenues in Continental Europe grew by +11.2% to €32.7 Mn.

OPTIMIZING DEVELOPMENT CAPITAL AND RETURNS

The URW Total Investment Cost(10) of its development pipeline amounted to €8.3 Bn, down from €11.9 Bn as at year-end 2018. The Group initiated a full review of its pipeline and removed €3.2 Bn of projects that require major redefinition, are significantly postponed due to market or administrative circumstances, or no longer meet the Group’s return requirements. The Group retains significant flexibility, with committed projects of only €2.7 Bn, of which €1.7 Bn already invested. The pipeline GLA is moving towards more mixed use projects, split between retail (43%), dining & leisure (17%), offices (21%), residential (11%), and hotels (8%). €0.6 Bn of projects were delivered in 2019, including the Westfield Vélizy 2 leisure extension, the Westfield Parly 2 Cinema, Palisade at Westfield UTC and the Westfield Oakridge transformation. The Group plans to deliver €2 Bn of projects in 2020, including the extensions of Westfield Valley Fair and La Part-Dieu and the Westfield Mall of the Netherlands redevelopment.

NAV EVOLUTION

The Gross Market Value (GMV) of the Group's assets as at December 31, 2019, amounted to €65.3 Bn on a proportionate basis (€65.2 Bn as at December 31, 2018). The Shopping Centre GMV was €56.5 Bn, down -2.0% on a like-for-like basis (-1.0% for Flagships). The average net initial yield ("NIY") of the retail portfolio remained stable at 4.3%. The Offices & Others GMV came to €4.2 Bn, up by +6.2% on a like-for-like basis.

Going Concern NAV per stapled share came to €217.50 as at December 31, 2019. Adjusted for the impact of the -€10.15 mark-to-market of the fixed-rate debt and derivatives and the -€10.80 dividend paid in 2019, Going Concern NAV was up +€4.55 (+2.1%) compared to December 31, 2018.

SUCCESSFUL DISPOSALS TO DATE

Since June 7, 2018, the Group has disposed of €3.3 Bn of office and retail assets at an aggregate NIY of 4.2% and 5.5%, and a 6.2% and 7.7% premium to the last book values, respectively. On February 12, 2020, the Group reached an agreement to dispose of a 54.2% stake in five French shopping centres, with an offer price at 100% of €2.0 Bn, in line with the last unaffected book value as at December 31, 2018, and reflecting a 4.8% NIY. Net Disposal Proceeds for URW are expected to be €1.5 Bn. This amount will increase as other investors join the Consortium. More details can be found in the press release of February 12, 2020. Upon closing of this transaction, the Group will have completed €4.8 Bn (80%) of its €6 Bn disposal target.
A number of discussions are on-going for further disposals.

AVERAGE COST OF DEBT OF 1.6% AND AVERAGE MATURITY OF 8.2 YEARS

The average cost of debt for the Group was stable at 1.6%, representing a blended 0.9% for EUR[11] debt, an all-time low, and 3.4% for USD and GBP debt. The average debt maturity came to a record 8.2 years. In June 2019, URW was the first REIT ever to issue 30-year notes on the Euro bond market (€500 Mn). The Loan-to-Value (LTV) ratio stood at 38.6% (37.2% pro-forma for the disposal of the portfolio of five French shopping centres). The interest coverage ratio was 5.7x. Undrawn available credit lines amounted to a record €9.2 Bn.

OUTLOOK AND GUIDANCE

The €1.3 Bn of disposals closed in 2019 and those expected to close in 2020 will further increase the average portfolio quality and reduce leverage. These disposals will, of course, have an impact on the Group's AREPS in 2020 and 2021.

As a result of the solid underlying operating income growth expected despite the challenging retail environment, the €2 Bn of deliveries in 2020 and the secured cost of debt, offset by the estimated impact of the disposals (around 50 cents per share), the 2020 AREPS is expected to be in the range of €11.90 - €12.10.

The substantial disposals made and planned by URW are a critical part of its strategy of concentration, differentiation and innovation, active asset rotation and deleveraging. However, they mask the underlying trends, which reflect on-going operational growth, delivery of development projects (albeit fewer than in the Group's previous business plan), and a well managed cost of debt. The output of the 2020-2024 business plan, reflects an underlying compound annual growth rate of the AREPS, i.e., excluding the impact of the disposals in the plan, of between +3% to +5%.

This outlook is derived from the annual business plan process for URW's operations. This exercise results in annual growth rates which vary from year to year. Variations in the key assumptions (indexation, rental uplifts, disposals, timely delivery of projects, cost of debt, FX and tax) will also cause growth rates to vary from one plan to the next.

DIVIDEND

The Group will propose a cash dividend of €10.80 per stapled share for fiscal year 2019, subject to approval by the Annual General Meetings of Unibail-Rodamco-Westfield SE and WFD Unibail-Rodamco N.V. (the AGMs). The total amount of dividends paid with respect to 2019 would be €1,494.5 Mn for the 138,378,605 stapled shares outstanding as at December 31, 2019. This represents an 87% pay-out ratio of the adjusted net recurring result of the Group.

The planned payment schedule is:

- An interim dividend of €5.40 per stapled share on March 26, 2020 (ex-dividend date March 24, 2020); and
- A final dividend of €5.40 per stapled share, subject to approval of the AGMs, on July 6, 2020 (ex-dividend date July 2, 2020).

Based on the outputs of its 2020-2024 business plan exercise, the Group currently expects to maintain its dividend for 2020 and 2021 at a minimum of €10.80 per share and grow it broadly in line with the growth in AREPS thereafter.

FINANCIAL SCHEDULE

The next financial events on the Group's calendar will be:
March 26, 2020: payment interim dividend
April 29, 2020: 2020 1st quarter results (after market close)
May 15, 2020: AGM Unibail-Rodamco-Westfield SE
July 6, 2020: payment final dividend, subject to approval of the AGMs
July 29, 2020: 2020 Half-Year results

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(1) 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 metres and currency exchange rate differences in the periods analysed.
(2) 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.
(3) Announced on February 12, 2020.
(4) 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 the 2019 reporting period, shopping centres excluded due to delivery or ongoing works were Les Ateliers Gaité, La Part-Dieu, CH Ursynow, Garbera and Gropius Passagen. Primark sales are based on estimates. Les Boutiques du Palais is now included in the Convention & Exhibition ("C&E") segment. Tenant sales data include shopping centres accounted for using the equity method (Westfield Rosny 2, CentrO, Paunsdorf and Metropole Zlicin), but not Zlote Tarasy as it is not managed by URW.
(5) Continental European Flagship assets are: Westfield Les 4 Temps, Aéroville, Westfield Parly 2, Westfield Vélizy 2, Westfield Carré Sénart, Westfield Rosny 2, Westfield Forum des Halles, Carrousel du Louvre, CNIT, Confluence, La Part-Dieu, Villeneuve 2, Westfield Euralille, Polygone Riviera, La Vaguada, Parquesur, Bonaire, Splau, La Maquinista, Glòries, Donau Zentrum, Shopping City Süd, Centrum Cerny Most, Westfield Chodov, Wroclavia, Galeria Mokotow, Zlote Tarasy, Westfield Arkadia, Aupark, Fisketorvet, Westfield Mall of Scandinavia, Täby Centrum, Stadshart Amstelveen, Westfield Mall of the Netherlands, Ruhr Park, Gropius Passagen, CentrO and Pasing Arcaden.
(6) Based on latest national indices available (year-on-year evolution) as at November 2019: 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), Eurostat (Slovakia); Austria: KMU Forschung; 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, the Czech Republic and Slovakia and excluding online only sales for Germany, the Nordics, Austria and Poland.
(7) Total tenant sales excluding department stores and Tesla.
(8) US Census Bureau November 2019 Advance Monthly Retail Sales, excludes gas.
(9) Calculated on the basis of sales psf for specialty tenants, being stores with <10K sq. ft (ca. 929 sqm), excl. Tesla. For centres in operation and excluding new brownfield deliveries, acquired assets and assets under heavy refurbishment (in line with the URW's European methodology).
(10) URW Total Investment Cost (TIC) equals 100% TIC multiplied by URW percentage of ownership of the project, plus specific own costs, if any. 100% TIC 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.
(11) Including SEK

UNIBAIL-RODAMCO-WESTFIELD

About Unibail-Rodamco-Westfield

Unibail-Rodamco-Westfield is the premier global developer and operator of Flagship destinations, with a portfolio valued at €65.3 Bn as at December 31, 2019, of which 86% in retail, 6% in offices, 5% in convention & exhibition venues and 3% in services. Currently, the Group owns and operates 90 shopping centres, including 55 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 12 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 3,600 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 a development pipeline of €8.3 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 Depositary Interests. The Group benefits from an A rating from Standard & Poor's and from an A2 rating from Moody's.

For more information, please visit www.urw.com
Visit our Media Library at https://mediacentre.urw.com
Follow the Group updates on Twitter @urw_group, Linkedin @Unibail-Rodamco-Westfield and Instagram @urw_group
Access the URW 2018 report at https://report.urw.com/2018/

UNIBAIL-RODAMCO-WESTFIELD

APPENDIX TO THE PRESS RELEASE
February 12, 2020

CONSOLIDATED FINANCIAL STATEMENTS (IFRS):

FINANCIAL STATEMENTS ON A PROPORTIONATE BASIS:

MANAGEMENT DISCUSSION & ANALYSIS:

The audit procedures by statutory auditors are in progress.
The press release and its appendix as well as the results presentation slide show can be found on Unibail-Rodamco-Westfield's website www.urw.com

UNIBAIL-RODAMCO-WESTFIELD

CONSOLIDATED FINANCIAL STATEMENTS[1] (IFRS):

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

Consolidated statement of comprehensive income (€Mn)	**2019**	**2018**
Gross rental income	2,417.6	2,211.3
Ground rents paid	*(14.5)*	*(20.9)*
Service charge income	*376.6*	*375.5*
Service charge expenses	*(413.5)*	*(404.3)*
Property operating expenses	*(380.9)*	*(321.2)*
Operating expenses and net service charges	(432.3)	(370.9)
Net rental income	**1,985.2**	**1,840.3**
Property development and project management revenue	276.6	215.5
Property development and project management costs	(235.2)	(178.5)
Net property development and project management income	**41.3**	**37.0**
Property services and other activities revenues	310.1	307.2
Property services and other activities expenses	(211.4)	(198.9)
Net property services and other activities income	**98.7**	**108.2**
Share of the result of companies accounted for using the equity method	(77.9)	233.9
Income on financial assets	32.2	32.1
Contribution of companies accounted for using the equity method	**(45.7)**	**266.0**
Corporate expenses	(191.5)	(141.4)
Development expenses	(17.4)	(2.1)
Depreciation of other tangible assets	(2.0)	(1.9)
Administrative expenses	**(210.9)**	**(145.5)**
Acquisition and related costs	**(45.8)**	**(268.7)**
Proceeds from disposal of investment properties	957.2	985.4
Carrying value of investment properties sold	(908.3)	(905.3)
Result on disposal of investment properties	**48.9**	**80.1**
Proceeds from disposal of shares	223.0	463.4
Carrying value of disposed shares	(203.4)	(460.5)
Result on disposal of shares	**19.7**	**3.0**
Valuation gains on assets	924.0	885.1
Valuation losses on assets	(2,026.4)	(822.9)
Valuation movements on assets	**(1,102.4)**	**62.2**
Impairment of goodwill	**(7.1)**	**(4.9)**
NET OPERATING RESULT	**781.8**	**1,977.8**
Result from non-consolidated companies	1.7	-
Financial income	*278.3*	*171.0*
Financial expenses	*(670.0)*	*(502.6)*
Net financing costs	(391.7)	(331.6)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	(7.6)	28.9
Fair value adjustments of derivatives, debt and currency effect	(343.5)	(318.0)
Debt discounting	(0.7)	(0.7)
RESULT BEFORE TAX	**40.1**	**1,356.5**
Income tax expenses	1,065.4	(113.6)
NET RESULT FOR THE PERIOD	**1,105.5**	**1,242.8**
Net result for the period attributable to:		
- The holders of the Stapled Shares	1,103.3	1,031.1
- External non-controlling interests	2.2	211.7
NET RESULT FOR THE PERIOD	**1,105.5**	**1,242.8**
Net result for the period attributable to the holders of the Stapled Shares analysed by amount attributable to:		
- Unibail-Rodamco-Westfield SE members	1,052.1	926.3
- WFD Unibail-Rodamco N.V. members	51.2	104.8
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES	**1,103.3**	**1,031.1**
Average number of shares (undiluted)	138,350,731	122,405,156
Net result for the period (Holders of the Stapled Shares)	1,103.3	1,031.1
Net result for the period per share (Holders of the Stapled Shares) (€)	**7.97**	**8.42**
Net result for the period restated (Holders of the Stapled Shares) (1)	1,110.9	1,002.2
Average number of shares (diluted)	140,466,405	126,031,428
Diluted net result per share (Holders of the Stapled Shares) (€)	**7.91**	**7.95**

NET COMPREHENSIVE INCOME (€Mn)	**2019**	**2018**
NET RESULT FOR THE PERIOD	**1,105.5**	**1,242.8**
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries	198.5	9.1
Other comprehensive income that may be subsequently recycled to profit or loss	**198.5**	**9.1**
Employee benefits	(0.9)	(0.4)
Fair Value of Financial assets	3.4	(16.2)
Other comprehensive income not subsequently recyclable to profit or loss	**2.5**	**(16.6)**
OTHER COMPREHENSIVE INCOME	**200.9**	**(7.5)**
NET COMPREHENSIVE INCOME	**1,306.4**	**1,235.3**
- External non-controlling interests	2.0	211.7
NET COMPREHENSIVE INCOME (HOLDERS OF THE STAPLED SHARES)	**1,304.4**	**1,023.6**

(1) The impact of the fair value of the ORNANE and the related financial expenses are restated from the net result of the period if it has a dilutive impact.

Recurring Earnings per share	2019	2018
Net Result of the period attributable to the holders of the Stapled Shares (€Mn)	**1,103.3**	**1,031.1**
Adjustments to calculate EPRA Recurring Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(1,102.4)	62.2
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	68.6	83.1
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties		-
(iv) Tax on profits or losses on disposals	(210.1)	(33.7)
(v) Goodwill impairment	(7.1)	(4.9)
(vi) Changes in fair value of financial instruments and associated close-out costs	(351.8)	(289.8)
(vii) Acquisition costs on share deals and non-controlling joint venture interests	(45.8)	(268.7)
(viii) Deferred tax in respect of EPRA adjustments	1,324.9	(53.4)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(533.4)	(65.2)
(x) External non-controlling interests in respect of the above	200.7	(8.4)
EPRA Recurring Earnings	**1,759.7**	**1,609.8**
Coupon on the Hybrid Securities	(48.1)	(28.1)
Adjusted Recurring Earnings	**1,711.6**	**1,581.8**
Average number of shares and ORA	138,354,383	122,412,784
EPRA Recurring Earnings per Share (REPS)	**12.72 €**	**13.15 €**
EPRA Recurring Earnings per Share growth	**-3.3%**	**9.1%**

Adjusted Recurring Earnings per Share (AREPS)	**12.37 €**	**12.92 €**
Adjusted Recurring Earnings per Share growth	**-4.3%**	**7.2%**

Consolidated Statement of financial position (€Mn)	**Dec 31, 2019**	**Dec. 31, 2018** [(1)]
NON CURRENT ASSETS	**61,106.6**	**62,818.5**
Investment properties	**45,733.2**	**47,626.7**
Investment properties at fair value	*44,589.9*	*46,068.8*
Investment properties at cost	*1,143.3*	*1,557.8*
Shares and investments in companies accounted for using the equity method	10,194.6	10,273.3
Other tangible assets	344.5	292.2
Goodwill	2,878.4	2,863.1
Intangible assets	984.4	1,130.2
Investments in financial assets	343.5	302.9
Deferred tax assets	28.4	26.9
Derivatives at fair value	599.6	303.2
CURRENT ASSETS	**3,896.5**	**1,708.7**
Properties or shares held for sale	2,147.6	66.2
Inventories	91.2	95.2
Trade receivables from activity	513.0	550.6
Tax receivables	303.6	285.7
Other receivables	352.4	341.1
Cash and cash equivalents	488.8	369.9
TOTAL ASSETS	**65,003.2**	**64,527.2**
Equity attributable to the holders of the Stapled Shares	**25,950.8**	**26,176.1**
Share capital	691.9	691.4
Additional paid-in capital	13,478.2	13,471.0
Consolidated reserves	10,671.4	11,175.0
Hedging and foreign currency translation reserves	6.1	(192.4)
Consolidated result	1,103.3	1,031.1
- Equity attributable to Unibail-Rodamco-Westfield S.E. members	***24,334.4***	***24,594.8***
- Equity attributable to WFD Unibail-Rodamco N.V. members	***1,616.4***	***1,581.3***
Hybrid securities	1,988.8	1,989.0
External non-controlling interests	3,912.9	3,976.4
TOTAL SHAREHOLDERS' EQUITY	**31,852.5**	**32,141.5**
NON CURRENT LIABILITIES	**28,291.0**	**26,371.3**
Non current commitment to external non-controlling interests	172.2	178.4
Net share settled bonds convertible into new and/or existing shares (ORNANE)	602.1	491.8
Non current bonds and borrowings	22,931.6	20,655.3
Non current lease liabilities	806.7	384.0
Derivatives at fair value	1,025.0	450.7
Deferred tax liabilities	2,276.0	3,669.5
Non current provisions	110.3	128.7
Guarantee deposits	218.0	231.2
Amounts due on investments	149.1	181.8
CURRENT LIABILITIES	**4,859.7**	**6,014.4**
Liabilities directly associated with properties or shares classified as held for sale	110.7	
Current commitment to external non-controlling interests	1.0	1.5
Amounts due to suppliers and other creditors	**1,349.4**	**1,401.5**
Amounts due to suppliers	*230.5*	*207.4*
Amounts due on investments	*633.5*	*624.7*
Sundry creditors	*485.3*	*569.4*
Other current liabilities	729.8	650.9
Current borrowings and amounts due to credit institutions	2,557.4	3,850.7
Current lease liabilities	41.4	2.6
Derivatives at fair value	30.1	77.0
Current provisions	39.9	30.2
TOTAL LIABILITIES AND EQUITY	**65,003.2**	**64,527.2**

(1) December 31, 2018, was restated as follows:
- reclassification of the Los Angeles(LAX) and Chicago airports from Intangible assets to Investment properties at fair value;
- reclassification from Deferred tax liabilities to Non current provisions and Other current liabilities, as a consequence of IFRIC 23.

Consolidated statement of cash flows (€Mn)	2019	2018
Operating activities		
Net result	**1,105.5**	**1,242.8**
Depreciation & provisions (1)	28.1	(29.8)
Impairment of goodwill	7.1	4.9
Changes in value of property assets	1,102.4	(62.2)
Changes in value of financial instruments	351.8	289.8
Charges and income relating to stock options and similar items	13.8	24.2
Net capital gains/losses on disposal of shares	(19.7)	(3.0)
Net capital gains/losses on sales of properties (2)	(48.9)	(80.1)
Share of the result of companies accounted for using the equity method	77.9	(233.9)
Income on financial assets	(32.2)	(32.1)
Dividend income from non-consolidated companies	(1.7)	(0.1)
Net financing costs	391.7	331.6
Income tax charge (income)	(1,065.4)	113.6
Westfield's acquisition and related costs	-	108.7
Cash flow before net financing costs and tax	**1,910.4**	**1,674.4**
Income on financial assets	32.2	32.1
Dividend income and result from companies accounted for using the equity method or non consolidated	274.2	257.5
Income tax paid	(211.7)	(65.9)
Change in working capital requirement	(118.0)	(104.0)
Total cash flow from operating activities	**1,887.1**	**1,794.0**
Investment activities		
Property activities	**(398.2)**	**(4,269.0)**
Acquisition of businesses, net of cash acquired	(35.5)	(4,457.8)
Amounts paid for works and acquisition of property assets	(1,525.4)	(1,597.6)
Repayment of property financing	80.7	212.3
Increase of property financing	(166.4)	(262.4)
Disposal of shares	291.2	797.2
Disposal of investment properties	957.2	1,039.3
Financial activities	**(18.5)**	**(2.1)**
Acquisition of financial assets	(33.1)	(11.6)
Disposal of financial assets	4.0	5.7
Change in financial assets	10.6	3.8
Total cash flow from investment activities	**(416.7)**	**(4,271.1)**
Financing activities		
Capital increase of parent company	7.5	13.4
Change in capital from companies with non-controlling shareholders	10.1	5.0
Hybrid securities	-	1,989.0
Distribution paid to parent company shareholders	(1,493.9)	(1,079.2)
Dividends paid to non-controlling shareholders of consolidated companies	(84.1)	(98.2)
Coupon on the Hybrid Securities	(48.1)	(13.3)
New borrowings and financial liabilities	4,707.8	5,098.7
Repayment of borrowings and financial liabilities	(3,826.2)	(3,274.3)
Financial income	257.4	139.9
Financial expenses	(665.8)	(440.2)
Other financing activities	(210.6)	(88.8)
Total cash flow from financing activities	**(1,345.9)**	**2,252.0**
Change in cash and cash equivalents during the period	**124.5**	**(225.1)**
Net cash and cash equivalents at the beginning of the year	**368.7**	**565.7**
Effect of exchange rate fluctuations on cash held	**(7.2)**	**28.1**
Net cash and cash equivalents at period-end	**486.0**	**368.7**

(1) Includes straight lining of key money and lease incentives.

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

UNIBAIL-RODAMCO-WESTFIELD

FINANCIAL STATEMENTS ON A PROPORTIONATE BASIS[2]:

[2] The financial statements prepared on a proportionate basis include the Westfield results as of June 1, 2018. They include on a proportionate basis the financial statements of the joint-controlled entities, which are accounted for using the equity method under IFRS. Unibail-Rodamco-Westfield ("URW") believes that these financial statements on a proportionate basis give to stakeholders a better understanding of its underlying operations and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK. The Group has structured its internal operational and financial reporting according to this proportionate format.

Consolidated income statement (€Mn)	**2019 IFRS**	**Proportionate**	**Total 2019 Proportionate**	**2018 IFRS**	**Proportionate**	**Total 2018 Proportionate**
Gross rental income	2,417.6	665.8	3,083.4	2,211.3	408.3	2,619.6
Ground rents paid	*(14.5)*	(0.3)	*(14.9)*	*(20.9)*	*(0.8)*	*(21.7)*
Service charge income	*376.6*	73.9	*450.5*	*375.5*	47.9	*423.4*
Service charge expenses	*(413.5)*	(86.2)	*(499.7)*	*(404.3)*	(55.0)	*(459.3)*
Property operating expenses	*(380.9)*	(147.2)	*(528.1)*	*(321.2)*	*(79.7)*	*(400.9)*
Operating expenses and net service charges	(432.3)	(159.8)	(592.1)	(370.9)	(87.6)	(458.5)
Net rental income	**1,985.2**	**506.0**	**2,491.2**	**1,840.3**	**320.7**	**2,161.0**
Property development and project management revenue	276.6	-	276.6	215.5	(0.0)	215.5
Property development and project management costs	(235.2)	-	(235.2)	(178.5)	0.0	(178.5)
Net property development and project management income	**41.3**	**-**	**41.3**	**37.0**	**(0.0)**	**37.0**
Property services and other activities revenues	310.1	(0.3)	309.8	307.2	(0.0)	307.2
Property services and other activities expenses	(211.4)	(0.0)	(211.5)	(198.9)	(4.4)	(203.3)
Net property services and other activities income	**98.7**	**(0.3)**	**98.4**	**108.2**	**(4.4)**	**103.8**
Share of the result of companies accounted for using the equity method	(77.9)	85.5	7.6	233.9	(195.6)	38.3
Income on financial assets	32.2	(9.2)	23.0	32.1	(5.5)	26.6
Contribution of companies accounted for using the equity method	**(45.7)**	**76.3**	**30.5**	**266.0**	**(201.1)**	**64.9**
Corporate expenses	(191.5)	(8.9)	(200.3)	(141.4)	(0.4)	(141.8)
Development expenses	(17.4)	-	(17.4)	(2.1)	-	(2.1)
Depreciation of other tangible assets	(2.0)	0.0	(2.0)	(1.9)	-	(1.9)
Administrative expenses	**(210.9)**	**(8.9)**	**(219.8)**	**(145.5)**	**(0.4)**	**(145.9)**
Acquisition and related costs	**(45.8)**	(5.7)	**(51.5)**	**(268.7)**	**-**	**(268.7)**
Proceeds from disposal of investment properties	957.2	1.8	959.1	985.4	82.7	1,068.1
Carrying value of investment properties sold	(908.3)	(1.0)	(909.3)	(905.3)	(82.8)	(988.1)
Result on disposal of investment properties	**48.9**	**0.8**	**49.7**	**80.1**	**(0.0)**	**80.1**
Proceeds from disposal of shares	223.0	-	223.0	463.4	(0.0)	463.4
Carrying value of disposed shares	(203.4)	-	(203.4)	(460.5)	-	(460.5)
Result on disposal of shares	**19.7**	**-**	**19.7**	**3.0**	**(0.0)**	**3.0**
Valuation gains on assets	924.0	90.3	1,014.3	885.1	131.4	1,016.4
Valuation losses on assets	(2,026.4)	(603.5)	(2,629.9)	(822.9)	(200.9)	(1,023.8)
Valuation movements on assets	**(1,102.4)**	**(513.1)**	**(1,615.6)**	**62.2**	**(69.6)**	**(7.4)**
Impairment of goodwill	**(7.1)**	-	**(7.1)**	**(4.9)**	**-**	**(4.9)**
NET OPERATING RESULT	**781.8**	**55.1**	**836.9**	**1,977.8**	**45.1**	**2,023.0**
Result from non-consolidated companies	1.7	0.1	1.8	-	*(0.1)*	(0.1)
Financial income	*278.3*	1.2	*279.5*	*171.0*	*0.0*	*171.0*
Financial expenses	*(670.0)*	(59.8)	*(729.8)*	*(502.6)*	*(37.9)*	*(540.5)*
Net financing costs	(391.7)	(58.7)	(450.4)	(331.6)	(37.9)	(369.5)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	(7.6)	-	(7.6)	28.9	0.0	28.9
Fair value adjustments of derivatives, debt and currency effect	(343.5)	3.1	(340.3)	(318.0)	1.0	(317.0)
Debt discounting	(0.7)	-	(0.7)	(0.7)	0.0	(0.7)
RESULT BEFORE TAX	**40.1**	**(0.3)**	**39.8**	**1,356.5**	**8.2**	**1,364.6**
Income tax expenses	1,065.4	0.4	1,065.7	(113.6)	(8.2)	(121.8)
NET RESULT FOR THE PERIOD	**1,105.5**	**0.0**	**1,105.5**	**1,242.8**	**0.0**	**1,242.8**
Net result for the period attributable to:						
- The holders of the Stapled Shares	1,103.3	0	1,103.3	1,031.1	0.0	1,031.1
- External non-controlling interests	2.2	-	2.2	211.7	-	211.7
NET RESULT FOR THE PERIOD	**1,105.5**	**0.0**	**1,105.5**	**1,242.8**	**0.0**	**1,242.8**

Note: The columns “Proportionate” reflect the impact of proportional consolidation instead of the equity method required by IFRS 11 of the URW jointly controlled assets.

		Net result by segment on a proportionate basis (€Mn)	2019			2018 restated [1]		
			Recurring activities	Non-recurring activities [2]	Result	Recurring activities	Non-recurring activities [2]	Result
SHOPPING CENTRES	FRANCE	Gross rental income	714.3	-	714.3	699.3	-	699.3
		Operating expenses and net service charges	(50.9)	-	(50.9)	(52.1)	-	(52.1)
		Net rental income	**663.4**	**-**	**663.4**	**647.2**	**-**	**647.2**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-
		Gains/losses on sales of properties	-	1.8	1.8	-	3.1	3.1
		Valuation movements on assets	-	(277.0)	(277.0)	-	(24.3)	(24.3)
		Result from operations Shopping Centres France	**663.4**	**(275.2)**	**388.2**	**647.2**	**(21.1)**	**626.1**
	UNITED STATES	Gross rental income	957.7	-	957.7	544.2	-	544.2
		Operating expenses and net service charges	(304.9)	-	(304.9)	(193.1)	-	(193.1)
		Net rental income	**652.8**	**-**	**652.8**	**351.1**	**-**	**351.1**
		Contribution of companies accounted for using the equity method	9.0	(36.5)	(27.5)	7.1	(15.4)	(8.3)
		Gains/losses on sales of properties	-	0.8	0.8	-	(0.2)	(0.2)
		Valuation movements on assets	-	(417.4)	(417.4)	-	(153.4)	(153.4)
		Result from operations Shopping Centres United States	**661.8**	**(453.1)**	**208.7**	**358.2**	**(169.0)**	**189.2**
	CENTRAL EUROPE	Gross rental income	224.5	-	224.5	216.9	-	216.9
		Operating expenses and net service charges	(1.5)	-	(1.5)	(5.3)	-	(5.3)
		Net rental income	**223.0**	**-**	**223.0**	**211.6**	**-**	**211.6**
		Contribution of companies accounted for using the equity method	39.1	23.2	62.3	46.6	27.5	74.1
		Gains/losses on sales of properties	-	(1.2)	(1.2)	-	(0.2)	(0.2)
		Valuation movements on assets	-	111.6	111.6	-	149.9	149.9
		Result from operations Shopping Centres Central Europe	**262.2**	**133.6**	**395.7**	**258.3**	**177.2**	**435.4**
	SPAIN	Gross rental income	169.5	-	169.5	174.7	-	174.7
		Operating expenses and net service charges	(12.7)	-	(12.7)	(19.2)	-	(19.2)
		Net rental income	**156.8**	**-**	**156.8**	**155.5**	**-**	**155.5**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-
		Gains/losses on sales of properties	-	(0.2)	(0.2)	-	24.5	24.5
		Valuation movements on assets	-	46.1	46.1	-	124.1	124.1
		Result from operations Shopping Centres Spain	**156.8**	**45.9**	**202.7**	**155.5**	**148.6**	**304.1**
	UNITED KINGDOM	Gross rental income	211.4	-	211.4	127.7	-	127.7
		Operating expenses and net service charges	(54.1)	-	(54.1)	(28.3)	-	(28.3)
		Net rental income	**157.3**	**-**	**157.3**	**99.4**	**-**	**99.4**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-
		Gains/losses on sales of properties	-	-	-	-	(0.0)	(0.0)
		Valuation movements on assets	-	(611.7)	(611.7)	-	(99.6)	(99.6)
		Result from operations Shopping Centres United Kingdom	**157.3**	**(611.7)**	**(454.4)**	**99.4**	**(99.7)**	**(0.3)**
	NORDICS	Gross rental income	136.3	-	136.3	151.6	-	151.6
		Operating expenses and net service charges	(13.6)	-	(13.6)	(10.1)	-	(10.1)
		Net rental income	**122.7**	**-**	**122.7**	**141.5**	**-**	**141.5**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-
		Gains/losses on sales of properties	-	19.5	19.5	-	0.5	0.5
		Valuation movements on assets	-	24.7	24.7	-	28.9	28.9
		Result from operations Shopping Centres Nordics	**122.7**	**44.2**	**166.9**	**141.5**	**29.4**	**170.9**
	AUSTRIA	Gross rental income	116.7	-	116.7	111.8	-	111.8
		Operating expenses and net service charges	(5.3)	-	(5.3)	(4.3)	-	(4.3)
		Net rental income	**111.4**	**-**	**111.4**	**107.6**	**-**	**107.6**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-
		Gains/losses on sales of properties	-	0.1	0.1	-	-	-
		Valuation movements on assets	-	(116.5)	(116.5)	-	39.8	39.8
		Result from operations Shopping Centres Austria	**111.4**	**(116.5)**	**(5.1)**	**107.6**	**39.8**	**147.4**
	GERMANY	Gross rental income	154.6	-	154.6	149.8	-	149.8
		Operating expenses and net service charges	(11.1)	-	(11.1)	(10.2)	-	(10.2)
		Net rental income	**143.5**	**-**	**143.5**	**139.6**	**-**	**139.6**
		Contribution of companies accounted for using the equity method	2.7	(7.0)	(4.2)	1.0	(1.9)	(0.9)
		Gains/losses on sales of properties	-	(0.2)	(0.2)	-	(0.3)	(0.3)
		Valuation movements on assets	-	(179.0)	(179.0)	-	(23.8)	(23.8)
		Result from operations Shopping Centres Germany	**146.2**	**(186.1)**	**(40.0)**	**140.6**	**(26.1)**	**114.5**
	THE NETHERLANDS	Gross rental income	71.0	-	71.0	70.4	-	70.4
		Operating expenses and net service charges	(8.6)	-	(8.6)	(11.5)	-	(11.5)
		Net rental income	**62.4**	**-**	**62.4**	**59.0**	**-**	**59.0**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-
		Gains/losses on sales of properties	-	1.4	1.4	-	(0.7)	(0.7)
		Valuation movements on assets	-	(89.6)	(89.6)	-	(80.8)	(80.8)
		Result from operations Shopping Centres The Netherlands	**62.4**	**(88.2)**	**(25.8)**	**59.0**	**(81.5)**	**(22.5)**
		TOTAL RESULT FROM OPERATIONS SHOPPING CENTRES	**2,344.0**	**(1,507.1)**	**837.0**	**1,967.1**	**(2.4)**	**1,964.7**

Note: 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 price purchase allocation, as well as costs directly incurred during a business combination and other non-recurring items.

Net result by segment on a proportionate basis (€ Mn)		2019			2018 restated [1]		
		Recurring activities	Non-recurring activities [2]	Result	Recurring activities	Non-recurring activities [2]	Result
OFFICES & OTHERS – FRANCE	Gross rental income	78.1	-	78.1	132.2	-	132.2
	Operating expenses and net service charges	(6.0)	-	(6.0)	(8.5)	-	(8.5)
	Net rental income	**72.0**	**-**	**72.0**	**123.8**	**-**	**123.8**
	Contribution of companies accounted for using the equity method	-	-	-	-	-	-
	Gains/losses on sales of properties	-	46.5	46.5	-	56.6	56.6
	Valuation movements on assets	-	184.2	184.2	-	205.6	205.6
	Result from operations Offices France	**72.0**	**230.7**	**302.8**	**123.8**	**262.3**	**386.0**
OFFICES & OTHERS – OTHER COUNTRIES	Gross rental income	40.8	-	40.8	31.8	-	31.8
	Operating expenses and net service charges	(10.0)	-	(10.0)	(6.8)	-	(6.8)
	Net rental income	**30.8**	**-**	**30.8**	**25.0**	**-**	**25.0**
	Contribution of companies accounted for using the equity method	0.0	-	0.0	-	-	-
	Gains/losses on sales of properties	-	0.9	0.9	-	(0.2)	(0.2)
	Valuation movements on assets	-	39.0	39.0	-	(51.7)	(51.7)
	Result from operations Offices other countries	**30.8**	**39.8**	**70.7**	**25.0**	**(51.9)**	**(26.9)**
	TOTAL RESULT FROM OPERATIONS OFFICES	**102.9**	**270.6**	**373.4**	**148.7**	**210.4**	**359.1**
CONVENTION & EXHIBITION – FRANCE	Gross rental income	208.5	-	208.5	209.2	-	209.2
	Operating expenses and net service charges	(113.4)	-	(113.4)	(109.3)	-	(109.3)
	Net rental income	**95.1**	**-**	**95.1**	**99.9**	**-**	**99.9**
	On site property services net income	**61.7**	**-**	**61.7**	**64.9**	**-**	**64.9**
	Valuation movements, depreciation, capital gains	(15.4)	(180.6)	(196.0)	(13.1)	(76.5)	(89.7)
	Impairment of goodwill	-	(7.1)	(7.1)	-	(4.9)	(4.9)
	TOTAL RESULT FROM OPERATIONS C & E	**141.5**	**(187.7)**	**(46.2)**	**151.6**	**(81.4)**	**70.2**
		-	-	-			
	Net property development and project management income	41.3	(141.4)	(100.1)	37.0	(32.3)	4.7
	Other property services net income	52.0	(7.9)	44.1	52.1	(13.2)	38.9
	Administrative expenses	(202.3)	-	(202.3)	(143.8)	-	(143.8)
	Development expenses	(17.4)	-	(17.4)	(2.1)	-	(2.1)
	Acquisition and related costs	-	(51.5)	(51.5)	-	(268.7)	(268.7)
NET OPERATING RESULT		**2,461.9**	**(1,625.0)**	**836.9**	**2,210.6**	**(187.6)**	**2,023.0**
	Result from non consolidated companies	1.8	-	1.8	(0.1)	-	(0.1)
	Financing result	(450.4)	(348.6)	(799.0)	(369.5)	(288.8)	(658.3)
		-	-				
RESULT BEFORE TAX		**2,013.4**	**(1,973.6)**	**39.8**	**1,841.0**	**(476.4)**	**1,364.6**
	Income tax expenses	(50.8)	1,116.5	1,065.7	(27.9)	(93.9)	(121.8)
NET RESULT FOR THE PERIOD		**1,962.6**	**(857.1)**	**1,105.5**	**1,813.1**	**(570.2)**	**1,242.8**
	External non-controlling interests	(202.9)	200.7	(2.2)	(203.4)	(8.4)	(211.7)
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES		**1,759.7**	**(656.4)**	**1,103.3**	**1,609.8**	**(578.6)**	**1,031.1**

(1) 2018 figures were restated as follows: hotel assets were transferred from the Convention & Exhibition segment to the Offices & Others segment and one asset was reclassified from the Shopping Centres segment to the Convention & Exhibition segment.

(2) 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.

Consolidated statement of financial position (€Mn)	Dec. 31, 2019 IFRS	Proportionate	Dec. 31, 2019 Proportionate	Dec. 31, 2018 IFRS (1)	Proportionate	Dec. 31, 2018 Proportionate (1)
NON CURRENT ASSETS	**61,106.6**	**2,344.8**	**63,451.4**	**62,818.5**	**2,294.5**	**65,113.0**
Investment properties	**45,733.2**	**11,491.5**	**57,224.7**	**47,626.7**	**11,410.4**	**59,037.1**
Investment properties at fair value	*44,589.9*	*11,412.5*	*56,002.4*	*46,068.8*	*11,312.2*	*57,381.1*
Investment properties at cost	*1,143.3*	*79.0*	*1,222.3*	*1,557.8*	*98.2*	*1,656.0*
Shares and investments in companies accounted for using the equity method	10,194.6	(9,246.6)	948.0	10,273.3	(9,216.3)	1,057.0
Other tangible assets	344.5	1.0	345.5	292.2	2.0	294.2
Goodwill	2,878.4	90.5	2,968.9	2,863.1	90.5	2,953.6
Intangible assets	984.4	-	984.4	1,130.2	(0.0)	1,130.2
Investments in financial assets	343.5	8.4	351.9	302.9	8.0	310.9
Deferred tax assets	28.4	-	28.4	26.9	(0.0)	26.9
Derivatives at fair value	599.6	-	599.6	303.2	-	303.2
CURRENT ASSETS	**3,896.5**	**270.6**	**4,167.1**	**1,708.7**	**217.4**	**1,926.1**
Properties or shares held for sale	2,147.6	-	2,147.6	66.2	-	66.2
Inventories	91.2	11.9	103.1	95.2	1.9	97.1
Trade receivables from activity	513.0	96.7	609.7	550.6	70.6	621.2
Tax receivables	303.6	2.7	306.3	285.7	4.0	289.7
Other receivables	352.4	53.8	406.2	341.1	47.5	388.6
Cash and cash equivalents	488.8	105.5	594.3	369.9	93.3	463.2
TOTAL ASSETS	**65,003.2**	**2,615.4**	**67,618.6**	**64,527.2**	**2,511.9**	**67,039.1**
Equity attributable to the holders of the Stapled Shares	**25,950.8**	**-**	**25,950.8**	**26,176.1**	**-**	**26,176.1**
Share capital	691.9	-	691.9	691.4	-	691.4
Additional paid-in capital	13,478.2	-	13,478.2	13,471.0	-	13,471.0
Consolidated reserves	10,671.4	-	10,671.4	11,175.0	-	11,175.0
Hedging and foreign currency translation reserves	6.1	-	6.1	(192.4)	-	(192.4)
Consolidated result	1,103.3	-	1,103.3	1,031.1	-	1,031.1
- Equity attributable to Unibail-Rodamco-Westfield S.E. members	***24,334.4***	***-***	***24,334.4***	***24,594.8***	***-***	***24,594.8***
- Equity attributable to WFD Unibail-Rodamco N.V. members	***1,616.4***	***-***	***1,616.4***	***1,581.3***	***-***	***1,581.3***
Hybrid securities	1,988.8	-	1,988.8	1,989.0	-	1,989.0
External non-controlling interests	3,912.9	-	3,912.9	3,976.4	-	3,976.4
TOTAL SHAREHOLDERS' EQUITY	**31,852.5**	**-**	**31,852.5**	**32,141.5**	**-**	**32,141.5**
NON CURRENT LIABILITIES	**28,291.0**	**2,375.6**	**30,666.6**	**26,371.3**	**1,928.5**	**28,299.9**
Non current commitment to external non-controlling interests	172.2	3.3	175.5	178.4	2.1	180.5
Net share settled bonds convertible into new and/or existing shares (ORNANE)	602.1	-	602.1	491.8	-	491.8
Non current bonds and borrowings	22,931.6	2,227.9	25,159.5	20,655.3	1,791.2	22,446.5
Non current lease liabilities	806.7	9.3	816.0	384.0	9.1	393.1
Derivatives at fair value	1,025.0	-	1,025.0	450.7	0.0	450.7
Deferred tax liabilities	2,276.0	116.6	2,392.6	3,669.5	108.7	3,778.1
Non current provisions	110.3	0.3	110.6	128.7	0.3	129.0
Guarantee deposits	218.0	18.0	236.0	231.2	17.1	248.3
Amounts due on investments	149.1	0.2	149.3	181.8	0.0	181.8
CURRENT LIABILITIES	**4,859.7**	**239.8**	**5,099.5**	**6,014.4**	**583.4**	**6,597.7**
Liabilities directly associated with properties or shares classified as held for sale	110.7		110.7			
Current commitment to external non-controlling interests	1.0	-	1.0	1.5	-	1.5
Amounts due to suppliers and other creditors	**1,349.4**	**151.7**	**1,501.1**	**1,401.5**	**122.8**	**1,524.3**
Amounts due to suppliers	*230.5*	*43.1*	*273.6*	*207.4*	*27.6*	*235.0*
Amounts due on investments	*633.5*	*34.4*	*667.9*	*624.7*	*31.7*	*656.4*
Sundry creditors	*485.3*	*74.2*	*559.5*	*569.4*	*63.5*	*632.9*
Other current liabilities	729.8	23.8	753.6	650.9	26.7	677.6
Current borrowings and amounts due to credit institutions	2,557.4	62.6	2,620.0	3,850.7	432.1	4,282.8
Current lease liabilities	41.4	-	41.4	2.6	0.0	2.6
Derivatives at fair value	30.1	-	30.1	77.0	-	77.0
Current provisions	39.9	1.7	41.6	30.2	1.7	31.9
TOTAL LIABILITIES AND EQUITY	**65,003.2**	**2,615.4**	**67,618.6**	**64,527.2**	**2,511.9**	**67,039.1**

(1) December 31, 2018, was restated as follows:
- reclassification of the Los Angeles (LAX) and Chicago Airports from Intangible assets to Investment properties at fair value;
- reclassification from Deferred tax liabilities to Non current provisions and Other current liabilities, as a consequence of the application of IFRIC 23.

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

UNIBAIL-RODAMCO-WESTFIELD

MANAGEMENT DISCUSSION & ANALYSIS[3]:

[3] The Management Discussion & Analysis (MD&A) is based on the Financial statements prepared on a proportionate basis.

1. BUSINESS REVIEW AND 2019 RESULTS

I. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

Accounting principles

Unibail-Rodamco-Westfield's ("URW" or "the Group") consolidated financial statements as at December 31, 2019, were prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable in the European Union at that date.

URW has adopted the new IFRS 16 effective January 1, 2019. URW has applied IFRS 16 using the modified retrospective approach, thus comparative information has not been restated.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. Other than right-of-use relating to investment property, these right-of-use assets are depreciated over the contract period or over the useful lifetime, whichever is shorter. The interest expenses related to these leases are presented in the Net financing result. There are optional exemptions for short-term leases which URW has selected to utilize. The lease expense is recognized on a straight-line basis as permitted by IFRS 16. Prior to the application of IFRS 16, URW had already capitalized lease obligations, primarily ground leases, and as at December 31, 2018, had recorded €387 Mn as capitalized lease obligations (in current and non-current liabilities), pursuant to IAS 17.

At initial application of IFRS 16, URW has recognized new right-of-use assets and respective lease liabilities of €474 Mn, mainly relating to its contracts with Los Angeles International ("LAX") Airport for the management of the Tom Bradley Terminal and Terminal 1. URW has measured a right-of-use asset at the date of initial application for leases previously recorded as an operating lease at an amount equal to the lease liabilities.

Under IFRS 16, payments of lease liabilities are presented in financing activities and related interest expense as interest paid, while previously the full amount of lease payments, with respect to operating leases, were included in the cash flow from operations before financing items and taxes.

IFRS 16 impact in 2019

Consolidated statement of financial position (impact as at January 1, 2019)

- +€410 Mn increase in Investment properties at fair value;
- +€64 Mn increase in Other tangible assets;
- +€474 Mn increase in the Non-current lease liabilities (+€441 Mn) and Current lease liabilities (+€33 Mn).

Consolidated Income statement

- +€50.7 Mn positive impact on 2019 Net Rental Income ("NRI");
- -€23.1 Mn increase in Financial expenses;
- -€0.3 Mn in Administrative expenses;
- +€27.3 Mn positive impact on the Net recurring result for the period.

Consolidated statement of cash flows

- +€62.5 Mn positive impact on Total cash flow from operating activities;
- -€62.5 Mn negative impact on Total cash flow from financing activities.

URW also adopted IFRIC 23 as of January 1, 2019, with no significant impact on its consolidated financial statements. No other significant changes were made to the accounting principles applied for the preparation of the financial statements under IFRS as applicable in the European Union since December 31, 2018.

Since 2018, the Group also prepares financial statements in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis, instead of being accounted for using the equity method under IFRS. URW believes that these financial statements in a proportionate format give stakeholders a better understanding of its underlying operations and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK. The Group has structured its internal operational and financial reporting according to this proportionate format. Therefore, the business review and results are presented based on the financial statements on a proportionate basis, with no impact on the net results.

Where applicable, the performance indicators are compliant with the Best Practices Recommendations published by the European Public Real Estate Association ("EPRA")[4]. These are reported in a separate chapter at the end of this section.

Scope of consolidation

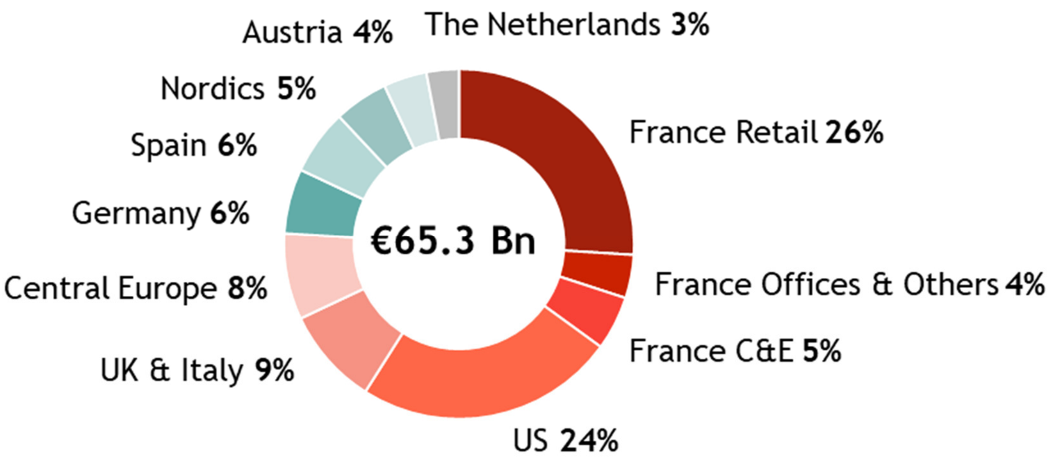
The principal changes in the scope of consolidation since December 31, 2018, are:
- The disposal of URW's 34% stake in the Jumbo shopping centre in February 2019;
- The disposal of a 75% stake in the Cherry Park residential project at Westfield Stratford City to two institutional investors in May 2019;
- The disposal of the Majunga office building to a consortium of institutional investors in July 2019; and
- The disposal of URW's 66.67% stake in the Ring-Center shopping centre in Berlin in December 2019.

Operational reporting

URW operates in nine regions: France, the United States of America ("US"), Central Europe, Spain, the United Kingdom ("UK"), the Nordics, Austria, Germany and The Netherlands. In addition, the Group has significant development projects in 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 & Others and Convention & Exhibition ("C&E")[5]. The other regions operate almost exclusively in the Shopping Centres segment.

The chart below shows the split of proportionate Gross Market Values ("GMV") per region as at December 31, 2019.



Figures may not add up due to rounding.

[4] EPRA Best Practices Recommendations are available on the EPRA website: www.epra.com.
[5] C&E includes the Les Boutiques du Palais retail asset.

II. Business review by segment

Due to the completion of the Westfield acquisition on June 7, 2018, URW has been operating as one Group since that date only. Consequently, the Business review by Segment presented below has been prepared based on the Group's Continental European perimeter prior to the transaction. A separate section ("4. UK and US Business Review") has been added to give investors an overview of the most significant business events in the UK and the US in 2019. Unless otherwise indicated, all references in Sections 1 to 3 are to URW's Continental European operations and relate to the period ended December 31, 2019. Comparisons relate to the same period in 2018.

1. Continental Europe – Shopping Centres

1.1. Activity

Footfall[6]

The number of visits to URW's shopping centres through November 30 was up by +3.3% and by +3.8% for Flagships demonstrating the appeal of the Group's assets. In France, footfall was up by +5.9% (+521 bps vs. the CNCC index) and by +6.5% for Flagships (+576 bps vs. the CNCC index). Footfall through November 30 in Central Europe grew by +2.6% and by +2.3% and +1.3% in Germany and Spain (outperforming their national footfall indices by +338 bps and +98 bps, respectively). In the Nordics, it remained stable despite the negative performance of Fisketorvet (-3.5%) due to the impact of works around the shopping centre. In The Netherlands, footfall decreased by -1.1%.

The number of visits to URW's shopping centres through December 31 was up by +2.6% and by +3.0% for Flagships. In France, footfall was up by +4.6% (+431 bps vs. the CNCC index) and by +5.0% for Flagships (+473 bps vs. the CNCC index), despite a loss of 1.8 million visits in December 2019 vs. December 2018, mainly in the Paris region, due to public transport strikes.

Tenant sales[7]

URW's tenant sales through November 30 increased by +5.2%, and by +5.5% for Flagships, outperforming the aggregate national sales index[8] by +304 bps and +340 bps, respectively. A key contributor of tenant sales growth was URW's longstanding proactive operating management, including active rotation of tenants, introduction of new and dynamic concepts to meet changing consumer preferences and attracting visitors with vibrant and unique events.

Entertainment (+7.5%), sport (+7.0%), dining (+6.9%) and health & beauty (+5.1%) were the main sales growth contributors, along with the exceptional performance of the automotive segment. Despite a challenging market, sales of fashion apparel (30.5% of GLA) were up by +2.2% vs. a flat performance in 2018.

The very strong performance of the Nordics (+14.1%) and France (+5.4%) benefited from the notable impact of the deliveries of the Tesla Model 3. Excluding Tesla, the Group's tenant sales through November 30 increased by +3.3%.

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[6] 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 2019 reporting period, shopping centres excluded due to delivery or ongoing works were Les Ateliers Gaîté, La Part-Dieu, CH Ursynow, Westfield Mall of the Netherlands, Garbera, La Vaguada and Gropius Passagen. Les Boutiques du Palais is now included in the C&E segment. Footfall data include shopping centres accounted for using the equity method (Westfield Rosny 2, CentrO, Paunsdorf and Metropole Zlicin), but not Zlote Tarasy as it is not managed by URW.

[7] 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 the 2019 reporting period, shopping centres excluded due to delivery or ongoing works were Les Ateliers Gaîté, La Part-Dieu, CH Ursynow, Garbera and Gropius Passagen. Primark sales are based on estimates. Les Boutiques du Palais is now included in the C&E segment. Tenant sales data include shopping centres accounted for using the equity method (Westfield Rosny 2, CentrO, Paunsdorf and Metropole Zlicin), but not Zlote Tarasy as it is not managed by URW.

[8] Based on latest national indices available (year-on-year evolution) as at November 2019: 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), Eurostat (Slovakia); Austria: KMU Forschung; 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, the Czech Republic and Slovakia and excluding online only sales for Germany, the Nordics, Austria and Poland.

Region	Tenant Sales Growth (%) (November 2019)	Performance versus National Sales Index (bps)
France	+5.4	+379
Central Europe	+3.9	+166
Spain	+1.8	-74
Nordics	+14.1	+1,054
Austria	+0.7	+2
Germany	+4.4	+86
Total	**+5.2**	**+304**

- In France, tenant sales grew by +5.4%, outperforming the IFLS index by +379 bps and the CNCC index by +459 bps. All Flagships showed positive sales performance, the main contributors being Westfield Carré Sénart (+13.5%), Polygone Riviera (+9.7%), Westfield Vélizy 2 (+9.6%) and Westfield Parly 2 (+6.9%);

- In Central Europe, tenant sales increased by +3.9%, mainly driven by Wroclavia (+15.4%), Westfield Chodov (+9.9%) and Aupark (+6.9%), partially offset by the impact of the Sunday trading ban introduced in 2018 and expanded in 2019 on Westfield Arkadia (-3.3%) and Galeria Mokotow (stable) (three out of four Sundays closed in 2019 vs. two out of four in 2018);

- Spanish tenant sales increased by +1.8% underperforming the national sales index at +2.5% by -74 bps. Despite the good performance in Bonaire (+6.4%), Parquesur (+3.9%) and Glòries (+2.5%), the region's tenant sales were affected by La Vaguada (-1.7%), negatively impacted by one specific tenant and La Maquinista (-1.7%), affected primarily by the closure of the metro lines during summer and social unrest in Catalonia;

- In the Nordics, tenant sales (+14.1%) were positively impacted by the outstanding performance of Tesla in Westfield Mall of Scandinavia (+24.5%) and Täby Centrum (+19.2%). Tenant sales in Fisketorvet (-3.5%) were affected by the road works and closure of the main access from the city centre (reopened at the beginning of November);

- In Austria, tenant sales grew by +0.7%, in line with the national sales index;

- In Germany, tenant sales grew by +4.4%, outpacing the national sales index by +86 bps, driven primarily by the excellent performance of CentrO (+6.4%) and Ruhr Park (+6.3%).

URW's tenant sales through December 31 grew by +4.7% and by +5.0% for Flagships, impacted by the public transport strikes in France and a calendar effect (one Saturday less in December than in 2018).

Leasing

Although retailers are increasingly focusing on the relevance of existing stores and are taking more time to decide on new store openings, URW signed 1,367 deals (+9%[9] vs. 2018) with a Minimum Guaranteed Rent uplift[10] of +12.0% (+11.7% in 2018) and +13.9% (+14.4%) in Flagships[11]. The rotation rate[12] was 10.6%, in line with URW's objective of rotating at least 10% of tenants or concepts annually in every shopping centre.

Thanks to the new international leasing platform, the Group enhanced its retailer relationships between the US and Europe by accelerating the development of international retailers such as Abercrombie & Fitch (signing ten deals in total: five in

[9] Restated for the 66 leases signed in 2018 in the four disposed Spanish shopping centres (July 2018) and in Jumbo (February 2019). The number of leases signed in 2018 before such restatement was 1,319.

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

[11] URW's Flagship assets in Continental Europe are: Westfield Les 4 Temps, Aéroville, Westfield Parly 2, Westfield Vélizy 2, Westfield Carré Sénart, Westfield Rosny 2, Westfield Forum des Halles, Carrousel du Louvre, CNIT, Confluence, La Part-Dieu, Villeneuve 2, Westfield Euralille, Polygone Riviera, La Vaguada, Parquesur, Bonaire, Splau, La Maquinista, Glòries, Donau Zentrum, Shopping City Süd, Centrum Cerny Most, Westfield Chodov, Wroclavia, Galeria Mokotow, Zlote Tarasy, Westfield Arkadia, Aupark, Fisketorvet, Westfield Mall of Scandinavia, Täby Centrum, Stadshart Amstelveen, Westfield Mall of the Netherlands, Ruhr Park, Gropius Passagen, CentrO and Pasing Arcaden.

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

France, four in Spain and one in Austria), Hugo Boss (six deals across Continental Europe) and The Void (a virtual reality experience with eight deals signed in Continental Europe).

2019 was marked by a number of bankruptcies (98 retailers and 203 stores) in URW's Continental European portfolio, the bulk of which in France and the Nordics. In total, this accounts for a potential exposure of €30.7 Mn of MGR (annual passing rent (group share)) of tenants affected, representing 2.2% of MGR. 79% of the affected units are either still occupied or have already been re-let.

Proactive leasing took place to rotate non-performing tenants through relettings and unit restructurings. Main signings include:
- **Westfield Forum des Halles:** the re-letting of the ex-Forever 21 unit to a pharmacy (over 2,000 sqm) opening in May 2020, strengthening the convenience offer of the centre, and of the ex-New Look unit to Bershka (2,000 sqm, to be their largest store worldwide in a shopping centre) opening in Q4-2020;
- **Westfield Mall of Scandinavia:** the introduction of temporary NA-KD concept, one of the fastest growing online fashion retailers, on over 2,500 sqm, following the bankruptcy of a home goods retailer. The unit is now leased on a permanent basis to Decathlon (opening in February 2020);
- **Westfield Les 4 Temps:** the split and re-letting of the ex-New Look unit to Pull & Bear opening in Q2-2020 and to the differentiating dining offer Yaya (a Greek restaurant operated by the famous chef Juan Arbelaez);
- **La Maquinista:** the closure of Forever 21 and introduction of Urban Outfitters and two other differentiating international fashion retailers with flagship stores.

<u>Concentration</u>

Further to its strategic objective of focusing on Flagship Destinations and its €6 Bn disposal programme, URW in H2-2019 approached selected investors for a majority stake in five French shopping centres. In December, the Group received letters of intent from institutional investors pursuant to which the Group has reached an agreement to dispose of 54.2% of its interest in these assets at a price in line with the unaffected appraisal values of December 2018, with expected Net disposal proceeds for URW of €1,511 Mn. See "Post-Closing events".

<u>Differentiation</u>

The following brands have chosen to enter new European markets with stores located in URW's shopping centres:
- Victoria's Secret in France and Sweden (first full concepts in France in Westfield Forum des Halles and in Sweden in Westfield Mall of Scandinavia);
- Lyle & Scott in Sweden (Westfield Mall of Scandinavia);
- Intimissimi Uomo in Poland (Galeria Mokotow);
- John Reed in France (So Ouest);
- Under Armour in Sweden (Westfield Mall of Scandinavia) and Poland (Westfield Arkadia);
- America Today in Germany (CentrO);
- Dyson in Germany (CentrO) and first in a shopping centre in France (Westfield Parly 2);
- BALR. in Germany (first physical store outside The Netherlands, in CentrO);
- Maisons du Monde in Austria (Shopping City Süd);
- Ace & Tate in The Netherlands (first store in a shopping centre in Westfield Mall of the Netherlands).

URW concentrates on the best performing sectors and best in class retailers that are top of mind for customers, so-called "Influencer Brands". 153 leases were signed with Influencer Brands, including Tesla, Dyson, Rituals, JD Sports and John Reed. In addition, the Group signed 16 leases with the Inditex Group and three with Uniqlo.

URW continued to target Digital Native Vertical Brands ("DNVBs"), resulting in 19 deals signed in 2019 with brands such as Jimmy Fairly (two stores opened in France) and Daniel Wellington (three stores signed in France) and multi-brand pop-up concepts such as Pyramid in Carrousel du Louvre, which hosted 20 DNVBs.

The Group pursues its differentiation strategy through operating projects, including:
- Westfield Les 4 Temps: a new fashion destination opening in 2020, following the repurposing of the Castorama unit, including the largest Zara flagship in France (5,400 sqm), and a plaza hosting major events and Commercial Partnerships;
- La Maquinista: works started in October 2019 for the Fashion Pavilion. This project will create a new upmarket fashion cluster of 4,500 sqm.

Commercial Partnerships

Brand ventures, media and specialty leasing revenues[13] increased by +11.2% to €32.7 Mn in 2019 vs. 2018, attributable to the roll-out of the new Commercial Partnerships strategy in 2019 and capturing €4.8 Mn of revenue synergies (out of €25 Mn total Commercial Partnerships synergies to be captured by 2023).

Main highlights include:
- Competitive tenders and standardization of commercial terms with new contracts signed in Poland (€4.0 Mn value over the life of the contract) and in Germany with Visual Art, following a successful collaboration in the UK and in the Nordics;
- Implementation of the first pan-European deals, including Iqos (kiosks in Central Europe), Acium (kiosks in France and Spain), Waterdrop (kiosks in Austria and Germany) and Sephora (first brand partnership with experiential, retail and in-situ support in France, Germany and Poland);
- Implementation of new big format digital screens (e.g., in the Westfield Vélizy 2 extension).

Destinations and innovation

The roll-out of destination concepts continued and further differentiated these assets through the implementation of The Dining Experience, The Family Experience and Leisure and Wellness concepts:

- Westfield Vélizy 2: 23 fully let dining units, a virtual reality experience and an 18-screen UGC cinema. Footfall was +13.8% since opening;
- Westfield Carré Sénart: 12 fully let restaurants, a new IMAX® theatre in the Pathé cinema (now with 17 screens) and The Family Experience, with an outside playground and a paid childcare facility, as well as a new virtual reality concept (The Void). Footfall increased by +3.9% since the Dining Experience opening;
- Donau Zentrum: six new restaurants were added to the existing 16. The Void's virtual reality concept was signed, as well as a 2,800 sqm John Reed fitness facility;
- CentrO: 20 renovated and fully let dining units, the signing of The Void, as well as a 3,000 sqm venue to provide rotating exhibitions following a successful Game of Thrones campaign in February 2019;
- Westfield Parly 2: a new UGC 12-screen cinema with 2,200 seats opened in June 2019;
- Aéroville: a new leisure destination signed on 5,000 sqm with La Tête Dans Les Nuages opening in Q4-2020;
- Westfield Hamburg: the signing of the Kinopolis Cinema operator for ten screens and more than 2,000 seats.

URW Link continued developing relationships with start-ups:

- The food omnichannel platform tested in H1-2019 at Westfield Vélizy 2 was scaled through all Continental European countries thanks to new partnerships with Wolt and Lieferando and the international expansion of the partnerships with Deliveroo and Uber Eats. In the seven selected French assets, 47% of the eligible restaurants have already partnered with delivery companies;
- An extension of the "Sous les Fraises" urban farm, built on the roof of So Ouest, opened in June 2019;
- The partnership with "Too Good to Go", rolled-out across the French portfolio, exceeded expected results with over 100,000 meals saved in 2019. Smart food waste solutions will be implemented across all shopping centres in Europe in 2020;
- TROOV, the French start-up helping visitors to recover their lost objects, was successfully rolled-out through the French portfolio.

To further strengthen its relationship with start-ups, URW partnered with blisce/, a tier-1 Venture Capital growth vehicle which invests in promising and innovative direct-to-consumer concepts. This partnership provides URW with both technology insights and access to innovative start-ups shaping the future of consumption and retail. URW participated indirectly in the fundraising of three start-ups: Dice, a leading app for live events, Brut, a global digital media platform, and Headspace, a digital well-being platform.

As a result of these efforts, URW was awarded the eCAC40 "Management and Governance" Trophy by Les Echos, the leading French business newspaper, for the Group's leadership in digital transformation.

[13] Income excluding the portion attributable to co-owners and tenants' associations.

Marketing and digital

Westfield Rebranding

- The Westfield brand was rolled out successfully across ten European Flagships in September: Arkadia, Carré Sénart, Centrum Chodov, Euralille, Forum des Halles, Les 4 Temps, Mall of Scandinavia, Parly 2, Rosny 2 and Vélizy 2;
- Westfield rebranded shopping centres generated higher levels of communication awareness than competing centres (97% vs. 87%), and Westfield brand awareness increased in all markets through the launch campaign. 62% of all shoppers across all markets view the new "Come Together" campaign positively.

Events

In 2019, the Group staged high quality events and focused on creating differentiation for its customers:
- Westfield launch campaigns starring famous artists thanks to the strength of the Westfield brand, such as John Legend, Rita Ora and Clean Bandit;
- NFL in CentrO: a visit of the AFWB (American Football Without Barriers) association with autograph and training sessions, resulting in a +10% footfall increase for the duration of the event;
- eSports Festival in Donau Zentrum: a weekend e-gaming event took place, resulting in a +12% footfall increase vs. the prior week (with 1,500 people attending the live contest in the cinema) and over one million views on Twitch (the world's leading live streaming platform for gamers);
- The Disney Frozen 2 activation took place in La Maquinista, Parquesur, Splau, Glòries, Westfield Mall of Scandinavia, Fisketorvet, Westfield Arkadia, Wroclavia, Centrum Cerny Most, Donau Zentrum and Shopping City Süd in November/December. Over the three-week activation, 102,000 shoppers participated.

Digital and Data

- As at December 31, the Group's CRM database had 9.8 million members (+2.8 million);
- A transactional loyalty program was successfully piloted in four shopping centres. A further European roll out is being finalized. This program provides insight into the spending patterns of customers of URW tenants, both in store and online;
- Partnerships with the leading mobile operators in all countries were extended, gathering more data on the trade areas and extensive insights about the competing centres;
- The Group launched five in-mall analytics proof of concepts on different technologies. Following successful pilots, some of these technologies are already being rolled-out.

1.2. Net Rental Income

Total consolidated Net Rental Income ("NRI") of the Shopping Centre portfolio was €1,483.1 Mn as a result of like-for-like growth of +3.1%, minor acquisitions in Spain and France and deliveries in France, partially offset by the impact of disposals in Spain and the Nordics and of works in assets in the pipeline.

Region	Net Rental Income (€Mn)		
	2019	2018	%
France (*)	663.4	647.2	2.5%
Central Europe	223.0	211.6	5.4%
Spain	156.8	155.5	0.8%
Nordics	122.7	141.5	-13.3%
Austria	111.4	107.6	3.5%
Germany	143.5	139.6	2.8%
The Netherlands	62.4	59.0	5.8%
TOTAL NRI	**1,483.1**	**1,462.0**	**1.4%**

(*) In 2019, Les Boutiques du Palais was reclassified from France Shopping Centres to Convention & Exhibition (C&E). 2018 was restated accordingly.
Figures may not add up due to rounding.

The total net change in NRI amounted to +€21.1 Mn and breaks down as follows:

- +€11.1 Mn from the acquisition of units or shares mainly in Spain (in Parquesur and La Vaguada) and France (the UGC cinema in Westfield Rosny 2);
- +€5.4 Mn from deliveries in France (the dining and leisure extensions of Westfield Vélizy 2 and Westfield Carré Sénart, and the UGC cinema in Westfield Parly 2);
- +€4.9 Mn from the implementation of IFRS 16 as of January 1, 2019;
- -€2.3 Mn due to an exceptional non-lease related provision in the Nordics;
- -€3.3 Mn due to a negative currency effect (SEK);
- -€9.2 Mn due to assets moved to the pipeline, primarily in France (mainly in La Part-Dieu and Westfield Forum des Halles), The Netherlands and Spain;
- -€26.4 Mn due to disposals of assets, mainly in Spain (El Faro, Bahia Sur, Los Arcos and Vallsur in July 2018) and the Nordics (Jumbo in February 2019);
- +€40.9 Mn of like-for-like NRI growth[14] (+3.1%).

Region	Net Rental Income (€Mn) Like-for-like		
	2019	2018	%
France	569.1	553.7	2.8%
Central Europe	220.0	211.6	4.0%
Spain	136.4	123.5	10.5%
Nordics	125.5	128.8	-2.6%
Austria	103.8	101.2	2.5%
Germany	139.6	139.6	0.0%
The Netherlands	50.2	45.3	10.7%
TOTAL NRI Lfl	**1,344.6**	**1,303.7**	**3.1%**

Figures may not add up due to rounding.

Region	Net Rental Income Like-for-like evolution (%)			
	Indexation	Renewals, relettings net of departures	Other	Total
France	1.7%	0.0%	1.1%	2.8%
Central Europe	1.1%	1.8%	1.0%	4.0%
Spain	2.2%	3.0%	5.4%	10.5%
Nordics	2.0%	-2.3%	-2.3%	-2.6%
Austria	2.3%	-1.1%	1.4%	2.5%
Germany	1.3%	0.4%	-1.6%	0.0%
The Netherlands	1.4%	-0.1%	9.5%	10.7%
TOTAL	**1.7%**	**0.3%**	**1.2%**	**3.1%**

Figures may not add up due to rounding.

Like-for-like NRI grew by +3.1% (+4.0%), of which +3.2% for Flagships, and includes indexation of +1.7% (+1.4%), "Renewals and relettings net of departures" of +0.3% (+1.3%) due to an increase (+0.1%) in vacancy, mainly in the Nordics, Austria and in The Netherlands, and leasing negotiations taking longer. The growth in "Other" of +1.2% (+1.3%), was positively impacted by Spain and The Netherlands with +5.4% and +9.5%, respectively, due to the reversals of provisions for litigation. "Other" in France was +1.1% (+2.5%), as a result of key money, indemnities, Sales Based Rent ("SBR") and commercial partnerships, partly offset by an increase of provisions for doubtful debtors. In the Nordics and Germany, the negative contribution from "Other" came mainly from higher provisions for doubtful debtors, lower SBR in the Nordics (see below) and key money in Germany. The increase in provisions for doubtful debtors had a net impact of circa -0.2% on the like-for-like NRI growth as the Group takes a conservative view on overdues considering the current retail environment.

[14] 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 metres and currency exchange rate differences in the periods analysed.

"Renewals and relettings net of departures" were flat in France, primarily due to the departure of two large tenants (in Westfield Forum des Halles and Carrousel du Louvre). The -2.3% "Renewals and relettings net of departures" in the Nordics resulted mainly from bankruptcies in Täby Centrum.

Across the portfolio, SBR represented 2.6% (€38.5 Mn) of NRI, stable compared to 2018, resulting from an increase in France and Germany offset mainly by a decrease in the Nordics (primarily due to conversion of SBR into MGR) and Austria.

URW's top ten tenants as a percentage of total MGR Contracted (for the entire Group) listed in alphabetical order:

% of total MGR Contracted	10.4%
Largest tenant	2.4%
Apple	
Fnac	
Foot Locker	
H&M	
Hollister	
Mango	
Printemps	
Sephora	
Victoria's Secret	
Zara	

1.3. Leasing activity

URW signed 1,367 leases (1,253[15]) on standing assets for €207.7 Mn of MGR. The MGR uplift on renewals and relettings was +12.0% (+11.7%). This uplift was primarily due to a strong reversion in Spain, France and Central Europe, partially offset by a decrease in The Netherlands and Germany. The MGR uplift in Flagships was +13.9% (+14.4%).

Region	Lettings / re-lettings / renewals excl. Pipeline				
	nb of leases signed	sqm	MGR (€ Mn)	MGR uplift	
				€ Mn	%
France	381	139,117	85.5	9.1	17.0%
Central Europe	318	65,603	38.4	4.0	12.6%
Spain	173	38,459	23.2	5.4	31.8%
Nordics	166	48,681	22.2	0.8	5.0%
Austria	117	26,727	15.4	0.9	7.0%
Germany	145	34,712	17.1	- 0.9	-6.2%
The Netherlands	67	26,204	6.1	- 1.1	-17.5%
TOTAL	**1,367**	**379,504**	**207.7**	**18.2**	**12.0%**

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

15 Restated for the leases signed in 2018 in the four disposed Spanish shopping centres (July 2018) and in Jumbo (February 2019). The number of leases signed in 2018 before such restatement was 1,319.

1.4. Vacancy and Occupancy Cost Ratio ("OCR")

The Estimated Rental Value ("ERV") of vacant space in operation in the portfolio was €43.2 Mn (€42.0 Mn).

The EPRA vacancy rate[16] was 2.5% as at December 31, 2019 (2.4% as at December 31, 2018, but down from 2.8% as at June 30, 2019). This increase is mainly due to The Netherlands, the Nordics (mainly in Täby Centrum) and Central Europe. Vacancy was stable in France and decreased in Spain and Germany.

Region	Vacancy		
	December 31, 2019		% Dec. 31, 2018
	€Mn	%	
France	20.3	2.6%	2.6%
Central Europe	3.2	1.3%	1.2%
Spain	1.5	0.7%	0.9%
Nordics	4.5	3.3%	3.1%
Austria	1.3	1.1%	0.9%
Germany	7.5	3.4%	3.8%
The Netherlands	5.1	8.2%	5.1%
TOTAL	**43.2**	**2.5%**	**2.4%**

Excluding pipeline.

Figures may not add up due to rounding.

The OCR[17] was stable at 15.5%.

Region	OCR	
	2019	2018
France	15.7%	15.8%
Central Europe	15.4%	15.4%
Spain	13.6%	13.6%
Nordics	15.8%	15.2%
Austria	17.3%	17.1%
Germany	15.5%	15.6%
The Netherlands (1)	-	-
TOTAL	**15.5%**	**15.5%**

(1) Tenant sales not available in The Netherlands.

[16] EPRA vacancy rate: ERV of vacant spaces divided by ERV of total surfaces.

[17] Occupancy Cost Ratio ("OCR"): (rental charges + service charges including marketing costs for tenants, all including VAT) / (tenant 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. Continental Europe - Offices & Others

2.1. Property market

Take-up

Take-up in the Paris region of 2.32 million sqm was down by -10%, though in line with the ten-year annual average of 2.34 million sqm. The inner-Paris sector accounted for 898,000 sqm (-14%), of which 407,000 sqm (-13%) in the Paris Central Business District (CBD), and La Défense for 148,000 sqm (+8% vs. 2018, but -10% below the 10-year average).

Available area & vacancy rate

The immediate supply in the Paris region decreased to 2.71 million sqm, of which only 21% of new or refurbished as new buildings, and the vacancy rate stood at 5%.

The inner-Paris office market saw an important supply shortage with a vacancy rate of only 2.3%. In Paris CBD, the vacancy rate reached 1.4%, with available supply of 101,000 sqm, of which only 12% of new or refurbished as new buildings.

The vacancy rate in La Défense reached 4.4% as at December 31, 2019, of which only 19,000 sqm (11%) of new or refurbished as new buildings. However, the immediate supply is likely to increase significantly in 2020 with the expected delivery of 253,000 sqm from the Trinity, Alto, Latitude, Landscape Eria and Akora buildings.

Rental values

Prime rental values remained high in the Paris region, especially in the Paris CBD where several transactions exceeding €850 per sqm were recorded. In La Défense, lack of leasing deals in new buildings resulted in lower prime rent values than expected. The highest rent was €540 per sqm, recorded in Cœur Défense (Adecco for 11,000 sqm).

The average level of incentives in the Paris region for transactions above 1,000 sqm remained at around 20%, stable compared with last year, with significant variations depending on volume, lease duration and location.

Investment market

The total volume of transactions in the Paris region increased by nearly +11% to €21.7 Bn[18] (€19.7 Bn), reflecting strong investor appetite (the 2019 volume was +73% above the 10-year average, and +31% above the 5-year average).
58 deals above €100 Mn were recorded (55). Over the last two years, such transactions accounted for more than two-thirds of total investments (71% in 2019 vs. 67% in 2018), with an acceleration in 2019 in transactions above €200 Mn.
58% of the transactions were accounted for by domestic players (56%). European investors remained stable (€14.9 Bn, vs. €14.8 Bn in 2018) and represented 69% of total volume (75%). The acceleration in the investment market was mainly driven by Asian investors (mostly from South Korea) with €5.0 Bn (+€3.9 Bn) representing 23% of total volume (5%).

The largest single-asset transactions were:
- Majunga (€850 Mn), Tour EDF (ca. €550 Mn), Tour CBX (ca. €450 Mn) and Tour Eqho (49% share deal based on ca. €745 Mn) in La Défense;
- Crystal Park (ca. €691 Mn) and Carreau de Neuilly (€306 Mn) in Neuilly-sur-Seine;
- Sways (ca. €530 Mn) in Issy-les-Moulineaux.

Investment funds (45%, vs. 41%), insurance companies (27%, vs. 20%) and SCPIs (14%, vs. 18%) accounted for 86% of the market in 2019.

Paris was again the main target for investors representing 39% of transactions (in line with the 5-year average) while the share of transactions in La Défense increased to 15% (12%).

In La Défense, prime office yields were stable at around 4.00%, with four transactions above €400 Mn. Prime office yields in Paris CBD fell below 3.00% for the first time ever, to 2.80%.

[18] Source: Cushman & Wakefield.

2.2. Activity

Consolidated NRI amounted to €89.6 Mn, a -36.2% decrease due primarily to the 2018 and 2019 disposals.

Region	Net Rental Income (€Mn)		
	2019	2018	%
France (1)	72.0	123.8	-41.8%
Nordics	10.0	11.0	-9.0%
Other countries	7.5	5.6	33.2%
TOTAL NRI	**89.6**	**140.4**	**-36.2%**

(1) Includes the NRI from the hotels Novotel Lyon Confluence, Pullman Montparnasse and CNIT Hilton previously included in the Convention & Exhibition segment. 2018 was restated accordingly.
Figures may not add up due to rounding.

The decrease of -€50.8 Mn breaks down as follows:

- -€53.4 Mn due to the impact of disposals in 2018 in France (Capital 8 in November and Tour Ariane in December) and the Nordics (Eurostop Örebro in July) and the disposal of Tour Majunga in July 2019;
- -€0.3 Mn due to a negative currency effect (SEK);
- -€0.2 Mn due to an office conversion to retail in Donau Zentrum;
- +€2.1 Mn due to the delivery of Versailles Chantiers in France;
- +€1.0 Mn due to minor acquisitions in Spain (in La Vaguada) and France (in Tour Rosny);
- +€0.4 Mn resulting from the net impact of pipeline transfers in France, with the delivery of Shift and transfer of Michelet to held for redevelopment;
- The like-for-like NRI growth was -€0.6 Mn (-1.2%) mainly due to France (-€0.6 Mn), mostly because of the negative impact of the renewal of the SNCF lease in the CNIT, and the Nordics (-€0.7 Mn), partially offset by an indemnity received.

Region	Net Rental Income (€Mn) Like-for-like		
	2019	2018	%
France	35.5	36.1	-1.5%
Nordics	10.3	11.0	-6.1%
Other countries	5.9	5.3	11.4%
TOTAL NRI Lfl	**51.7**	**52.3**	**-1.2%**

Figures may not add up due to rounding.

The NRI from hotels (Novotel Lyon Confluence, Pullman Montparnasse and CNIT Hilton) decreased to €5.8 Mn (€6.1 Mn), mainly due to the closure of the Pullman Montparnasse hotel for renovation.

33,586 weighted square meters (wsqm) were leased in standing assets, including 13,835 wsqm in France (mainly the Xylem renewal in Rue du Port in Nanterre and the lettings of Stop&Work, France Habitation and SMABTP in Versailles Chantiers and Accor in Les Villages) and 15,287 wsqm in the Nordics (renewals and relettings in Täby Centrum, Solna and Nacka Forum).

The ERV of vacant office space in operation amounted to €8.8 Mn, representing an EPRA vacancy rate of 8.7% (4.4%), of which €6.7 Mn or 8.5% (2.9%) in France, an increase mainly due to the impact of the disposal of the fully-let Majunga office building, the delivery of Versailles Chantiers and departures in Les Villages, partially offset by lettings in Versailles Chantiers and Le Sextant.

3. Convention & Exhibition

This 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.

2019 was characterized by the following shows:

Annual shows:
- The 115th edition of Foire de Paris attracted 486,000 visitors (+4%);
- The 56th edition of the International Agriculture show ("SIA") attracted 633,200 visitors (-6%);
- The 4th edition of Vivatech attracted over 124,000 visitors (+24%) comprising 125 nationalities, 450 speakers and more than 13,000 start-ups.

Biennial shows:
- The 53rd edition of the International Paris Air Show attracted 2,453 exhibitors (+4% vs. 2017) from 49 countries and 316,500 visitors (stable vs. 2017);
- The "Paris International Agri-Business Show" (SIMA) welcomed approximately 230,000 visits (stable vs. 2017), with exhibitors from 140 countries;
- "Le Mondial du Bâtiment", one of the world's leading shows of the construction sector welcomed 284,000 professional visitors and more than 1,700 exhibitors.

The 33rd edition of the "Food Ingredients Europe & Natural Ingredients" show was the most successful one in France so far with more than 24,000 attendees and 1,700 exhibitors from 74 countries.

In the Congress segment, Paris has become a key city globally for cardiovascular research hosting a national congress (in January, JESFC at Palais des Congrès de Paris ("PCP")), a European congress (in May, EuroPCR at PCP) and the joint global congress of the European Society of Cardiology and the World Heart Federation (one of the largest international congresses with 32,000 healthcare professionals from 150 countries) in September at the Paris Convention Centre.

In the Corporate segment, Paris Expo Porte de Versailles welcomed the new P30 Huawei worldwide launch, the Google Cloud Summit, the HPE Technology and Solutions Summit and the Microsoft Ignite The Tour conference.

Paris was ranked worldwide leader for congresses and events above 5,000 visitors by ICCA.

In total, 708 events were held in Viparis venues during 2019, of which 241 shows, 96 congresses and 371 corporate events.

Viparis' EBITDA[19] increased by +€16.6 Mn (+13.1%) compared to the reported EBITDA (€126.7 Mn) for 2017.

The second phase (2017-2019) of renovation works on the Porte de Versailles site was delivered, with the inauguration of the new Pavilion 6 in November and the delivery of the Novotel and Mama Shelter hotels in December. The first event (Rent - Real estate & new tech exhibition) in the new Pavilion 6 took place in November 2019.

As at December 31, 2019, signed and pre-booked events in Viparis venues amounted to 90% of its expected 2020 rental income, in line with previous years.

The NRI from the hotels Novotel Lyon Confluence, Pullman Montparnasse and CNIT Hilton is now included in the NRI of the Offices & Others segment, and 2018 was restated accordingly.

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[19] EBITDA restated for triennial events (in-Cosmetics 2019) and Palais des Congrès de Versailles (no longer managed by Viparis since December 31, 2018).

4. UK and US Business Review

This section provides an overview of the most significant business events for URW in the UK and the US. While the Group's accounts reflect the UK and the US business activities only from June 1, 2018, in this section, unless otherwise indicated, references to tenant sales, rents, leases signed, vacancy and occupancy cost ratios relate to the year ended December 31, 2019, and comparisons relate to the same period in 2018.

4.1. UK

Footfall

Footfall through November 30 was up by +3.4%, outperforming the UK shopping centres footfall index[20] by +530 bps, primarily as a result of URW's proactive management of its shopping centres (tenant rotation, dynamic marketing events and asset management). Footfall at Westfield London grew by +3.5%. Westfield Stratford City saw continued growth (+3.3%), boosted also by increased traffic to events at the London Stadium and Queen Elizabeth Olympic Park, and increased traffic from the International Quarter office occupants.

The number of visits to the Group's shopping centres was up by +2.8% through December 31.

Tenant sales

The quality and URW's proactive management of its shopping centres drove tenant sales growth of +5.3% through November 30, compared to the UK sales index[21] at -0.2%, reflecting the growth of +8.1% at Westfield London, as a result of the Phase 2 extension, and of +2.7% in Westfield Stratford City as a result of relettings (e.g., Morphe and Thérapie Clinic) and the expansion of existing tenants (e.g., Zara and Superdrug). The two centres, voted #1 and #2, respectively, in the UK, continue to benefit from the growth in office, residential and mixed-use investment in their respective catchment areas.

Strong growth in auto (+15.3%), culture, media & technology (+13.5%), entertainment (+7.7%), luxury (+6.0%), sports (+5.3%) and fashion apparel (+4.9%) was only partly offset by a decline in department stores (-8.7%).

URW's tenant sales through December 31 increased by +4.7%.

Leasing activity, Occupancy and NRI

120 leases (out of 789 units) were signed, primarily due to the rent reviews at Westfield Stratford City, as well as lease renewals and new lettings at Westfield London, with an MGR uplift of +11.1% (+19.8%). In addition, ten leases were signed in Westfield London Phase 2.

Notable signings at Westfield Stratford City included Samsung (a new 5G concept store) and a second flagship location of JD Sports (pro-actively replacing the Topshop/Topman unit, part of Arcadia's Company Voluntary Arrangement ("CVA")). At Westfield London, key signings included Polo Ralph Lauren, Hollister, Gilly Hicks, Abercrombie & Fitch, UNTUCKit, Jimmy Fairly and the relocation and extension of Rituals. The successful completion of the food court refurbishment at Westfield London also brought in 16 new dining retailers, including first lettings to differentiating tenants such as Master Bao and Pizza Pilgrims. Westfield London also saw the opening of a new events venue leased to Broadwick Ventures in the Dimco building, adjacent to the centre.

EPRA vacancy of 7.7% as at December 31, 2019, was down from 8.7% as at June 30, 2019 (7.4% as at December 31, 2018). Vacancy was mostly driven by the delayed backfill of Westfield London Phase 1, some non-renewals and the impact of administration for certain retailers.

NRI decreased by -3.4%, primarily as the 10-year expiries at Westfield London resulted in higher vacancy and because of lower rents from tenants in CVA or administration, partly offset by the opening of Westfield London Phase 2 in March 2018 and relettings with reversion. On a like-for-like basis, NRI decreased by -4.2%.

Despite a sizeable number of UK retailers entering into a CVA procedure, the UK assets experienced a more limited impact relative to the market, amounting to -1.8% of the region's NRI. Of the 20 stores involved, ten are in the top category with no NRI impact. 36 stores also entered administration in 2019, with an NRI impact of -1.3%. The Group expects to reduce this impact by reletting a number of affected units and repurposing one of the department stores in Westfield London.

The OCR was 19.9% (19.6%), an increase due to the settlement of rent reviews and expiry of transitional rates relief periods.

[20] Source: British Retail Council, November 2019.
[21] Market sales based on the BDO High Street Sales tracker (Jan – Nov average, total basis).

Commercial Partnerships and events

Brand ventures, media and specialty leasing revenues increased by +12.6% to £11.3 Mn, primarily driven by additional income from the new indoor media contract with JC Decaux and specialty leasing revenues from the Westfield London Phase 2 extension.

Significant events included:

- The Annual Job Show at both Westfield London and Westfield Stratford City; featuring over 100 organizations promoting hundreds of employment and training opportunities;
- The inaugural Winter Village at Westfield London saw the Square transformed into a Christmas market offering an array of seasonally inspired food, treats and handcrafted gifts;
- Santa's Snowflake Grotto returning for another year at both UK centres with a traditional Nordic theme.

Marketing and digital

The number of digital newsletter subscribers was 1.85 million as at December 31, 2019 (+24.1%), in addition to 71,950 Instagram followers (+16.8%).

Key highlights include:

- The Summer campaign ran for eight weeks across both centres with external advertising and an event in both centres, positioning them as the ultimate destinations for dining and leisure. Turnover was significantly up across these categories during the campaign period (+9.1% compared to the same period in 2018). A free family event was also executed across both centres, with over 60,000 customers participating, +106% vs. 2018.
- In September 2019, the new Westfield "Come Together" campaign was launched in line with the newly rebranded centres in Continental Europe. It ran across Westfield London and Westfield Stratford City with a fashion led approach during September and October supporting retailers' new collections. The campaign increased awareness by +15% in the catchment area compared to the same period in 2018. To further support fashion and beauty retailers, Westfield partnered with ELLE to showcase a free fashion and beauty event "ELLE Weekender" across three days at both centres. Footfall for the week was +3.5% year-on-year and over 70 retailers were supported throughout the partnership and event, as well as sponsors including The Body Shop, Mionetto and The Skin Library.

4.2. US

Tenant Sales[22]

Total tenant sales were up by +1.7% through November 30, 2019. Growth was boosted by strong performance in the Flagships, up by +3.3%, compared to the national sales index of +3.7%[23], which includes e-commerce sales.

Sales growth at the category level was led by luxury (+8.4%), food & beverage (+4.5%) and culture, media, & technology (+4.1%), but was partially offset by weakness in the fashion apparel category (-3.8%). While fashion sales in aggregate remained under pressure, retailers with a clear brand proposition were able to drive growth (e.g., Aritzia, COS, Indochino, Suitsupply, UNTUCKit and Zara).

Total tenant sales were up by +1.6% through December 31, 2019, and +3.2% for the Flagships. Following their successful redevelopment, Westfield Century City and Westfield UTC continued to perform strongly with sales up by +10.6% and +12.6%, respectively.

Specialty tenant sales[24] per square foot ("psf") through December 31, 2019, increased by +5.1% to $715 psf, with Flagships up by +4.3%, to $849 psf, and Regionals by +4.3%, to $507 psf.

[22] Tenant sales excluding Tesla.
[23] US Census Bureau November 2019 Advance Monthly Retail Sales, excluding gas.
[24] Specialty tenant sales <10K sq. ft. (ca. 929 sqm) on a trailing 12-month basis (excluding Tesla).

Leasing

1,029 leases were signed on standing assets (1,004), representing 3.4 million (3.2 million) sq. ft. and $161.3 Mn of MGR ($159.9 Mn). In addition, 103 leases were signed on 370,000 sq. ft. of pipeline project space, mainly at Westfield Valley Fair.
Strong leasing continued at Westfield Century City and Westfield UTC with 43,000 and 63,000 sq. ft. signed, respectively. Both centres were over 95% leased[25] as at December 31, 2019.

The lease expiry profile in 2019 was high. Consequently, 66% of the leases signed were renewals, demonstrating positive tenant retention across both the Flagship and Regional portfolios.

Average rental spreads[26] were +1.6%, of which +4.7% in Flagships and -8.5% in Regionals. Average rental spreads for relettings were +5.3%, of which +10.2% in Flagships and -12.7% in Regionals.

Entertainment, food & beverage, health & wellness and luxury comprised 50% of the lettings[27], while fashion retailers comprised only 25%.

The Group signed with many high-profile retailers in 2019 in the following key categories: (* First signings in the US, ** First time signings for URW).

- **Entertainment** (18 leases, 122,000 sq. ft.) concepts taking large footprints: Toys “R” Us (one of only two stores to open in the US as the brand emerged from bankruptcy) and Hasbro* (Westfield Garden State Plaza), Kidz Resort** (Westfield Annapolis), Playlive Nation (Westfield Brandon and Westfield Valley Fair), Gameworks** (Westfield Oakridge) and The Void (eight leases signed);

- **Food & Beverage** (130 leases, 233,000 sq. ft.) continued to diversify the Group’s tenant mix with both popular and innovative concepts: Eataly (Westfield Valley Fair), Ramen Nagi (Westfield Century City and Westfield Santa Anita), Shake Shack (Westfield San Francisco Centre and Westfield Galleria at Roseville), Eddie V’s** (Westfield Garden State Plaza) and Mendocino Farms Sandwich Market** (Westfield Mission Valley);

- **Health & Wellness** (51 leases, 110,000 sq. ft.) continued to expand: Retro Fitness** (Westfield Annapolis), UFC Gym** (Westfield Oakridge), Kindbody (Westfield Century City), and Orange Theory Fitness and Forward Health (Westfield Valley Fair);

- **Luxury** (11 leases, 25,000 sq. ft.): Versace (Westfield Topanga and Westfield Valley Fair), Gucci, Tiffany & Co., Gentle Monster**, Breitling, Montblanc, Chanel Beauté, and Bulgari** (Westfield Valley Fair), Messika** (Westfield Century City) and Tourneau (Westfield San Francisco Centre);

- **DNVBs** (28 leases, 49,000 sq. ft.): Fashion Nova (Westfield Topanga), Casper and Peloton (Westfield UTC), Bonobos (Westfield Garden State Plaza), Happy Socks, Tonal**, Mirror** and Calmist** (Westfield Century City) and Stance (Westfield San Francisco Centre and Westfield Topanga).

URW continues to help online players explore growth opportunities and capitalize on the “Halo Effect” of brick and mortar locations. A recent study by the International Council of Shopping Centers found that online traffic increased an average of 37% after the opening of a physical store in a trade area, with emerging retailers up an average of 45%. As at December 31, URW had 78 stores trading across 29 DNVBs, of which 21 (Bonobos, Candid, Casper, Fashion Nova, Happy Socks, Honey Birdette, Indochino, Morphe Cosmetics, Peloton, Quay, Razer, Rebag and Stance) opened in 2019. Current DNVBs with multiple locations include: Amazon (six), Bonobos (four), Casper (four), Morphe Cosmetics (four), Peloton (eight), Stance (four) and UNTUCKit (five). URW is also creating a DNVB precinct dedicated to such retailers in its Westfield Valley Fair project.

Commercial Partnerships

Commercial Partnerships revenue for the year amounted to $80.9 Mn. Excluding a one-time termination fee in 2018, underlying revenues grew by +5.1%. Key highlights included:

- Specialty Leasing: +11% driven by pop-up stores and kiosks in the fashion, food and other consumer goods segments;

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[25] Occupancy based on a square foot basis, including development space and including executed permanent and temporary leases.
[26] For the US portfolio, the rental spreads reflect the trailing 12-months average increase in total rent, including common area maintenance charges, for specialty stores (excluding lease extensions, deals with zero prior rent and deals for less than 12 months).
[27] Excludes renewals and extensions.

- Events: +23% driven by Westfield Century City's 2nd full year of events, with significant growth coming from the entertainment industry (Starz, Fox, ABC and Disney);
- Media: stable excluding the one-time termination fee of $3.8 Mn in 2018. The electronics (Samsung, Microsoft), healthcare (UCLA, Valley Health), entertainment (Amazon, Netflix and NBC Universal) and beverage/spirits (Johnny Walker and McCallan) industries were key customers.

Marketing and digital

The Group launched four seasonal holiday markets ("The Markets") across Westfield Century City, Westfield World Trade Center, Westfield Topanga and Westfield Garden State Plaza. In addition to a selection of curated DNVB kiosks and food operators, The Markets featured a series of décor and scenic elements mimicking a winter village, including attractions such as a life-size Westfield train, an ice skating rink and snow falling on the hour at Westfield Century City, Instagram-able moments including an oversized chrome snowman and winter lights garden at Westfield World Trade Center and live performances by carolers in all properties. The Markets generated more than two million customer visits to the events spaces and close to 900,000 visits to the pop-up merchants. Press coverage reached 78 million impressions confirming the uniqueness and buzz of these one-of-a-kind experiences.

The Brand Pop-Up at Westfield Century City closed its second complete year with a successful line-up, including first-to-market brands or concepts such as Sergio Rossi, United Nude, The Last Line, Farm Rio, Ghost Democracy and Nickelodeon which opened a successful Holiday gifts shop to close the year. A similar concept will open at Westfield World Trade Center in Q3-2020.

The Group continued to make significant progress with its Customer Acquisition & Engagement strategy, with 700,000 customers acquired in 2019, an increase of +53%, to reach a total of over two million. Westfield Rewards, the Groups loyalty program, successfully launched at a fifth centre in September (Westfield Galleria at Roseville) after successfully launching at four centres in April with an objective to increase malls and stores visitation as well as average spend.

Digital Partnerships accelerated in H2-2019. Active discussions focused on food delivery with key players such as Uber Eats, Doordash, Grubhub and Postmates. The partnerships were phased and included both operational initiatives to enhance the drivers' ability to pick up food more quickly at the Group's locations as well as strategic initiatives to beta test new features on the partners' app.

Marketing budgets were strategically shifted to shopping centres in order to increase each centre's ability to deliver local events and activations tailored to their trade area and customer base, with centre budgets increased by +66%. As a result, centre teams executed a total of 460 events across the portfolio. Although most events were free to the public, income reached $4.0 Mn.

Extensions and renovations

URW completed the following projects:

- Westfield Topanga (interior unification and upgrade renovation): delivered in September;
- Westfield Oakridge (Sears box repurposing): delivered in November with the opening of the Living Spaces furniture store. As at December 31, 2019, the project was 99% leased;
- Westfield Valencia (interior upgrade renovation): delivered in November.

URW also achieved important milestones on other projects:

- Palisade at Westfield UTC (residential tower): leasing launched in late April. The building welcomed its first tenants in July; 143 units had been leased (48%) of which 115 occupied as at December 31, 2019. The phased leasing program is on track;

- Westfield Valley Fair extension: the extension area was 80% pre-let, with the first tenants scheduled to open in March 2020. 88 leases representing 252,000 sq. ft. were signed in 2019 with tenants including Gucci, Versace, Bulgari, Tiffany and Eataly.

Pre-letting continues on the redevelopment of former department stores at Westfield Annapolis, Westfield Garden State Plaza and Westfield Topanga.

Airports

Despite challenging passenger traffic levels, due to aircraft capacity constraints as a result of the grounding of Boeing's 737 MAX fleet as well as a reduction in Asian traveler spend, the Airports division's net income was up by +23% (excluding the IFRS 16 adjustment) with strong sales productivity and operating expense management.

Net Operating Income

Comparable Net Operating Income ("Comp NOI"[28]) increased by +2.4% (-1.6%), of which +5.4% (-0.3%) in Flagships and -6.8% (-4.7%) in Regionals. These results were positively impacted by Westfield Century City and Westfield UTC, which benefited from stabilization following their opening in late 2017.

Occupancy[29] was 94.8%, -80 bps below December 31, 2018, but +140 bps above June 30, 2019. Occupancy was 96.2% (96.2%) for the Flagships, up by +160 bps vs. June 30, 2019, and 92.9% (94.8%) for the Regionals, up by +130 bps vs. June 30, 2019. Occupancy was impacted by bankruptcies (-130 bps) and other store closures, including certain big-boxes. Many current vacancies have new lease commitments pending, representing 140 bps of potential occupancy.

Tenant bankruptcies in 2019 affected 195 units (1.2 million sq. ft.), with Forever 21 alone accounting for 711,000 sq. ft. and 26 of their 31 locations still trading. At Westfield World Trade Center, the XXI Forever unit has been partially relet to The Void (57% of the affected GLA).

The OCR[30] for specialty stores was down by -70 bps vs. December 31, 2018, to 12.6% (12.3% for the Flagships and 13.4% for the Regionals).

Average Leasing Revenue psf

Average leasing revenue for specialty stores was $91.93 psf, an increase of +3.8%. The increase in Flagships was +3.7% to $112.68 psf, and in Regionals +1.3% to $58.30 psf.

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[28] Comp NOI: Net Operating Income before management fees, termination/settlement income and straight-line adjustments.
[29] Occupancy based on a square foot basis, excluding development space, and including executed and temporary leases.
[30] Calculated for specialty stores. Occupancy cost is based on total rent, including common area maintenance charges.

III. INTEGRATION AND SYNERGIES

18 months after the closing of the acquisition of Westfield Corporation, the organization is now fully in place, operating as one Group with a clear focus on execution of the value creation strategy: the first ten European Flagships were rebranded, significant achievements in International Leasing with multi-country deployments of destinations brands (e.g., The Void) were accomplished, and a number of international Commercial Partnership deals were concluded. Through December 2019, €11.1 Mn of revenue synergies (28% of the expected €40 Mn) were realized.

As a result of strong execution, the Group outperformed the initial €60 Mn cost synergies target by +€27.9 Mn for a total of €87.9 Mn.

IV. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The *Better Places 2030* CSR strategy was extended to all regions of the Group in 2019 as part of URW's global integration agenda. The Group's commitment to address climate change across its value chain and halve its carbon footprint is more fundamental than ever. Better Places 2030 is now also tackling new environmental challenges like biodiversity, responsible consumption and the circular economy. CSR has also become a cornerstone of URW's human resources strategy, as the Group is increasing its commitment to diversity and inclusion, and CSR-related risks including climate change have been integrated into the Group Risk Management Framework. A renewed CSR governance was also set up to integrate the European and US platforms.

The Group's ambitious CSR agenda was again recognized by equity and debt investors as a value creation driver for its stakeholders. URW membership in the main ESG indices was confirmed and the Group's CSR achievements were evidenced by ratings and awards:

- **Indices:**
    - Euronext Vigeo indices: World 120, Eurozone 120, Europe 120 and France 20;
    - FTSE4Good Index series;
    - Ethibel Sustainability Index (ESI) Excellence Europe and Excellence Global;
    - CAC 40® Governance index – "Top 10 performers";
    - ECPI® indices.

- **Ratings:**
    - GRESB (Global Real Estate Sustainability Benchmark): 1st among all listed retail real estate companies worldwide, 2nd among all listed European real estate companies, and rated "Green Star" for the 9th consecutive year (5 stars - highest performance level);
    - CDP: part of the CDP Climate Change A List in 2019 for the 2nd consecutive year;
    - MSCI ESG: AAA for the 6th consecutive year;
    - ISS ESG Corporate rating: C+ / Prime status. URW is also part of the 1st Decile Rank, relative to industry group;
    - VigeoEiris: URW was ranked "Top performer" in Europe in the Real Estate sector ESG performance assessment;
    - Standard Ethics: rated for the 1st time in 2019. URW obtained EEE - 'Excellent' (on a scale of EEE to F).

- **Awards:**
    - Unibail-Rodamco-Westfield received its 8th consecutive EPRA Sustainability Gold Award.

For more information on Better Places 2030 and detailed 2019 performance, please refer to the URW 2019 Registration Document, which is expected to be published in March 2020.

V. 2019 RESULTS

The results of the Group presented below are based on the Consolidated income statement in a proportionate format, in which the joint-controlled entities are accounted for on a proportionate basis instead of being accounted for using the equity method under IFRS. URW believes the financial statements on a proportionate basis give stakeholders a better understanding of the underlying operations of URW and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK. The Group has structured its internal operational and financial reporting according to this proportionate format.

These results include Westfield's results since June 1, 2018.

Unless otherwise indicated, all references below relate to the 12-month period ended December 31, 2019, and comparisons relate to the same period in 2018.

Gross Rental Income

The Gross Rental Income ("GRI") amounted to €3,083.4 Mn (€2,619.6 Mn), an increase of +17.7%. This growth resulted mainly from the acquisition of Westfield (+€505.1 Mn, corresponding to 12 months of GRI in 2019 and seven months in 2018, and which includes the US common area maintenance charges billed to tenants) and from the growth in the retail segment in Continental Europe (+0.8%), due to like-for-like growth and deliveries, offset by the negative impact of disposals and a weaker SEK, among other factors.

Region	Gross Rental Income (€Mn)		
	2019	2018	%
France (*)	714.3	699.3	2.1%
Central Europe	224.5	216.9	3.5%
Spain	169.5	174.7	-3.0%
Nordics	136.3	151.6	-10.1%
Austria	116.7	111.8	4.3%
Germany	154.6	149.8	3.2%
The Netherlands	71.0	70.4	0.8%
Subtotal Continental Europe-Retail	**1,586.8**	**1,574.5**	**0.8%**
Offices & Others (**)	99.2	152.2	-34.8%
C&E (*) (**)	208.5	209.2	-0.3%
Subtotal Continental Europe	**1,894.6**	**1,935.9**	**-2.1%**
United States - Shopping Centres	957.7	544.2	-
United States - Offices & Others	19.7	11.9	-
United Kingdom	211.4	127.7	-
Subtotal US and UK	**1,188.8**	**683.7**	**-**
TOTAL URW	**3,083.4**	**2,619.6**	**17.7%**

(*) In 2019, Les Boutiques du Palais was reclassified from France Shopping Centres to Convention & Exhibition (C&E). 2018 was restated accordingly.
(**) In 2019, the hotels CNIT Hilton, Novotel Lyon Confluence and Pullman Montparnasse were reclassified from Convention & Exhibition to Offices & Others (France). 2018 was restated accordingly.
Figures may not add up due to rounding.

Net Rental Income

NRI amounted to €2,491.2 Mn (€2,161.0 Mn), an increase of +15.3%. This growth resulted mainly from the acquisition of Westfield (+€364.6 Mn, corresponding to 12 months of NRI in 2019 and seven months in 2018) and from the growth in the retail segment in Continental Europe due to like-for-like growth and deliveries, offset by the negative impact of disposals and a weaker SEK, among other factors.

Region	Net Rental Income (€Mn)		
	2019	2018	%
France (*)	663.4	647.2	2.5%
Central Europe	223.0	211.6	5.4%
Spain	156.8	155.5	0.8%
Nordics	122.7	141.5	-13.3%
Austria	111.4	107.6	3.5%
Germany	143.5	139.6	2.8%
The Netherlands	62.4	59.0	5.8%
Subtotal Continental Europe-Retail	**1,483.1**	**1,462.0**	**1.4%**
Offices & Others (**)	89.6	140.4	-36.2%
C&E (*) (**)	95.1	99.9	-4.7%
Subtotal Continental Europe	**1,667.8**	**1,702.2**	**-2.0%**
United States - Shopping Centres	652.8	351.1	-
United States - Offices & Others	13.3	8.4	-
United Kingdom	157.3	99.4	-
Subtotal US and UK	**823.4**	**458.8**	**-**
TOTAL URW	**2,491.2**	**2,161.0**	**15.3%**

(*) In 2019, Les Boutiques du Palais was reclassified from France Shopping Centres to Convention & Exhibition (C&E). 2018 was restated accordingly.
(**) In 2019, the hotels CNIT Hilton, Novotel Lyon Confluence and Pullman Montparnasse were reclassified from Convention & Exhibition to Offices & Others (France). 2018 was restated accordingly.
Figures may not add up due to rounding.

Net property development and project management income was +€41.3 Mn (+€37.0 Mn), as a result of URW's Design, Development & Construction (DD&C) activity in the US and the UK.

Net property services and other activities income from Property Management (PM) services in France, the US, the UK, Spain and Germany was +€98.4 Mn (+€103.8 Mn), a decrease of -€5.4 Mn resulting mainly from the positive impact of the Westfield acquisition, more than offset by a decrease in the services activity in France and Germany and a one-off indemnity received in 2018.

Contribution of companies accounted for using the equity method

The Contribution of companies accounted for using the equity method[31] amounted to €30.5 Mn (€64.9 Mn), a decrease of -€34.4 Mn, mainly due to higher negative valuation movements in the US and to the decrease of -€7.5 Mn of the recurring result of Zlote Tarasy due to the disposal of the Lumen and Skylight office buildings in 2018.

Region	Contribution of companies accounted for using the equity method (€Mn)						
	2019			2018			2019/2018
	Recurring activities	Non-recurring activities	Total	Recurring activities	Non-recurring activities	Total	Change
France	-	-	-	-	-	-	-
Central Europe	39.1	23.2	62.3	46.6	27.5	74.1	- 11.8
Spain	-	-	-	-	-	-	-
Germany	2.7	- 7.0	- 4.2	1.0	- 1.9	- 0.9	- 3.3
Subtotal Continental Europe-Retail	**41.8**	**16.2**	**58.1**	**47.6**	**25.6**	**73.2**	**- 15.2**
Offices & Others	-	-	-	-	-	-	-
C&E	-	-	-	-	-	-	-
Subtotal Continental Europe	**41.8**	**16.2**	**58.1**	**47.6**	**25.6**	**73.2**	**- 15.2**
United States	9.0	- 36.5	- 27.5	7.1	- 15.4	- 8.3	- 19.2
United Kingdom	-	-	-	-	-	-	-
Subtotal US and UK	**9.0**	**- 36.5**	**- 27.5**	**7.1**	**- 15.4**	**- 8.3**	**- 19.2**
TOTAL URW	**50.8**	**- 20.3**	**30.5**	**54.7**	**10.2**	**64.9**	**- 34.4**

Figures may not add up due to rounding.

Administrative expenses (including Development expenses) amounted to -€219.8 Mn (-€145.9 Mn), an increase mainly due to the acquisition of Westfield (12 months of Administrative expenses in 2019 vs. seven months in 2018). As a percentage of NRI from shopping centres and offices, administrative expenses were 9.2% (7.1%), negatively impacted by the increase of development expenses (impact of +0.7% on the ratio) and the higher weight of administrative expenses in the ex-Westfield regions.

Acquisition and related costs amounted to -€51.5 Mn (-€268.7 Mn) mainly due to the integration costs of Westfield, including the rebranding of ten shopping centres in Continental Europe, consulting, IT system integration and the shutdown of the Sydney office.

Results on disposal of investment properties and shares were +€49.7 Mn (+€80.1 Mn) and +€19.7 Mn (+€3.0 Mn), respectively, reflecting the gains on disposals (compared to the book value of such assets) mainly due to the disposal of Majunga in July and Jumbo in February.

Valuation movements on assets amounted to -€1,615.6 Mn (-€7.4 Mn), of which -€1,466.2 Mn (+€38.2 Mn) for investment properties and -€149.4 Mn (-€45.5 Mn) for services.

[31] Contribution of companies accounted for using the equity method represents URW's share of the Net recurring result for the period of entities accounted for using the equity method which are not joint-controlled (and therefore not retreated on a proportionate basis) and interest received on loans granted to these entities. This corresponds to Zlote Tarasy, Ring-Center (disposed of on December 30, 2019) and Gropius Passagen in Europe and to the Blum/Centennial and Starwood Ventures entities in the US.

Region	Valuation movements on Investment Properties (€Mn)		
	2019	2018	Change
France (*)	-277.0	-24.3	-252.7
Central Europe	111.6	149.9	-38.3
Spain	46.1	124.1	-78.0
Nordics	24.7	28.9	-4.1
Austria	-116.5	39.8	-156.3
Germany	-179.0	-23.8	-155.1
The Netherlands	-89.6	-80.8	-8.8
Subtotal Continental Europe-Retail	**-479.6**	**213.8**	**-693.4**
Offices & Others (**)	191.9	210.4	-18.5
C&E (*) (**)	-180.6	-76.5	-104.2
Subtotal Continental Europe	**-468.3**	**347.8**	**-816.1**
United States - Shopping Centres	-417.4	-153.4	-264.0
United States - Offices & Others	17.8	-13.1	30.9
United Kingdom - Shopping Centres	-611.7	-99.6	-512.1
United Kingdom - Offices & Others	13.5	-43.4	56.9
Subtotal US and UK	**-997.9**	**-309.6**	**-688.3**
TOTAL URW	**-1,466.2**	**38.2**	**-1,504.4**

(*) In 2019, Les Boutiques du Palais was reclassified from France Shopping Centres to Convention & Exhibition (C&E). 2018 was restated accordingly.
(**) In 2019, the hotels CNIT Hilton, Novotel Lyon Confluence and Pullman Montparnasse were reclassified from Convention & Exhibition to Offices & Others (France). 2018 was restated accordingly.
Figures may not add up due to rounding.

The negative valuation movements for the US and UK investment properties resulted mainly from a decrease of the values of regional assets in the US and an increase of the Exit Capitalization Rates in the UK. Please refer to the section "Property portfolio and Net Asset Value" for further detail.

The valuation movements on services break down as follows:

Region	Valuation movements on services (€Mn)		
	2019	2018	Change
Services Continental Europe	-2.4	-2.4	-
Subtotal Continental Europe	**-2.4**	**-2.4**	**-**
Net property development - Amortization	-141.4	-32.3	-109.1
Other property services - Amortization	-5.5	-10.8	5.3
Subtotal US and UK	**-147.0**	**-43.1**	**-103.9**
TOTAL URW	**-149.4**	**-45.5**	**-103.9**

Figures may not add up due to rounding.

The amortization of -€141.4 Mn for the US and UK relates to those DD&C and airport contracts recognized as intangible assets in the Consolidated statement of financial position which are amortized over the duration of these contracts.

Financing result

<u>*Net financing costs (recurring)*</u> totalled -€450.4 Mn (after deduction of capitalized financial expenses of €64.1 Mn allocated to projects under construction) (-€369.5 Mn). This increase of -€80.9 Mn includes 12 months of financial expenses for the Westfield acquisition and the higher cost of the ex-Westfield's debt vs. seven months in 2018, partially offset by lower financial expenses for UR on a standalone basis. It also includes -€23.1 Mn of additional financial expenses resulting from the implementation of IFRS 16 as of January 1, 2019.

URW's average cost of debt[32] for the period was 1.6% (1.6% in 2018). URW's financing policy is described in the section *"Financial resources"*.

<u>*Non-recurring financial result*</u> amounted to -€348.6 Mn (-€288.8 Mn):
- -€7.6 Mn mark-to-market of the ORNANEs issued in 2014 and 2015;
- -€341.0 Mn mainly due to the mark-to-market of derivatives and revaluation of preference shares, partially offset by exchange rate gains resulting from the revaluation of bank accounts and debt issued in foreign currencies. URW recognises the change in value of its derivatives directly in the income statement.

<u>Income tax expenses</u> are due to the Group's activities in countries where specific tax regimes for property companies[33] do not exist and/or are not used by the Group.

In April 2019, the Group executed changes in the structure of its US operations ("the 2019 Restructurings") to exit the US portfolio from the legacy Australian platform. The 2019 Restructurings also allowed the Group to apply a material step-up of the tax base of the US real estate resulting in a material decrease of the deferred tax liabilities related to the US portfolio.

The income tax amounted to a credit of +€1.1 Bn (-€121.8 Mn) primarily due to the impact of the 2019 Restructurings, with a net impact of +€1.1 Bn (comprising a +€1.3 Bn reversal of deferred tax liabilities and a -€0.2 Bn exit tax payment, both non-recurring).

Income tax allocated to the recurring net result amounted to -€50.8 Mn (-€27.9 Mn), an increase compared to 2018 which included the positive impact of the reversal of a provision related to tax litigation decided in favour of URW. Non-recurring income tax amounted to a credit of +€1.1 Bn (-€93.9 Mn), mainly due to the 2019 Restructurings.

<u>External non-controlling interests</u> amounted to -€2.2 Mn (-€211.7 Mn) comprising recurring and non-recurring external non-controlling interests. The recurring external non-controlling interests amounted to -€202.9 Mn (-€203.4 Mn) and mainly relate to French shopping centres (-€111.4 Mn, mainly Westfield Les 4 Temps, Westfield Parly 2 and Westfield Forum des Halles), to the stake of the CCIR in Viparis (-€42.7 Mn) and to URW Germany and Ruhr Park (-€37.4 Mn). The non-recurring non-controlling interests amounted to +€200.7 Mn (-€8.4 Mn), due primarily to the impact of negative valuation movements in 2019.

<u>Net result for the period attributable to the holders of the Stapled Shares</u> was a profit of €1,103.3 Mn. This figure breaks down as follows:
- €1,759.7 Mn of recurring net result (+9.3% vs. 2018) as a result of NRI growth and the acquisition of Westfield, partially offset by the €3.3 Bn of disposals in 2018 and 2019 and the increase of net financing costs;
- -€656.4 Mn of non-recurring net result[34] (-€578.6 Mn in 2018) because of the reversal of deferred tax liabilities in the US more than offset by negative valuation movements and the negative mark-to-market of financial instruments.

The Adjusted Recurring Earnings[35] reflect a profit of €1,711.6 Mn.

The average number of shares and ORAs[36] outstanding during 2019 was 138,354,383 (122,412,784). The increase is due to the capital increase of 38,319,974 shares issued for the acquisition of Westfield (with an impact of +15,852,921 on the average number of shares in 2019 compared to 2018) and the issuance of performance shares in 2018 and 2019. The number of shares outstanding as at December 31, 2019, was 138,378,605.

[32] 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.
[33] For example, in France: SIIC (Société d'Investissements Immobiliers Cotée); and in the US: REITs.
[34] 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.
[35] 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).
[36] The 5,757 remaining ORAs as at January 1, 2019 were fully converted into shares during 2019.

EPRA Recurring Earnings per Share (REPS) for 2019 came to €12.72 compared to €13.15 for 2018, a decrease of -3.3%.

Adjusted Recurring Earnings per Share (AREPS)[35] for 2019 came to €12.37 compared to €12.92 for 2018, a decrease of -4.3% due mainly to the full-year effect of the Westfield transaction and the impact of the €3.3 Bn of disposals made in 2018 and 2019. Adjusted for the positive impact of IFRS 16, the AREPS for the period would be €12.17.

VI. GOODWILL[37]

Goodwill calculation

During 2019, the Group reviewed the purchase price allocation and the calculation of the goodwill resulting from the Westfield acquisition, with no major change compared to December 31, 2018.

The only modification made during 2019 is the reclassification of the LAX and Chicago airports contracts from Intangible assets to Investment properties at fair value. The amount of this reclassification in the Consolidated Statement of Financial Position as at December 31, 2018 is €164 Mn. The Consolidated Statement of Financial Position as at December 31, 2018 has been restated accordingly and the impact of this reclassification is also reflected in the Consolidated Statement of Financial Position as at December 31, 2019.

Allocation of the goodwill

Each investment property meets the criteria to qualify as a Cash Generating Unit ("CGU"). As part of operational management, investment properties are managed at a geographical segment level. Consequently, goodwill has been allocated to geographical segments which is the lowest level at which goodwill is monitored for internal management purposes.

The €2,336.9 Mn goodwill resulting from the Westfield acquisition was allocated to the geographical segments of URW benefiting from the acquisition of Westfield, and breaks down as follows:

In €Mn	Goodwill per geographical segment at acquisition date
France Retail	728.8
Central Europe	145.2
Spain	103.8
Nordics	99.8
Total Continental Europe	**1,077.6**
US	818.7
UK	440.5
WFD Goodwill	**2,336.9**

Figures may not add up due to rounding.

The intangible assets and the goodwill allocated to the US and to the UK were converted into US$ and £, respectively, at the exchange rates at acquisition date, and were converted into euros at the closing rates as at December 31, 2018 and December 31, 2019, respectively, in the Consolidated statement of financial position. The goodwill allocated to the Continental European segments was kept in euros, except for the Nordics (in SEK).

[37] This section refers to the IFRS Consolidated financial statements.

Impairment tests

According to IFRS, recoverable value of goodwill is tested annually or whenever there is an indication that an asset may be impaired at each reporting date.

Since the carrying amount of net assets of the Group is more than its market capitalization, the Group performed impairment tests of the goodwill allocated to each geographical segment as per December 31, 2019, based on:

- The detailed 5-year Business Plan 2020-2024 per geographical segment, including detailed profit & loss statements, proposed capital expenditure and disposals, as prepared at the end of 2019;
- The discount rates before tax per geographical segment based on a calculation of the WACC per region which reflects the current market assessment of the interest rates and the specific risks associated with each geographical segment as at December 31, 2019;
- An allocation of the Group's corporate administrative expenses to the geographical segments, as a percentage of their respective NRI;
- A discounted cash-flow calculation for each geographical segment on a 10-year basis, consistent with the method applied by the Group's appraisers, and a discounted terminal value, to which a long-term growth rate estimated as at December 31, 2019, is applied.

The enterprise value calculated for each geographical segment was then compared to the net asset value of each geographical segment, including the intangible assets and goodwill allocated, as disclosed in the notes to the Consolidated Financial Statements as at December 31, 2019. Following these tests, the value of the goodwill reported as at December 31, 2019, was found to be justified.

Breakdown of the goodwill

The goodwill in the Consolidated Statement of Financial Position (IFRS) breaks down as follows:

In €Mn	Dec. 31, 2019	Dec. 31, 2018	Change
Goodwill justified by fee business	839.1	824.2	14.9
Goodwill justified by tax optimizations	241.0	255.7	- 14.7
Other goodwill	1,798.3	1,783.3	15.1
Total Goodwill	**2,878.4**	**2,863.1**	**15.3**

Figures may not add up due to rounding.

VII. CONSOLIDATED STATEMENT OF CASH FLOWS

The consolidated statement of cash flows was prepared only in IFRS, not on a proportionate basis.

Unless otherwise indicated, all references below relate to the period ended December 31, 2019, and comparisons relate to the same period in 2018.

Cash flow from operating activities
The total cash flow from operating activities was +€1,887.1 Mn (+€1,794.0 Mn), an increase of +€93.1 Mn mainly due to the positive impact of the Westfield acquisition, partially offset by the income tax paid (-€211.7 Mn) and the change in working capital requirement (-€118.0 Mn).

Cash flow from investment activities
The cash flow from investment activities was -€416.7 Mn (-€4,271.1 Mn). 2018 was impacted by the cash component of the acquisition of Westfield. The capital expenditures decreased slightly from -€1,597.6 Mn in 2018 to -€1,525.4 Mn in 2019.

Cash flow from financing activities
The total cash flow from financing activities amounted to -€1,345.9 Mn (+€2,252.0 Mn) as the Group repaid €3,826.2 Mn of debt, whereas in 2018 the Group raised the financing for the acquisition of Westfield (€1,989.0 Mn of Hybrid securities and €3,000 Mn of senior debt).

VIII. POST-CLOSING EVENTS

The Group on February 12, 2020, announced it had received binding offers from a consortium of leading French investors, comprised of Crédit Agricole Assurances and La Française (collectively, the “Consortium”), to acquire a 54.2% stake in a joint-venture (“JV”) on five French shopping centres (Aéroville, So Ouest, Confluence, Toison d’Or and Rennes Alma).

Collectively, the five assets have 320,785 sqm of GLA, footfall of 42.5 million and sales of €6,484 per sqm for small units in 2019. Unibail-Rodamco-Westfield has currently agreed to hold a 45.8% stake in the JV and will manage the shopping centres on behalf of the JV through long-term management contracts. The Group’s stake in the JV will decrease as more investors join.

The offer price for the assets at 100%, €2,037 Mn, is in line with the last unaffected appraisal value as at December 31, 2018, and represents a Net Initial Yield of 4.80%. As part of the proposed transaction (“Transaction”), a syndicate of banks has underwritten €1.0 Bn in secured financing. Net disposal proceeds to URW are expected to amount to €1,511 Mn.

Further to this agreement, Unibail-Rodamco-Westfield has granted the Consortium an exclusivity period ending on May 15, 2020. During this period, the works council of Unibail-Rodamco-Westfield will be consulted. The Transaction is also subject to certain standard antitrust and regulatory approvals and is expected to close late in Q2-2020.

IX. DIVIDEND

For the fiscal year 2019, the Group expects to propose a cash dividend of €10.80 per stapled share for approval by the Annual General Meetings (AGMs) of Unibail-Rodamco-Westfield SE to be held on May 15, 2020 and WFD Unibail-Rodamco N.V. to be held on June 9, 2020.

The dividend payment schedule is expected to be as follows:
- An interim dividend of €5.40 per stapled share on March 26, 2020 (ex-dividend date March 24, 2020) to be paid by Unibail-Rodamco-Westfield SE; and
- A final dividend of €5.40 per stapled share, subject to approval of the AGMs, on July 6, 2020 (ex-dividend date July 2, 2020). The split of the final dividend will be described in the convening notices for the AGMs.

The total amount of dividends paid with respect to 2019 would be €1,494.5 Mn for the 138,378,605 stapled shares outstanding as at December 31, 2019. This represents an 87% pay-out ratio of the adjusted net recurring result of the Group (89% of the adjusted net recurring result adjusted for the impact of IFRS 16).

X. OUTLOOK

The macroeconomic environment was moderately positive in 2019, as concerns about global trade and Brexit uncertainties were partially offset by further easing by the US Federal Reserve and the European Central Bank. Consumer confidence generally remained positive, although on-line is taking an increasing share of retail spend.

Looking ahead, the future trading relationship between the UK and the EU, the coronavirus, the Presidential elections in the US, its trade policies, further responses thereto from its trading partners and adverse geopolitical events, could affect economic growth. Furthermore, the retail environment is undergoing rapid change and many retailers are adapting their business models to manage this new reality by rightsizing their store portfolios and expanding only selectively, with more risk sharing for landlords. URW’s high quality portfolio of shopping destinations in the wealthiest catchment areas is best positioned to face such challenges.

The Group disposed of €1.3 Bn of offices and shopping centres in 2019 and reached an agreement to dispose of five French retail assets. Upon closing of the Transaction, the Group will have already completed 80% of its €6.0 Bn objective set in 2019. In addition to the remaining €1.2 Bn of disposals, as part of its annual business plan exercise, URW has identified a further almost €2.5 Bn of Continental European and US assets to be disposed of over the next few years.

The €1.3 Bn of disposals closed in 2019 and those expected to close in 2020 (“Disposals”) will further increase the average portfolio quality and reduce leverage. These disposals will, of course, have an impact on the Group’s AREPS in 2020 and 2021.

As a result of the solid underlying operating income growth expected despite the challenging retail environment, the €2 Bn of deliveries in 2020 and the secured cost of debt, offset by the estimated impact of the Disposals (around 50 cents per share), the 2020 AREPS is expected to be in the range of €11.90 - €12.10.

The substantial disposals made and planned by URW are a critical part of its strategy of concentration, differentiation and innovation, active asset rotation and deleveraging. However, they mask the underlying trends, which reflect on-going operational growth, delivery of development projects (albeit fewer than in the Group's previous business plan), and a well-managed cost of debt. The output of the 2020-2024 business plan, reflects an underlying compound annual growth rate of the AREPS, i.e., excluding the impact of the disposals in the plan, of between +3% to +5%.

This outlook is derived from the annual business plan process for URW's operations in Continental Europe, the US and the UK. This exercise results in annual growth rates which vary from year to year. The key inputs in the Group's business plan, which is built on an asset by asset basis and based on economic conditions as at year-end 2019, are estimates and assumptions relating to indexation, rental uplifts, disposals over the life of the plan, timely delivery of pipeline projects, cost of debt, currency movements and taxation. Variations in these assumptions will also cause growth rates to vary from one plan to the next. The Group's current business plan does not assume any acquisitions.

Dividend Outlook

Based on the outputs of its 2020-2024 business plan exercise, the Group currently expects to maintain its dividend for 2020 and 2021 at a minimum of €10.80 and grow it broadly in line with the growth in AREPS thereafter.

2. INVESTMENTS AND DIVESTMENTS

In 2019, URW invested €1,570.9 Mn[38], Group share, in capital expenditures in assets and on construction, extension and refurbishment projects, compared to €1,530.7 Mn in 2018, which included only seven months of Westfield capex.

1. Total capital expenditure

The total investments break down as follows:

in € Mn	Proportionate			
	2019		2018	
	100%	Group share	100%	Group share
Shopping Centres	1,184.3	1,125.1	1,240.7	1,161.1
Offices & Others	364.8	364.6	292.5	292.1
Convention & Exhibition	161.6	81.2	129.2	77.4
Total Capital Expenditure	**1,710.8**	**1,570.9**	**1,662.4**	**1,530.7**

Figures may not add up due to rounding.

2. Shopping Centres

URW invested €1,125.1 Mn[39] in its Shopping Centre portfolio in 2019:

- New acquisitions amounted to €2.8 Mn, mainly in France (Westfield Vélizy 2) and Spain (La Vaguada);
- €521.2 Mn were invested in construction, extension and refurbishment projects, including mainly: the Westfield Mall of the Netherlands, Westfield Vélizy 2, Gaîté Montparnasse, La Part-Dieu, Westfield Valley Fair and Garbera extensions and Westfield Hamburg (see also section *"Development projects"*);
- €264.9 Mn were invested in enhancement and improvement projects on standing assets, including mainly Donau Zentrum, Täby Centrum, Westfield Carré Sénart, Westfield UTC and Westfield Topanga;
- Replacement Capex[40] amounted to €166.0 Mn;
- Financial interest, eviction and other costs were capitalized for €42.3 Mn, €48.5 Mn and €79.4 Mn, respectively.

3. Offices & Others

URW invested €364.6 Mn in its Offices & Others portfolio in 2019:

- New acquisitions amounted to €0.9 Mn in The Netherlands;
- €281.6 Mn were invested in construction and refurbishment projects, mainly in France (the Trinity, Shift and Versailles Chantiers projects), the UK (Westfield Stratford City and Westfield London) and Germany (Westfield Hamburg offices, residential and hotels) (see also section *"Development projects"*);
- €52.6 Mn were invested in enhancement and improvement projects on standing assets, mainly in the US and France;
- Replacement Capex amounted to €3.4 Mn;
- Financial interest and other costs capitalized amounted to €26.1 Mn.

[38] On a proportionate basis, Group share.
[39] Total capitalized amount in asset value, Group share.
[40] 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 on which the Group's standard Return On Investment (ROI) is expected.

4. Convention & Exhibition

URW invested €81.2 Mn in its Convention & Exhibition portfolio in 2019:

- €23.5 Mn were invested for construction works at Porte de Versailles;
- €48.8 Mn were invested in enhancement and improvement projects on standing assets, mainly in Porte de Versailles;
- Replacement Capex amounted to €6.6 Mn;
- Financial interest and other costs capitalized amounted to €2.3 Mn.

The second phase (2017-2019) of renovation works on the Porte de Versailles site was delivered, with the inauguration of the new Pavilion 6 in November 2019 and the delivery of the Novotel and Mama Shelter hotels in December 2019.

5. Disposals

On February 28, 2019, URW completed the disposal of its 34% stake in the Jumbo shopping centre in Helsinki to co-owner Elo Mutual Pension Insurance Company. The Net Disposal Price (“NDP”) of €248.6 Mn represented a premium to the December 31, 2018, book value and implies a Net Initial Yield (“NIY”) of almost 5%.

On May 9, 2019, URW completed the disposal of a 75% stake in Cherry Park residential project in London to PSP Investments and QuadReal.

On July 3, 2019, URW completed the disposal of the Tour Majunga, an office property building in La Défense, to a consortium of institutional investors led by South-Korean securities firm Mirae Asset Daewoo and Amundi Real Estate. The NDP of the transaction was €850 Mn and represented a premium to the December 31, 2018, book value and a NIY of 4.16%.

On December 30, 2019, URW disposed of its 66.67% stake in Ring-Center shopping centre in Berlin.

Upon closing of the Transaction, the Group will have completed €4.8 Bn (80%) of its announced €6.0 Bn disposal programme and is in discussions on the disposal of a further number of assets.

3. DEVELOPMENT PROJECTS AS AT DECEMBER 31, 2019

As at December 31, 2019, URW's share of the Total Investment Cost ("TIC"[41] and "URW TIC"[42]) of its development project pipeline amounted to €8.3 Bn, with a total of 1.4 million sqm of Gross Lettable Area ("GLA"[43]) to be re-developed or added to the Group's standing assets.

1. Development project portfolio overview

The Group's pipeline stood at €8.3 Bn[44] (€11.9 Bn as at December 31, 2018). The -€3.6 Bn decrease in the URW TIC results from:

- The completion and delivery of ten projects of which six in Europe and four in the US, including URW's first residential development (-€0.6 Bn);
- The revision of the Westfield Milano and the Westfield Montgomery projects as well as other programme changes (+€0.1 Bn);
- The removal of certain projects following an in-depth review of the pipeline (-€3.2 Bn);
- The addition of small projects in H2-2019: the La Maquinista Fashion Pavilion and two refurbishment projects at Westfield Les 4 Temps: Clairière and Dôme (+€0.1 Bn).

Development remains a core skill set of URW and the Group believes there continues to be significant value creation potential in the portfolio. However, to optimise capital and returns, the Group initiated, as part of its annual 5-year Business Plan process, a detailed review of its development pipeline and removed projects which:

- require major redefinition; or
- are postponed significantly due to market or administrative circumstances; or
- did not meet the Group's return targets.

This review led to the removal of the projects listed below from the December 31, 2018 pipeline. URW will continue to review changes to or alternatives for such projects in line with URW's capital allocation priorities, return objectives, mixed-use strategy and Better Places 2030.

Removed Development Projects	Business	Country	City	Type	URW Ownership	100% GLA (sqm)	100% Total Investment Cost (€Mn)	URW Total Investment Cost (€Mn)
VAL TOLOSA	Shopping Centres	France	Toulouse region	Greenfield / Brownfield	60%	65,308 sqm	290	
VILLENEUVE 2 EXTENSION	Shopping Centres	France	Lille region	Extension / Renovation	100%	17,741 sqm	140	
MAQUINEXT	Shopping Centres	Spain	Barcelona	Extension / Renovation	51%	37,570 sqm	200	
3 PAYS	Shopping Centres	France	Hésingue	Greenfield / Brownfield	100%	84,088 sqm	390	
BUBNY	Shopping Centres	Czech Rep.	Prague	Greenfield / Brownfield	65%	55,114 sqm	250	
CROYDON	Shopping Centres	UK	London	Greenfield / Brownfield	50%	162,116 sqm	1,550	
OTHER						77,953 sqm	290	
Total Controlled								2,030
FISKETORVET RETAIL EXTENSION	Shopping Centres	Denmark	Copenhagen	Extension / Renovation	100%	13,559 sqm	160	
VITAM	Shopping Centres	France	Neydens	Extension / Renovation	80%	76,582 sqm	430	
OTHER						215,322 sqm	1,210	
Total Secured Exclusivity								1,120
Total								3,150

[41] 100% TIC 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 interest; (ii) overhead costs; (iii) early or lost Net Rental Income; and (iv) IFRS adjustments.
[42] URW TIC: 100% TIC multiplied by URW's percentage stake in the project, plus specific own costs, if any.
[43] GLA equals Gross Lettable Area of projects at 100%.
[44] This includes the Group's share of projects fully consolidated and projects accounted for using the equity method, excluding Viparis projects.

Since December 2018, the Group delivered:

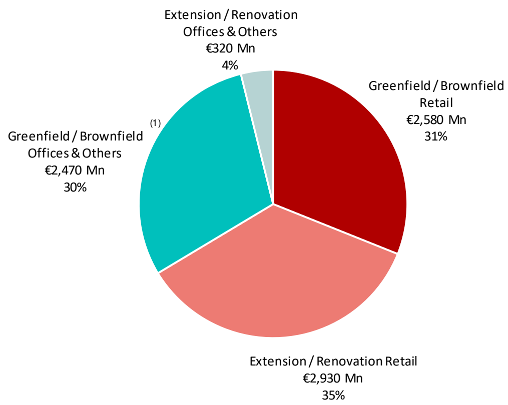
- In February: the 3,811 sqm Westfield Carré Sénart leisure extension, combining dining, a new generation IMAX Cinema and family activities;
- In March: the 16,147 sqm Versailles Chantiers office building and the 19,637 sqm Westfield Vélizy 2 leisure extension, with its new dining area "Les Tables de Vélizy" composed of 23 new restaurants and the UGC Cinema with 18 screens;
- In June: the 3,700 sqm Westfield Parly 2 Cinema with 12 screens;
- In August: Palisade at Westfield UTC, with 300 residential units, including a rooftop "sky lounge" and a state-of-the art fitness center and wellness facilities;
- In September: the renovation of Westfield Topanga;
- In October: the Gropius Passagen refurbishment project;
- In November: the renovation of Westfield Valencia, including improvement of family amenities and the food court; and the Westfield Oakridge transformation with the opening of the Living Spaces furniture store;
- In December: the Shift office redevelopment project.

In addition, the Group made significant progress on existing pipeline projects. After final administrative authorizations were obtained, works started in March 2019 for the 19,616 sqm Garbera extension project and are on track for the opening in November 2021. In May, the Cherry Park residential project broke ground after the closing of the disposal of 75% of the project to two institutional investors. In October and November, works started for the La Maquinista Fashion Pavilion and Dining Experience, and the Westfield Les 4 Temps Clairière projects.

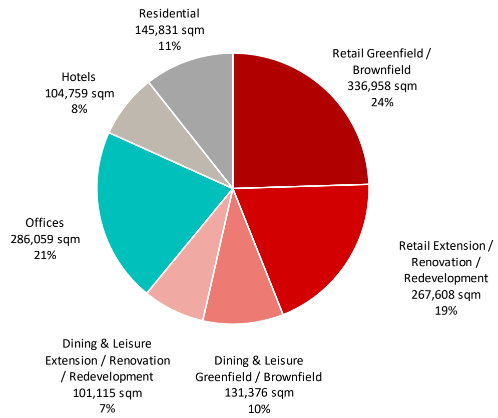
The pipeline categories are as follows:

URW Development pipeline by category[45]

URW TIC
(€8,300 Mn)



GLA
(1,373,705 sqm)



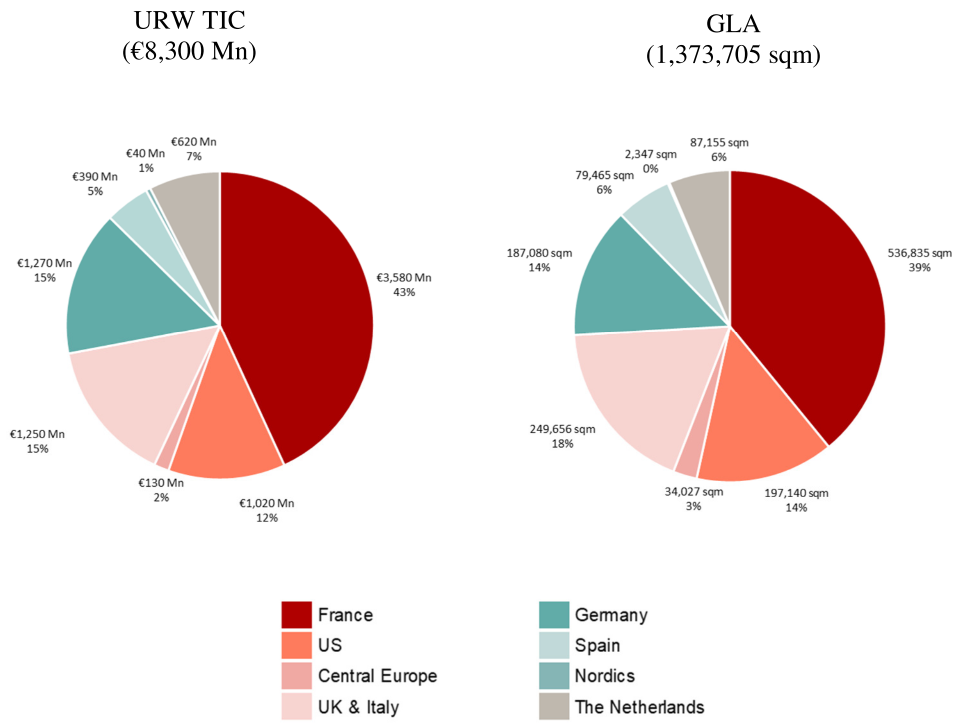
(1) Including Residential and Hotel units

The Group currently expects to prioritize extensions and restructuring and refurbishment works on standing assets, as well as to selectively add to its existing portfolio. 53% of the €5.5 Bn retail pipeline consists of extension and renovation projects. Greenfield and brownfield projects account for 47%. 27% of the approximately 857,000 sqm retail pipeline consists of Dining and Leisure areas. €1.9 Bn (35%) of the Retail pipeline are committed. In addition, third party urban regeneration developments are ongoing around a number of the Group's assets and are expected to reinforce the respective catchment areas and the position of URW's destinations.

Development projects in the Offices & Others sector amount to €2.8 Bn. Greenfield and brownfield projects represent 89% and correspond to approximately 406,000 sqm of new GLA, of which 65% are expected to be completed in 2024 or later. The remainder will be invested in the redevelopment or refurbishment of 110,000 sqm GLA of existing assets. €0.8 Bn (28%) of the Offices & Others pipeline are committed.

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

URW Development pipeline by region[46]



2. A secured and flexible development pipeline

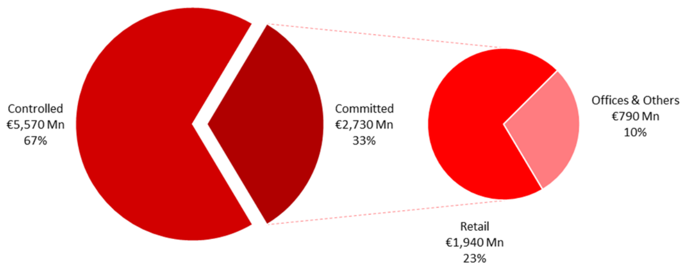
In parallel with the in-depth pipeline review, the Group has also refined the pipeline groupings. The Group's pipeline now consists of two distinct groupings:

1. **Committed**: projects for which URW owns the land or building rights and has obtained:
   - all necessary administrative authorizations and permits;
   - approvals of JV partners (if applicable);
   - approvals of URW's internal governing bodies to start superstructure construction works; and
   - on which such works have started.

2. **Controlled**: projects in an advanced stage of studies, for which URW controls the land or building rights, and all required administrative authorizations have been filed or are expected to be filed shortly. There can be no assurance these will become "Committed" projects, as this will be subject to having obtained all required administrative approvals, as well as those of JV partners (if applicable), and of URW's internal governing bodies to start superstructure works.

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

URW Development pipeline by grouping



The €2.7 Bn "Committed" development pipeline (URW TIC) now includes, following the start of construction or renovation works in 2019:

- Cherry Park;
- The Garbera extension;
- The La Maquinista Fashion Pavilion;
- Westfield Les 4 Temps Clairière, which will bring a brand new fashion offer together with a large event space for fashion and food events as well as concerts and roadshows.

The "Controlled" category now includes the Westfield Les 4 Temps Dôme project.

€1.7 Bn have already been spent on Committed projects and €1.1 Bn on Controlled projects. For Committed projects, €1.0 Bn are still to be invested over the next three years, of which €0.5 Bn have been contracted.

3. Variances in URW development pipeline projects in 2019

Since December 31, 2018, there have been changes in the URW TIC and in the delivery dates of some projects, in particular:

- The Neo project planning was delayed because of the cancellation of part of the road connection permits;
- The Sisters and Triangle projects were delayed and the URW TIC increased because of administrative procedures and change of market conditions;
- The Westfield Hamburg mixed-use development was delayed and the URW TIC increased due to project changes.

4. Investments in 2019

See section *"Investments and divestments"*.

5. Deliveries expected in the next 12 months

Eight projects representing a URW TIC of ca. €2,110 Mn are scheduled to be delivered in 2020:

- Three major retail extensions: Westfield Valley Fair, Westfield Mall of the Netherlands and La Part-Dieu;
- The Trinity greenfield office project in La Défense;
- The hotel project at Gaîté Montparnasse;
- Three retail restructuring projects: the La Maquinista Fashion Pavilion and the Westfield Les 4 Temps Clairière and Dôme.

The average pre-letting[47] of the retail and offices & others deliveries stands at 71%[48] and 51%[49], respectively.

[47] GLA signed, all agreed to be signed and financials agreed.
[48] Excluding renovation projects.
[49] Excluding residential projects.

6. Projects overview

DEVELOPMENT PROJECTS – December 31, 2019

Development Projects [1]	Business	Country	City	Type	URW Ownership	100% GLA (sqm)	100% Total Investment Cost (€Mn)	URW Total Investment Cost (€Mn)	Yield on cost [2]	Earliest Opening date [3]	Project Valuation
WESTFIELD VALLEY FAIR	Shopping Centres	US	San Jose	Extension / Renovation	50%	46,673 sqm	1,050			H1 2020	Fair value
TRINITY	Offices & Others	France	Paris	Greenfield / Brownfield	100%	49,479 sqm	350			H1 2020	Fair value
WESTFIELD MALL OF THE NETHERLANDS *	Shopping Centres	The Netherlands	The Hague region	Extension / Renovation	100%	87,155 sqm	620			H2 2020	Fair value
LA PART-DIEU EXTENSION	Shopping Centres	France	Lyon	Extension / Renovation	100%	33,400 sqm	410			H2 2020	Fair value
GAITE MONTPARNASSE RETAIL *	Shopping Centres	France	Paris	Redevelopment / Extension	100%	29,744 sqm	180			H1 2021	Fair value
GAITE MONTPARNASSE OTHERS *	Offices & Others	France	Paris	Redevelopment / Extension	100%	64,422 sqm	240			H1 2021	Fair value
GARBERA EXTENSION	Shopping Centres	Spain	San Sebastián	Extension / Renovation	100%	19,616 sqm	130			H2 2021	At Cost
CHERRY PARK	Offices & Others	UK	London	Greenfield / Brownfield	25%	87,085 sqm	790			H2 2024	Fair value
OTHER						10,010 sqm	100				
Total Committed								**2,730**	**6.2%**		
WESTFIELD GARDEN STATE PLAZA RESTRUCTURING *	Shopping Centres	US	New York Region	Extension / Renovation	50%	12,368 sqm	110			H1 2021	Fair value
WESTFIELD TOPANGA RESTRUCTURING *	Shopping Centres	US	Los Angeles Region	Extension / Renovation	55%	15,881 sqm	240			H2 2021	Fair value
ALTAMAR	Shopping Centres	Spain	Benidorm	Greenfield / Brownfield	100% [4]	58,551 sqm	220			H1 2022	At Cost
WESTFIELD VALENCIA RESTRUCTURING *	Shopping Centres	US	Valencia	Extension / Renovation	50%	20,718 sqm	100			H1 2022	At Cost
WESTFIELD HAMBURG RETAIL	Shopping Centres	Germany	Hamburg	Greenfield / Brownfield	100%	96,211 sqm	740			H1 2023	At Cost
WESTFIELD HAMBURG OTHERS	Offices & Others	Germany	Hamburg	Greenfield / Brownfield	100%	90,869 sqm	530			H1 2023	At Cost
WESTFIELD MILANO	Shopping Centres	Italy	Milan	Greenfield / Brownfield	75%	154,572 sqm	1,330			H1 2023	Fair value
WESTFIELD ROSNY 2 LEISURE EXTENSION	Shopping Centres	France	Paris region	Extension / Renovation	100%	9,352 sqm	80			H1 2023	At Cost
WESTFIELD VELIZY 2 RETAIL EXTENSION	Shopping Centres	France	Paris region	Extension / Renovation	100%	20,098 sqm	210			H2 2023	At Cost
WESTFIELD MONTGOMERY MIXED USE RETAIL *	Shopping Centres	US	Washington Region	Extension / Renovation	50%	26,736 sqm	170			H2 2023	Fair value
WESTFIELD MONTGOMERY MIXED USE RESIDENTIAL*	Offices & Others	US	Washington Region	Extension / Renovation	50%	45,902 sqm	160			H2 2023	Fair value
METROPOLE ZLICIN EXTENSION	Shopping Centres	Czech Rep.	Prague	Extension / Renovation	50%	25,640 sqm	160			H2 2024	At Cost
TRIANGLE	Offices & Others	France	Paris	Greenfield / Brownfield	100%	88,409 sqm	640			H2 2024	At Cost
SISTERS	Offices & Others	France	Paris	Greenfield / Brownfield	100%	90,434 sqm	750			Post 2024	At Cost
NEO	Shopping Centres	Belgium	Brussels	Greenfield / Brownfield	86%	123,204 sqm	690			Post 2024	At Cost
OTHER						67,176 sqm	380				
Total Controlled								**5,570**	**7-8% target**		
URW TOTAL PIPELINE								**8,300**			

(1) Figures subject to change according to the maturity of projects.
(2) Stabilized expected Net Rental Income divided by the URW TIC.
(3) In the case of staged phases in a project, the date corresponds to the earliest possible opening date of the last phase.
(4) % ownership after exercise of option rights.
*Units acquired for the project are included in the TIC at their acquisition cost.

4. PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT DECEMBER 31, 2019

URW's EPRA Net Asset Value (NAV) per share as at December 31, 2019, came to €213.30 (€221.80 as at December 31, 2018).

URW's EPRA triple Net Asset Value (NNNAV)[50] amounted to €199.20 per share (€210.80 as at December 31, 2018). This decrease of -€11.60 (-5.5%) is the result of: (i) +€9.35 per share representing the sum of: (a) the Recurring Earnings Per Share of +€12.72, (b) -€6.79 per share representing the revaluation of property and intangible assets, net of the capital gains on disposals, (c) foreign exchange movements and other items for +€0.68 per share, (d) the change of transfer taxes and deferred tax adjustments of +€2.78 per share, and (e) the dilutive effect of the instruments giving access to the Group's shares of -€0.04 per share; (ii) the impact of the payment of the dividend for 2018 of -€10.80 per share; and (iii) the negative impact of the mark-to-market of debt and financial instruments of -€10.15 per share.

The Going Concern NAV[51] (GMV based) came to €217.50 per share as at December 31, 2019 (€233.90 as at December 31, 2018).

The EPRA NAV, the EPRA NNNAV and the Going Concern NAV as at December 31, 2019, do not include the Group's Hybrid Securities, which are not part of the Equity attributable to the holders of the Stapled Shares, but include €12.98 per share of goodwill not justified by the fee business or tax optimizations and which is mainly related to Westfield.

1. PROPERTY PORTFOLIO

Unless otherwise indicated, the data presented in the property portfolio are on a proportionate[52] basis and as at December 31, 2019, and comparisons are with values as at December 31, 2018.

The total GMV of the URW asset portfolio[53] amounted to €65.3 Bn (€65.2 Bn).

Continental Europe – Shopping Centres

Demand for commercial real estate across Continental Europe[54] remained robust with record levels of equity raised. €227 Bn of commercial real estate were traded in 2019, down -4% from 2018.

However, investor demand for commercial real estate showed a clear differentiation among classes. Demand for logistics assets remained strong as the sector benefited from demand as occupiers sought to streamline supply chains for omnichannel retailing and last mile delivery. Logistics transaction volumes in 2019 were +5% higher than 2018, at €27 Bn (12%). Alternatives (predominantly hotels, student and senior housing) also remained in favour. Although investment volumes slipped marginally, their share of total activity represented 29%.

In contrast, retail suffered from weaker demand as investors took a more cautious attitude toward the sector, on the back of increased online sales, with investment amounting to €30 Bn, down -25% from 2018. The biggest fall was in shopping centres (-45% at €7.9 Bn). However, in 2019 insurance companies bought large, core and dominant shopping centres across Europe after a lack of transactions in this type of asset during the previous 18 months, demonstrating a demand for prime retail assets.

URW's Shopping Centre portfolio's GMV decreased by -1.3% on a like-for-like basis. This decrease was driven by the yield impact (-3.3%) as appraisers increased Exit Capitalization Rates ("ECR") and Discount Rates ("DR") for a number of assets in the portfolio. This was partly offset by a positive rent impact (+2.0%). The value of the Group's Dutch portfolio decreased by -6.2% on a like-for-like basis, of which -7.7% driven by yield impact, partly offset by a positive rent impact of +1.5%. The like-for-like GMV decrease of the Group's German, Austrian and French shopping centres was -5.0%, -4.5% and -1.8%, respectively. However, Central Europe, Spain and the Nordics saw like-for-like GMV growth of +2.5%, +1.1% and +0.8%, respectively.

[50] EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV per share less the estimated transfer taxes and capital gain taxes.
[51] Going Concern NAV: the amount of equity per share needed to replicate the Group's portfolio with its current financial structure.
[52] The sum of the GMV for the assets fully consolidated, the ownership at share of the GMV of assets jointly controlled accounted for using the equity method and the equity values for assets not controlled by URW (Zlote Tarasy, Ring-Center (disposed of on December 30, 2019), Gropius Passagen, and Blum/Centennial and Starwood Ventures entities).
[53] Including the Group's services business, the airport activities, the trademark, transfer taxes and transaction costs. Does not include the goodwill not justified by the fee business nor the impact of the application of IFRS 16.
[54] Source: Cushman & Wakefield, estimates.

United Kingdom (UK)

Investment volumes in UK real estate[55] amounted to €60 Bn in 2019, a decrease of -15% vs. 2018. Retail saw a -29% fall to €6.4 Bn, with shopping centres (-37% to €1.4 Bn) and high street retail (-57% to €1.2 Bn) suffering the most.

The number of UK shopping centre transactions continued to be very limited. There was little appetite from investors to venture into the shopping centre market whilst the current uncertain occupier market prevails. Market activity was confined to sub £50 Mn asset sales, with many sellers having breached their banking covenants, and with a limited purchaser base mainly consisting of local authorities looking to preserve the integrity of their town centres, opportunistic purchasers who see value in a scheme or were looking to repurpose the asset.

The principal reason for this lack of activity was the UK occupier market which remained weak in almost all retail segments due to the rise in e-commerce, the burden of business rates, continued CVAs and Administrations and the weakness of a number of British retailers leading to store closures and a contraction of store portfolios. The uncertainties related to Brexit limited new retail entries into the UK.

There was no market activity at the super prime asset level. Nevertheless, an indicator of confidence in the prime / super prime sectors were successful secured debt issues for both Westfield Stratford City and Intu Derby during the year.

The like-for-like GMV of the Group's UK shopping centres decreased by -8.5%, of which -4.4% driven by the rent impact and -4.1% driven by the yield impact. This decrease was mainly due to Westfield London.

Westfield London and Westfield Stratford City are two of the most productive assets of the Group in Europe. However, their Exit Capitalization Rates are the highest among the top ten European assets of the Group.

United States (US)

US retail investment volumes in 2019 saw a -3.5% year-on-year decline, with total sales reported by Real Capital Analytics of $52.3 Bn. For shopping centres, the decrease in deal volume was -6.5% (excluding the impact of the Westfield and Brookfield transactions which took place in 2018).

Regional mall transaction activity remained subdued at $2.4 Bn. Notable transactions included the acquisition of a 48.5% interest in the Gardens Mall, Palm Beach by Taubman, in an off-market process, and the acquisition by Brookfield of outstanding interests in four joint-venture assets (Perimeter Mall, Atlanta; Shops at Merrick Park, Miami; Towson Town Center, Baltimore; and Park Meadows, Denver), and the divestment of a partial interest by Brookfield of Bridgewater Commons, New Jersey, and The SoNo Collection, Connecticut.

According to appraisers, valuation parameters and the outlook for super-regional malls remained mostly stable. The bifurcation of the retail real estate market continued, with perceived strong demand for prime assets, but limited demand for "B" and "C" grade shopping centres, which are priced based on their short-term cash flows and redevelopment potential.

The value of the Group's US shopping centres decreased by -1.6% on a like-for-like basis, driven by a negative yield impact (-3.7%), partly compensated by a positive rent impact (+2.1%).

Offices & Others

The value of URW's Offices & Others portfolio increased by +6.2% on a like-for-like basis, as a result of positive yield and rent impacts (+5.6% and +0.5%, respectively).

Convention & Exhibition

The Convention & Exhibition portfolio value decreased by -6.7% on a like-for-like basis, mainly driven by a negative yield impact (-6.2%).

[55] Source: Cushman & Wakefield, estimates.

1.1. URW's portfolio

Asset portfolio valuation (including transfer taxes) (a)	Proportionate Dec. 31, 2019		Like-for-like change net of investment - 2019 (b)		Dec. 31, 2018	
	€ Mn	%	€ Mn	%	€ Mn	%
Shopping Centres	56,495	86%	-980	-2.0%	56,514	87%
Offices & Others	4,186	6%	94	6.2%	3,924	6%
Convention & Exhibition	2,984	5%	-187	-6.7%	3,222	5%
Services	1,676	3%	92	6.0%	1,541	2%
Total URW	**65,341**	**100%**	**-981**	**-1.8%**	**65,201**	**100%**

Figures may not add up due to rounding.

(a) On a proportionate basis, including transfer taxes and transaction costs (see §1.6. for IFRS and Group share figures).
The portfolio valuation includes:
- The appraised or at cost value of the entire property portfolio, whether fully consolidated or under joint operation;
- The value of the trademark;
- The equity value of URW's investments in assets not controlled by URW (Zlote Tarasy, Ring-Center (disposed of on December 30, 2019), Gropius Passagen, and Blum/Centennial and Starwood Ventures entities). The equity value of URW's share investments in assets not controlled by URW amounted to €948 Mn (€1,057 Mn).

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 statement of financial position.
The portfolio does not include €2.1 Bn of goodwill not justified by the fee business, nor financial assets such as the €594 Mn of cash and cash equivalents on the Group's consolidated statement of financial position as at December 31, 2019.

(b) Excluding the currency effect, investment properties under construction, assets not controlled by URW and changes in the scope (including acquisitions, disposals and deliveries of new projects) during 2019. Changes in scope consist mainly of the:
- Acquisition of retail units in Westfield Vélizy 2, La Vaguada and Parquesur;
- Disposal of an office building: Majunga in La Défense;
- Disposal of a retail asset: Jumbo in Finland;
- Disposal of the share investment in Ring-Center in Germany;
- Disposal of 75% of a residential project, Cherry Park, in Westfield Stratford City;
- Disposal of retail units in Westfield Parly 2;
- Disposal of office units in Zoetermeer;
- Delivery of two office buildings: Versailles Chantiers and Shift in the Paris region;
- Delivery of the residential building Palisade at Westfield UTC;
- Delivery of the Westfield Oakridge transformation; and
- Delivery of two hotels at Porte de Versailles.

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

	Proportionate	
URW Valuation as at Dec. 31, 2018 (€ Mn)	**65,201**	
Like-for-like revaluation	-981	
Revaluation of non like-for-like assets	24	(a)
Revaluation of shares	-49	(b)
Capex / Acquisitions / Tranfers	1,856	
Disposals	-1,233	(c)
Constant Currency Effect	523	(d)
URW Valuation as at Dec. 31, 2019 (€ Mn)	**65,341**	

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 Gaîté and Trinity offices, the hotel project at Gaîté Montparnasse, the La Part-Dieu extension, Les Ateliers Gaîté, Westfield Milano and Westfield Mall of the Netherlands and assets delivered in 2019 such as the office buildings at Versailles Chantiers and Shift in the Paris region, the hotels at Porte de Versailles, the Westfield Oakridge transformation and the residential building Palisade at Westfield UTC.
(b) Revaluation of the shares in companies holding the assets not controlled by URW (Zlote Tarasy, Gropius Passagen and Blum/Centennial and Starwood Ventures entities).
(c) Value as at December 31, 2018.
(d) Currency impact of +€523 Mn, including +€300 Mn in the US and +€259 Mn in the UK, partly offset by the Nordics (-€36 Mn), before offsets from foreign currency loans and hedging programs.

Appraisers

URW has allocated properties across independent appraisers by region for comparison and benchmarking purposes. The valuation process has a centralized approach, intended to ensure that, on the Group's portfolio, capital market views are taken into account. Assets are appraised twice a year (in June and December), except services companies, which are appraised once a year.

Proportionate		
Appraiser	**Property location**	**% of total portfolio**
Cushman & Wakefield	France / The Netherlands / Central Europe / UK[a] / US	45%
JLL	France / Germany / Nordics / Spain / Austria / Italy	28%
Duff & Phelps	US	9%
PwC[b]	France / Germany / UK / US	9%
Other appraisers	Central Europe / UK[a] / US	7%
At cost, under sale agreement or internal.		2%
		100%

Figures may not add up due to rounding.
(a) The Group's UK portfolio was valued by Cushman & Wakefield and Avison Young.
(b) PwC assesses Convention & Exhibition venues as well as all of the Group's services activities, the trademark, and the airport activities.

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.

The yield and rent impacts are used to explain and split the revaluation into two parts. The yield impact indicator is very sensitive to any change in the assumptions made for the asset which complicates its interpretation. It is calculated as the change in potential yield, excluding capex, to eliminate the impact of vacancy. Therefore, if the NRI is projected to grow faster than the value of the asset net of capex, there will be a negative yield impact. In addition, the potential yield expands and therefore generates a negative yield impact in case of defensive capex or eviction costs or an increase in the ERV of vacant units. The rent impact is mechanically obtained by deducting the yield impact from the like-for-like revaluation.

As the value of the assets is based on cashflows and ECR, the Net Initial Yield ("NIY") may be lower than the ECR for a number of reasons. The main reasons are: the vacancy as at the valuation date which the appraisers assume will be rented and the reversion which will be captured in the cashflows. The NIY is an output rather than an input.

Valuation scope

98% of URW's portfolio was appraised by independent appraisers.

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

IPUC are taken at fair value once management considers that a substantial part of the project's uncertainty has been eliminated, such that a reliable fair value can be established. URW uses its long-standing 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) as deemed appropriate by the independent appraisers. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The La Part-Dieu extension, Westfield Mall of the Netherlands and the Gaîté offices have been carried at fair value since June 30, 2019.

As a result of the acquisition accounting for the Westfield transaction, the main projects in the US, the UK and Italy were carried at fair value as at December 31, 2019.

Les Ateliers Gaîté and the La Maquinista Fashion Pavilion project were assessed at fair value for the first time as at December 31, 2019.

Refer to the table in the Section *"Development Projects as at December 31, 2019"* for the valuation method used for each development project in the Group's pipeline.

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: Garbera extension, as well as the majority of development projects included in the "Controlled" category (see section "Development Projects" for more details);
- At bid value for assets subject to an agreement pursuant to which these will be disposed: Bobigny 2.

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

1.2. 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.

<u>Evolution of URW's Shopping Centre portfolio valuation</u>

The value of URW's Shopping Centre portfolio[56] amounted to €56,495 Mn (€56,514 Mn).

	Proportionate		
URW Valuation as at Dec. 31, 2018 (€ Mn)		**56,514**	
Like-for-like revaluation	-	980	
Revaluation of non like-for-like assets	-	77	(a)
Revaluation of shares	-	49	(b)
Capex / Acquisitions / Transfers		947	(c)
Disposals	-	317	(d)
Constant Currency Effect		457	(e)
URW Valuation as at Dec. 31, 2019 (€ Mn)		**56,495**	

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 La Part-Dieu extension, Les Ateliers Gaîté, Westfield Milano and Westfield Mall of the Netherlands and assets delivered in 2019 such as the Westfield Oakridge transformation.
(b) Revaluation of the shares in companies holding the assets not controlled by URW (Zlote Tarasy, Gropius Passagen, and Blum/Centennial and Starwood Ventures entities).
(c) Includes the impact of the transfer of Les Boutiques du Palais to the Convention & Exhibition segment and the transfer of office, residential and hotel projects of Westfield Hamburg to Offices & Others.
(d) Value as at December 31, 2018.
(e) Currency impact of +€457 Mn, including the US (+€283 Mn) and the UK (+€207 Mn), partly offset by the Nordics (-€34 Mn), before offsets from foreign currency loans and hedging programs.

Based on an asset value excluding estimated transfer taxes and transaction costs, the Shopping Centre division's NIY is stable at 4.3%.

	Proportionate			
Shopping Centres portfolio by region - Dec. 31, 2019	**Valuation including transfer taxes in € Mn**	**Valuation excluding estimated transfer taxes in € Mn**	**Net Inital Yield (a) Dec. 31, 2019**	**Net Inital Yield (a) Dec. 31, 2018**
France (b)	16,517	15,882	4.2%	4.0%
Central Europe	5,408	5,360	4.9%	4.9%
Spain	3,827	3,740	4.4%	4.4%
Nordics	3,282	3,215	4.1%	4.1%
Germany	3,591	3,398	4.6%	4.4%
Austria	2,510	2,497	4.4%	4.2%
The Netherlands	1,703	1,603	4.9%	5.1%
Subtotal Continental Europe	**36,837**	**35,696**	**4.4%**	**4.3%**
US	15,204	15,082	4.1%	4.2%
UK & Italy	4,454	4,239	4.3%	4.3%
Subtotal US and UK	**19,658**	**19,320**	**4.2%**	**4.3%**
Total URW	**56,495**	**55,016**	**4.3%**	**4.3%**

Figures may not add up due to rounding.
(a) Annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or not controlled by URW, the trademark and the airport activities are not included in this calculation.
(b) The effect of including key money in the French region's NRI would increase the NIY of French shopping centres from 4.2% to 4.3%.

[56] Including the airport activities and the trademark.

	Proportionate			
US Shopping Centres portfolio by category - Dec. 31, 2019	**Valuation including transfer taxes in € Mn**	**Valuation excluding estimated transfer taxes in € Mn**	**Net Initial Yield (a) Dec. 31, 2019**	**Net Initial Yield (a) Dec. 31, 2018**
US Flagships (b)	13,101	12,983	3.8%	3.9%
US Regionals	2,103	2,099	6.0%	6.1%
Total US	**15,204**	**15,082**	**4.1%**	**4.2%**

Figures may not add up due to rounding.
(a) Annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs. Shopping centres under development or not controlled by URW, the trademark and the airport activities are not included in the calculation of NIY.
(b) The airport activities and the trademark are included in the valuation of the US Flagships.

For the valuation of URW's US assets, the NIY calculation was changed to be consistent with the methodology used by the independent appraisers for the Group's European assets. Using the methodology used by appraisers as at December 31, 2018, the NIY as at December 31, 2019, would have been 4.3% for the US and 4.4% for URW compared to 4.2% and 4.3%, respectively, as at December 31, 2018.

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

	Proportionate			
Valuation of shopping centre portfolio (including transfer taxes)	**Dec. 31, 2019**		**Dec. 31, 2018**	
	€ Mn	**%**	**€ Mn**	**%**
France	16,517	29%	16,282	29%
Central Europe	5,408	10%	5,321	9%
Spain	3,827	7%	3,703	7%
Nordics	3,282	6%	3,486	6%
Germany	3,591	6%	3,756	7%
Austria	2,510	4%	2,583	5%
The Netherlands	1,703	3%	1,631	3%
Subtotal Continental Europe	**36,837**	**65%**	**36,763**	**65%**
US	15,204	27%	14,933	26%
UK & Italy	4,454	8%	4,818	9%
Subtotal US and UK	**19,658**	**35%**	**19,751**	**35%**
Total URW	**56,495**	**100%**	**56,514**	**100%**

Figures may not add up due to rounding.

Sensitivity

Sensitivity to Net Initial Yield change

Figures may not add up due to rounding.

A change of +25 basis points (bps) in NIY, the main output of the appraisal models, would result in a downward adjustment of -€2,871 Mn (or -5.5%) of URW's Shopping Centre portfolio value (excluding assets under development, the trademark and the airport activities).
A change of +130 bps in NIY, which corresponds to the NIY widening between 2007 and 2009, would have a negative impact of -€12,141 Mn (or -23.1%) on URW's Shopping Centre portfolio value (excluding assets under development, the trademark and the airport activities).

Like-for-like analysis

On a like-for-like basis, the value of URW's Shopping Centre portfolio, after accounting for works, capitalized financial and leasing expenses and eviction costs, decreased by -€980 Mn (-2.0%), of which -€591 Mn (-1.2%) in H1-2019 and -€389 Mn (-0.8%) in H2-2019. This decrease was the result of a yield impact of -3.5%, partly offset by a positive rent impact of +1.5%.

Proportionate				
Shopping Centres - Like-for-like (LfL) change (a)				
2019	**LfL change in € Mn**	**LfL change in %**	**LfL change - Rent impact**	**LfL change - Yield impact (b)**
France	- 281	-1.8%	1.9%	-3.7%
Central Europe	115	2.5%	4.5%	-1.9%
Spain	40	1.1%	-0.7%	1.8%
Nordics	26	0.8%	1.9%	-1.1%
Germany	- 168	-5.0%	2.3%	-7.3%
Austria	- 116	-4.5%	1.6%	-6.1%
The Netherlands	- 68	-6.2%	1.5%	-7.7%
Subtotal Continental Europe	**- 452**	**-1.3%**	**2.0%**	**-3.3%**
US	- 190	-1.6%	2.1%	-3.7%
UK & Italy	- 338	-8.5%	-4.4%	-4.1%
Subtotal US and UK	**- 528**	**-3.3%**	**0.6%**	**-3.9%**
Total URW	**- 980**	**-2.0%**	**1.5%**	**-3.5%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2018, to December 31, 2019, excluding assets not controlled by URW.
(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 resilience of the 55 Flagship shopping centres which represent 89% of URW's retail exposure (excluding assets under development, the airport activities and the trademark).

Proportionate				
Shopping Centres - Like- for-like (LfL) change by category (a)				
2019	**LfL change in € Mn**	**LfL change in %**	**LfL change - Rent impact**	**LfL change - Yield impact (b)**
Flagships	- 452	-1.0%	2.2%	-3.2%
Regionals	- 528	-8.5%	-1.5%	-7.0%
Total URW	**- 980**	**-2.0%**	**1.5%**	**-3.5%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2018, to December 31, 2019, excluding assets not controlled by URW.
(b) Yield impact calculated using the change in potential yields (to neutralize changes in vacancy rates) and taking into account key money.

1.3. Offices & Others portfolio

Evolution of URW's Offices & Others portfolio valuation

Offices & Others portfolio includes the offices, the hotels (except the hotels at Porte de Versailles), the residential building Palisade at Westfield UTC and the residential projects.

The total value of URW's Offices & Others portfolio amounted to €4,186 Mn (€3,924 Mn).

	Proportionate	
URW Valuation as at Dec. 31, 2018 (€ Mn)	**3,924**	
Like-for-like revaluation	94	
Revaluation of non like-for-like assets	134	(a)
Capex/ Acquisitions / Transfers	927	(b)
Disposals	- 916	(c)
Constant Currency Effect	23	(d)
URW Valuation as at Dec. 31, 2019 (€ Mn)	**4,186**	

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 Gaîté and Trinity offices, the hotel project at Gaîté Montparnasse and assets delivered in 2019 such as the office buildings at Versailles Chantiers and Shift in the Paris region and the residential building Palisade at Westfield UTC.
(b) Includes the impact of the transfer of the CNIT Hilton, the Novotel Lyon Confluence and the Pullman Montparnasse hotels from the Convention & Exhibition segment and the office, residential and hotel projects of Westfield Hamburg from Shopping Centres.
(c) Value as at December 31, 2018, including the disposal of a 75% stake in the Cherry Park residential project and Majunga.
(d) Currency impact of +€23 Mn in total, including the UK (+€19 Mn) and the US (+€6 Mn), partly offset by the Nordics (-€2 Mn), before offsets from foreign currency loans and hedging programs.

The split by region of the total Offices & Others portfolio is the following:

	Proportionate			
Valuation of Offices & Others portfolio (including transfer taxes)	**Dec. 31, 2019**		**Dec. 31, 2018**	
	€ Mn	**%**	**€ Mn**	**%**
France	2,830	68%	2,879	73%
Nordics	171	4%	168	4%
Other countries	411	10%	144	4%
Subtotal Continental Europe	**3,412**	**82%**	**3,191**	**81%**
US	356	8%	302	8%
UK & Italy	419	10%	432	11%
Subtotal US and UK	**774**	**18%**	**733**	**19%**
Total URW	**4,186**	**100%**	**3,924**	**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 Offices & Others division's NIY decreased by -27 bps to 5.5%.

	Proportionate			
Valuation of occupied office space - Dec. 31, 2019	**Valuation including transfer taxes in € Mn (a)**	**Valuation excluding estimated transfer taxes in € Mn (a)**	**Net Inital Yield (b) Dec. 31, 2019**	**Net Inital Yield (b) Dec. 31, 2018**
France	1,597	1,538	5.1%	5.6%
Nordics	144	140	7.6%	7.9%
Other countries	132	129	6.5%	7.1%
Subtotal Continental Europe	**1,873**	**1,807**	**5.4%**	**5.8%**
US	228	221	6.5%	5.8%
UK & Italy	80	76	n.m.	n.m.
Subtotal US and UK	**308**	**298**	**5.8%**	**4.9%**
Total URW	**2,181**	**2,105**	**5.5%**	**5.7%**

Figures may not add up due to rounding.
(a) Valuation of occupied office space as at December 31, 2019, based on the appraiser's allocation of value between occupied and vacant spaces.
(b) Annualized contracted rent (including latest indexation) and other incomes for the next 12 months, net of operating expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs. Assets under development are not included in this calculation.

Sensitivity

A change of +25 bps in NIY, the main output of the appraisal models, would result in a downward adjustment of -€118 Mn (-4.9%) of URW's Offices & Others portfolio value (occupied and vacant spaces, excluding assets under development).

Like-for-like analysis

The value of URW's Offices & Others portfolio, after accounting for the impact of works and capitalized financial and leasing expenses, increased by +€94 Mn (+6.2%) on a like-for-like basis, due to a yield impact of +5.6% and a rent impact of +0.5%.

Proportionate				
Offices & Others - Like-for-like (LfL) change (a)				
2019	**LfL change in € Mn**	**LfL change in %**	**LfL change - Rent impact**	**LfL change - Yield impact (b)**
France	61	6.4%	1.2%	5.2%
Nordics	-1	-0.3%	-1.1%	0.8%
Other countries	7	5.9%	-8.9%	14.8%
Subtotal Continental Europe	**67**	**5.4%**	**-0.2%**	**5.6%**
US	18	8.1%	4.4%	3.7%
UK & Italy	9	13.1%	2.6%	10.5%
Subtotal US and UK	**27**	**9.3%**	**4.1%**	**5.2%**
Total URW	**94**	**6.2%**	**0.5%**	**5.6%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2018, to December 31, 2019.
(b) Yield impact calculated using the change in potential yields (to neutralize changes in vacancy rates).

1.4. Convention & Exhibition portfolio

Valuation methodology

The valuation methodology adopted by PwC for the venues is mainly based on a discounted cash flow model applied to the 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 (€220 Mn).

The hotels at Porte de Versailles have been carried at fair value since June 30, 2018, using the same methodology.

Evolution of the Convention & Exhibition valuation

The value of URW's Convention & Exhibition venues, including transfer taxes and transaction costs, amounted to €2,984 Mn (€3,222 Mn).

	Proportionate	
URW Valuation as at Dec. 31, 2018 (€ Mn)	**3,222**	(a)
Like-for-like revaluation	- 187	
Revaluation of non like-for-like assets	- 34	
Capex/ Acquisitions / Transfers	- 17	(b)
URW Valuation as at Dec. 31, 2019 (€ Mn)	**2,984**	(c)

Figures may not add up due to rounding.
(a) Of which €2,778 Mn for Viparis (including Palais des Sports) and €443 Mn for hotels (including the hotels at 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 €2,631 Mn.
(b) Includes the impact of the transfer of the CNIT Hilton, the Novotel Lyon Confluence and the Pullman Montparnasse hotels to Offices & Others and Les Boutiques du Palais from Shopping Centres.
(c) Excluding the Convention & Exhibition space in Carrousel du Louvre and CNIT, 100%-owned by URW, the valuation for Viparis (including Palais des Sports, Les Boutiques du Palais and the hotels at Porte de Versailles) is €2,850 Mn.

On a like-for-like basis, net of investments, the value of Convention & Exhibition venues decreased by -€187 Mn (-6.7%), of which -€171 Mn in H1-2019, mainly driven by a negative yield impact (-6.2%).

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 venues is stable at 5.3%.

1.5. Services

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

URW's services portfolio is appraised annually by PwC as at each year-end in order to include all significant fee business activities in the portfolio (€140 Mn in net services income in 2019) 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 amortization charges and/or impairment losses booked.

	Proportionate	
URW Valuation as at Dec. 31, 2018 (€ Mn)	**1,541**	
Like-for-like revaluation	92	
Constant Currency Effect	43	(a)
URW Valuation as at Dec. 31, 2019 (€ Mn)	**1,676**	

Figures may not add up due to rounding.
(a) Currency impact of +€43 Mn in total, including the UK (+€32 Mn) and the US (+€11 Mn), before offsets from foreign currency loans and hedging programs.

1.6. Proportionate, IFRS and Group share figures for the property portfolio

The figures presented previously in the chapter are on a proportionate basis.

The following tables also provide the IFRS GMV and the Group share level (in GMV) for URW's assets:

	Proportionate		IFRS		Group share	
URW Asset portfolio valuation - Dec. 31, 2019	€ Mn	%	€ Mn	%	€ Mn	%
Shopping Centres	56,495	86%	53,995	86%	49,474	87%
Offices & Others	4,186	6%	4,106	7%	4,088	7%
Convention & Exhibition	2,984	5%	2,985	5%	1,560	3%
Services	1,676	3%	1,676	3%	1,587	3%
Total URW	**65,341**	**100%**	**62,762**	**100%**	**56,708**	**100%**

URW Asset portfolio valuation - Dec. 31, 2018	€ Mn	%	€ Mn	%	€ Mn	%
Shopping Centres	56,514	87%	54,034	86%	49,417	87%
Offices & Others	3,924	6%	3,894	6%	3,870	7%
Convention & Exhibition	3,222	5%	3,223	5%	1,848	3%
Services	1,541	2%	1,541	2%	1,451	3%
Total URW	**65,201**	**100%**	**62,693**	**100%**	**56,586**	**100%**

URW Like-for-like change - net of Investments - 2019	€ Mn	%	€ Mn	%	€ Mn	%
Shopping Centres	- 980	-2.0%	- 638	-1.6%	- 582	-1.6%
Offices & Others	94	6.2%	88	6.3%	88	6.4%
Convention & Exhibition	- 187	-6.7%	- 186	-6.7%	- 100	-6.8%
Services	92	6.0%	92	6.0%	93	6.4%
Total URW	**- 981**	**-1.8%**	**- 645**	**-1.4%**	**- 501**	**-1.2%**

URW Like-for-like change - net of Investments - 2019 - Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping Centres	1.5%	-3.5%	1.2%	-2.8%	1.3%	-2.9%
Offices & Others	0.5%	5.6%	-0.4%	6.7%	-0.2%	6.6%

URW Net Initial Yield	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018	Dec. 31, 2019	Dec. 31, 2018
Shopping Centres (a)	4.3%	4.3%	4.3%	4.2%	4.3%	4.2%
Offices & Others - occupied space (b)	5.5%	5.7%	5.4%	5.8%	5.4%	5.8%

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 by URW (Zlote Tarasy, Ring-Center (disposed of on December 30, 2019), Gropius Passagen, and Blum/Centennial and Starwood Ventures entities) are not included in the calculation. Shopping centres held by companies accounted for using the equity method are not included in the calculation of IFRS and Group share but are included in the proportionate.

(b) Annualized contracted rent (including latest indexation) and other incomes, net of operating expenses, divided by the value of occupied space net of estimated transfer taxes and transaction costs. Offices under development are not included in the calculation. Offices held by companies accounted for using the equity method are not included in the calculation of IFRS and Group share but are included in the proportionate.

1.7. Additional Valuation parameters - IFRS 13

URW complies with the IFRS 13 fair value measurement and the position paper[57] 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 ECR, 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.

Shopping Centres

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

Shopping Centres - Dec. 31, 2019		Net Initial Yield	Rent in € per sqm (a)	Discount Rate (b)	Exit Capitalization Rate (c)	CAGR of NRI (d)
France	Max	7.7%	851	8.5%	7.5%	12.9%
	Min	2.0%	163	5.3%	3.6%	2.0%
	Weighted average	4.2%	527	5.8%	4.1%	3.7%
Central Europe	Max	6.8%	611	8.4%	7.8%	2.9%
	Min	4.4%	138	6.3%	4.7%	2.2%
	Weighted average	4.9%	393	6.8%	5.0%	2.5%
Spain	Max	8.0%	572	9.2%	6.8%	3.4%
	Min	4.1%	133	6.8%	4.3%	1.1%
	Weighted average	4.4%	355	7.0%	4.5%	3.1%
Nordics	Max	5.3%	449	8.3%	5.2%	3.8%
	Min	3.7%	187	6.1%	3.9%	2.5%
	Weighted average	4.1%	375	6.5%	4.1%	3.4%
Germany	Max	7.3%	473	8.0%	6.9%	3.8%
	Min	3.9%	161	5.9%	3.9%	2.3%
	Weighted average	4.6%	304	6.2%	4.5%	2.8%
Austria	Max	4.5%	407	6.1%	4.2%	2.8%
	Min	4.2%	362	6.1%	4.2%	2.3%
	Weighted average	4.4%	383	6.1%	4.2%	2.5%
The Netherlands	Max	7.2%	371	7.9%	7.1%	3.9%
	Min	4.2%	154	5.9%	4.3%	2.6%
	Weighted average	4.9%	252	6.6%	5.2%	3.2%
US	Max	11.0%	2,380	12.0%	10.5%	16.0%
	Min	3.1%	107	5.5%	4.3%	0.5%
	Weighted average	4.1%	584	6.3%	5.1%	4.1%
UK & Italy	Max	4.6%	703	6.1%	4.9%	3.6%
	Min	4.1%	661	6.1%	4.7%	2.3%
	Weighted average	4.3%	680	6.1%	4.9%	3.0%

NIY, DR and ECR 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 or not controlled by URW, the trademark and the airport activities are not included in this table.
(a) Average annual rent (MGR + SBR) per asset per sqm.
(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) CAGR of NRI determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).

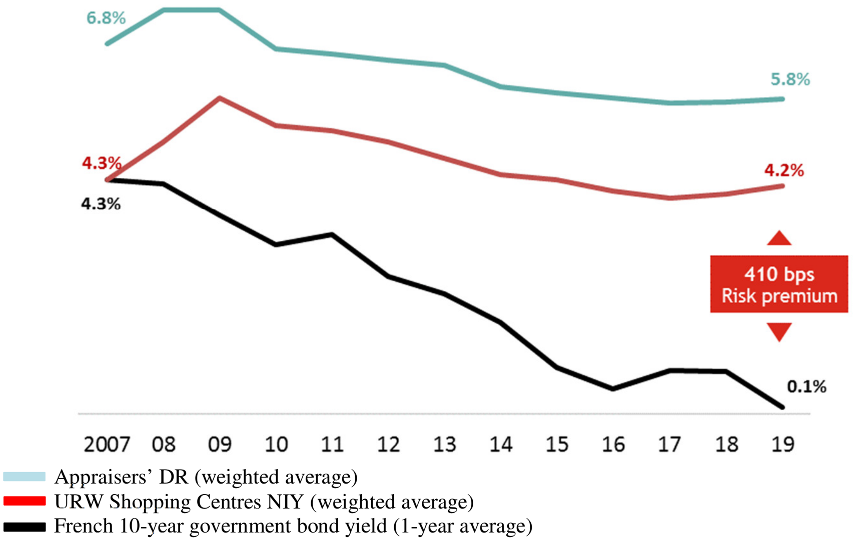
[57] EPRA Position Paper on IFRS 13 - Fair value measurement and illustrative disclosures, February 2013.

For the US, the split between Flagships and Regionals is as follows:

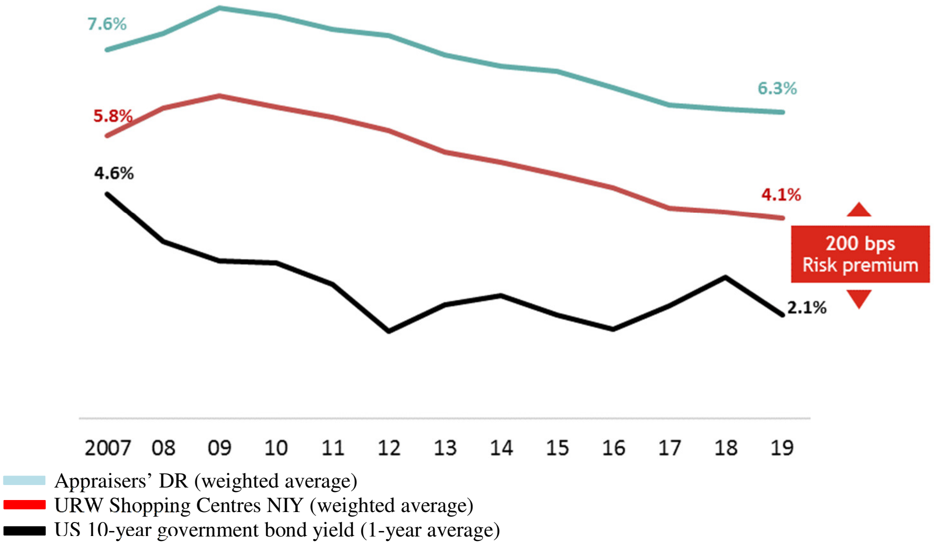
Shopping Centres - Dec. 31, 2019		Net Initial Yield	Rent in € per sqm (a)	Discount Rate (b)	Exit Capitalization Rate (c)	CAGR of NRI (d)
US Flagships	Max	5.1%	2,380	7.0%	6.0%	5.5%
	Min	3.1%	415	5.5%	4.3%	2.8%
	Weighted average	3.8%	808	6.0%	4.8%	4.2%
US Regionals	Max	11.0%	494	12.0%	10.5%	16.0%
	Min	4.1%	107	6.5%	5.8%	0.5%
	Weighted average	6.0%	305	8.1%	6.9%	3.6%

NIY, DR and ECR 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 or not controlled by URW, the trademark and the airport activities are not included in this table.
(a) Average annual rent (MGR + SBR) per asset per sqm.
(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) CAGR of NRI determined by the appraiser (10 years).

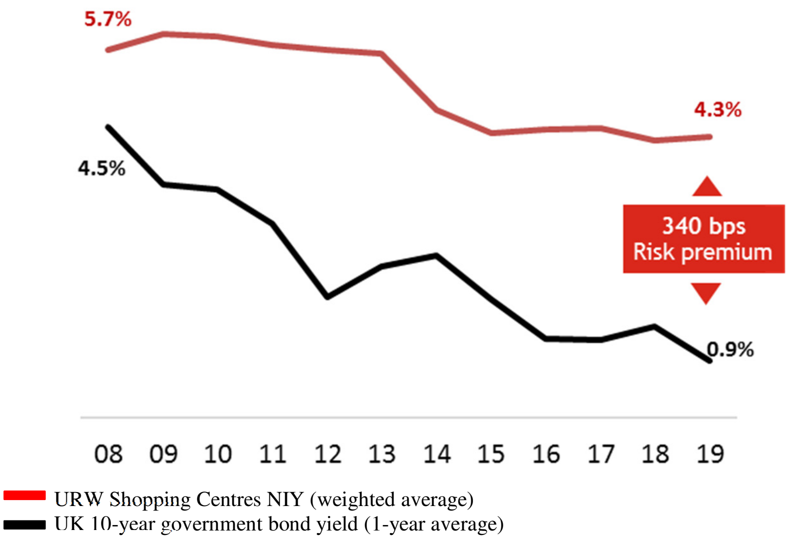
France Shopping Centres



US Shopping Centres



UK Shopping Centres



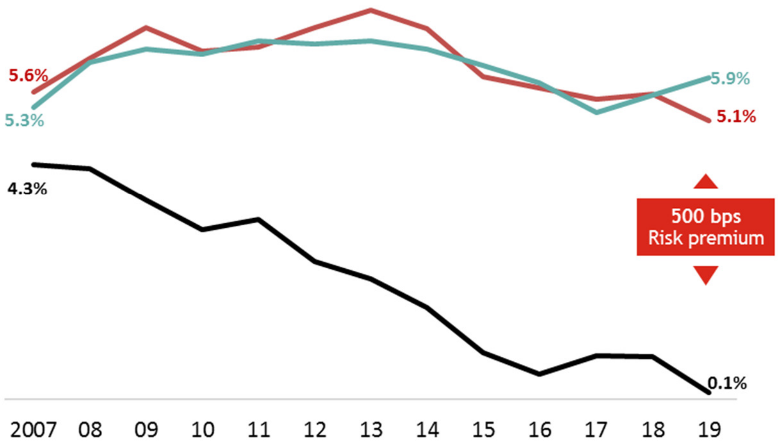
Offices & Others

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

Offices & Others - Dec. 31, 2019		Net Initial Yield on occupied space	Rent in € per sqm (a)	Discount Rate (b)	Exit Capitalization Rate (c)	CAGR of NRI (d)
France	Max	9.6%	511	8.5%	8.0%	12.5%
	Min	4.6%	106	5.7%	3.8%	-0.2%
	Weighted average	5.1%	400	5.9%	4.5%	2.8%
Nordics	Max	9.7%	227	9.4%	7.8%	3.1%
	Min	6.2%	175	7.0%	5.2%	2.3%
	Weighted average	7.6%	196	8.0%	6.4%	2.6%
Other countries	Max	12.2%	182	8.8%	8.9%	24.1%
	Min	4.6%	40	5.5%	3.8%	0.5%
	Weighted average	6.5%	129	7.4%	5.9%	3.4%
US	Max	8.9%	689	9.3%	8.5%	6.4%
	Min	4.5%	280	6.9%	5.9%	2.9%
	Weighted average	6.5%	446	7.5%	6.3%	5.2%

NIY, DR and ECR weighted by GMV. Vacant assets and assets under restructuring are not included in Min and Max calculation. Assets under development are not included in this table, as well as the UK asset.
(a) Average annual rent (MGR) per asset per sqm. 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) CAGR of NRI determined by the appraiser (between 3 and 10 years, depending on duration of DCF model used).

France Offices & Others



Appraisers' DR (weighted average)
URW Offices & Others NIY (weighted average; occupied offices)
French 10-year government bond yield (1-year average)

To value the Group's assets, appraisers use DR they consider investors will require to generate target returns. For example, since 2007, the gap between DR used by appraisers for the Group's shopping centre and office assets in France and the French government bond yields has widened materially. This, and their judgment on appropriate ECR, 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 equity attributable to the holders of the Stapled Shares, as shown on the Consolidated statement of financial position (under IFRS), several items as described hereafter.

2.1. Equity attributable to the holders of the Stapled Shares

As at December 31, 2019, the Equity attributable to the holders of the Stapled Shares (which includes neither the Hybrid securities nor the External non-controlling interests) came to €25,951 Mn.

The equity attributable to the holders of the Stapled Shares incorporated the net recurring profit of €1,759.7 Mn and the net negative impact of -€656.4 Mn as a result of negative valuation movements and the negative mark-to-market of financial instruments partially offset by the reversal of deferred tax liabilities in the US.

The purchase price allocation of the Westfield acquisition was finalized as at June 30, 2019, and impairment tests of the remaining goodwill were performed as at December 31, 2019. Following these tests, the value of the goodwill reported as at December 31, 2019, was found to be justified.

The equity attributable to the holders of the Stapled Shares included €12.98 per share of goodwill not justified by the fee business or tax optimizations and which is mainly related to Westfield.

2.2. Impact of rights giving access to share capital

Dilution from securities giving access to share capital as at December 31, 2019, was computed for such instruments "in the money" and having fulfilled the performance conditions.

In accordance with IFRS, financial instruments and the ORNANEs[58] 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 equity attributable to the holders of the Stapled Shares.

The ORNANEs issued in 2014 and 2015 were not restated for the NNNAV calculation as they were "out of the money" as at December 31, 2019, and therefore had no impact on the number of shares.

The exercise of "in the money" stock-options and performance shares with the performance conditions fulfilled as at December 31, 2019, would have led to a rise in the number of shares by +198,736, without any impact on the equity attributable to the holders of the Stapled Shares as they relate only to performance shares.

As at December 31, 2019, the fully-diluted number of shares taken into account for the NAV calculations was 138,577,341.

2.3. Unrealized capital gain on intangible and operating assets

The appraisal of property service companies in France, the US, the UK and Germany, the airport activities (excluding LAX and Chicago), 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 and Palais des Congrès d'Issy-les-Moulineaux, gave rise to an unrealized capital gain of +€1,004 Mn (+€582 Mn), which was added for the purpose of the NAV calculation.

2.4. Adjustment of deferred taxes on capital gains

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at December 31, 2019.
For the purpose of the EPRA NAV calculation, deferred taxes on unrealized capital gains on assets not qualifying for tax exemption (€2,295 Mn) were added back.

Goodwill booked on the balance sheet as a result of deferred taxes was accordingly excluded from the NAV for a total amount of €241 Mn.

[58] Net share settled bonds convertible into new and/or existing shares (ORNANE) – see Financial resources note.

For the calculation of the EPRA NNNAV, estimated taxes actually payable should a disposal take place (€1,004 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.

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 (€547 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 UR debt and the fair value of the Westfield debt at the accounting combination date (May 31, 2018). Taking fixed rate debt at its fair value would have had a negative impact of -€1,022 Mn. This impact was taken into account in the EPRA NNNAV calculation.

2.6. Restatement of transfer taxes and transaction costs

Transfer taxes and transaction costs are estimated after taking into account the disposal scenario minimizing these costs: sale of the asset or of the company that owns it provided the anticipated method is achievable (which notably depends on the net book value of the asset). This estimation is carried out on a case-by-case basis on each individual asset, according to the local tax regime.

As at December 31, 2019, 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 €627 Mn.

2.7. EPRA Triple Net Asset Value

URW's EPRA NNNAV stood at €27,611 Mn or €199.20 per share (fully-diluted) as at December 31, 2019.

The EPRA NNNAV per share decreased by -5.5% (or -€11.60) compared to December 31, 2018.

The decrease of -€11.60 compared to December 31, 2018 was the sum of: (i) a net increase of +€9.35 per share, (ii) the impact of the payment of the dividend for 2018 of -€10.80, and (iii) the negative impact of the -€10.15 mark-to-market of the fixed-rate debt and derivatives.

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 €217.50 per share as at December 31, 2019, a decrease of -€16.40 (-7.0%) compared to December 31, 2018.

This decrease was the sum of: (i) a net increase of +€4.55 per share, mainly as a result of the recurring net result (+€12.72) partly offset by negative valuation movements, net of the capital gain on disposals (-€6.79), (ii) the impact of the payment of the dividend for 2018 of -€10.80 per share, and (iii) the negative impact of the -€10.15 mark-to-market of the fixed-rate debt and derivatives.

The following tables show the calculation presented in compliance with EPRA best practices recommendations. A bridge from December 31, 2018 to December 31, 2019 is also presented.

EPRA NNNAV calculation (All figures are Group share, in €Mn)	**Dec. 31, 2019**		**June 30, 2019**		**Dec. 31, 2018**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
Fully diluted number of shares	138,577,341		138,582,890		138,445,448	
Equity attributable to the holders of the Stapled Shares	25,951		25,767		26,176	
Amounts owed to shareholders	0		747		0	
Effect of exercise of stock options	0		0		0	
Diluted NAV	25,951		26,514		26,176	
Add						
Revaluation of intangible and operating assets	1,004		601		582	
Added back/deducted						
Fair value of financial instruments	547		695		409	
Deferred taxes (on balance sheet)	2,295		2,372		3,797	
Goodwill as a result of deferred taxes	-241		-241		-256	
EPRA NAV	**29,556**	**213.30 €**	**29,941**	**216.10 €**	**30,708**	**221.80 €**
Fair value of financial instruments	-547		-695		-409	
Fair value of debt	-1,022		-1,230		34	
Deferred taxes (effective)	-1,004		-1,049		-1,774	
Impact of transfer taxes estimation	627		613		626	
EPRA NNNAV	**27,611**	**199.20 €**	**27,580**	**199.00 €**	**29,185**	**210.80 €**

% of change over 6 months	**0.1%**		**-5.6%**		**3.2%**
% of change over 1 year	**-5.5%**		**-2.5%**		**5.1%**

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

Going Concern NAV calculation (All figures are Group share, in €Mn)	**Dec. 31, 2019**		**June 30, 2019**		**Dec. 31, 2018**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
EPRA NNNAV	27,611		27,580		29,185	
Effective deferred capital gain taxes	1,004		1,049		1,774	
Estimated transfer taxes	1,529		1,540		1,418	
GOING CONCERN NAV	**30,143**	**217.50 €**	**30,169**	**217.70 €**	**32,376**	**233.90 €**

% of change over 6 months	**-0.1%**		**-6.9%**		**3.0%**
% of change over 1 year	**-7.0%**		**-4.1%**		**6.7%**

Figures may not add up due to rounding.

Evolution of EPRA NNNAV and Going concern NAV			EPRA NAV	EPRA NNNAV	Going concern NAV
As at December 31, 2018, per share (fully diluted)			**221.80 €**	**210.80 €**	**233.90 €**
Revaluation of property assets *			-9.16	-9.16	-9.16
Shopping Centres	-	9.76			
Offices & Others		1.33			
Convention & Exhibition	-	0.73			
Revaluation of intangible and operating assets			1.88	1.88	1.88
Capital gain on disposals			0.50	0.50	0.50
Subtotal revaluations and capital gain on disposals			**-6.79**	**-6.79**	**-6.79**
Recurring Net Result			**12.72**	**12.72**	**12.72**
Distribution			**-10.80**	**-10.80**	**-10.80**
Mark-to-market of debt and financial instruments			**-1.54**	**-10.15**	**-10.15**
Variation in transfer taxes & deferred taxes adjustments			-2.90	2.78	-1.98
Variation in the fully diluted number of shares			-0.05	-0.04	-0.11
Other (including foreign exchange difference)			0.85	0.68	0.70
Subtotal other variations			**-2.09**	**3.41**	**-1.40**
As at December 31, 2019, per share (fully diluted)			**213.30 €**	**199.20 €**	**217.50 €**

Figures may not add up due to rounding.

(*) Revaluation of property assets is -€9.49 per share on a like-for-like basis, of which +€4.08 due to rental effect and -€13.58 due to yield effect, as appraisers have increased ECR and DR for a number of assets in the Shopping Centre portfolio.

5. FINANCIAL RESOURCES

In 2019, markets were impacted by rising geopolitical concerns, including the trade-war tensions between the US and China and Brexit uncertainties, leading to increased volatility.

Nevertheless, a more accommodative monetary policy by the European Central Bank ("ECB") and the US Federal Reserve (Fed) supported markets. The ECB cut its deposit rate in September and resumed its asset purchase programme (Quantitative Easing) in November. The Fed cut its Fed Funds rate three times in 2019, on the back of increased macroeconomic risks.

In this context, URW raised €5,135 Mn[59] of medium to long-term funds in the bond and bank markets.

As the Group's financial covenants are calculated in accordance with IFRS, unless otherwise indicated, the financial information in this section is presented in accordance with IFRS. The Group also provides such information on a proportionate basis.

Unless otherwise indicated, comparisons to ratios, debt outstanding, average cost of debt, the amount of undrawn credit lines and cash on hand relate to December 31, 2018.

As at December 31, 2019:[60]

- The Interest Coverage Ratio[61] ("ICR") was 5.7x[62] (6.1x[63]);
- The Loan-to-Value ("LTV") ratio[64] was 38.6%[65] (37.0%).

The increase in LTV is due to a combination of lower valuations and debt issued to finance development projects for future cashflow growth and value creation. Pro-forma for the receipt of the proceeds from the disposal of the portfolio of five French assets, the LTV ratio would have been 37.2%.

The average cost of debt for 2019 was 1.6% (1.6%), representing the blended average cost of debt, of which an average of 0.9% for Euro and SEK denominated debt and an average of 3.4% for USD and GBP denominated debt.

1. Debt structure as at December 31, 2019

URW's gross financial debt[66] was €24,728 Mn (€23,598 Mn).

The gross financial debt includes €603 Mn of net share settled bonds convertible into new and/or existing URW stapled shares (ORNANE) issued in June 2014 and in April 2015, following the repayment on July 1, 2019, of €397 Mn of the ORNANE issued in June 2014.

The net financial debt was €24,239 Mn (€23,228 Mn), excluding partners' current accounts and taking into account cash on-hand of €489 Mn[67] (€370 Mn). Pro-forma for the receipt of the proceeds of the sale of the five French assets, net financial debt would be €22,728 Mn.

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[59] Debt not taking into account proportionate debt refinancing; i.e. Westfield Southcenter (US) and Westfield Stratford City (UK). €5,683 Mn including proportionate debt refinancing.
[60] Hybrid securities are accounted for as equity. The hybrid securities are deeply subordinated perpetual instruments with a coupon deferral option and are required to be classified as equity under IFRS. Details on the hybrid securities are available at:
https://images-urw.azureedge.net/-/media/Corporate~o~Sites/Unibail-Rodamco-Corporate/Files/Homepage/INVESTORS/Financing-Activity/Bond-Issues/Prospectuses-Hybrid/20180423-2018-Prospectus-Hybrid_onlyEN.ashx?revision=035329ae-9e2d-4980-a5c7-97b97e3f2fd1
[61] 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.
[62] 4.9x on a proportionate basis.
[63] On a 2018 pro-forma basis, an ICR of 5.6x and a proportionate ICR of 4.8x.
[64] Net financial debt as shown on the Group's balance sheet, after the impact of derivative instruments on debt raised in foreign currencies / total assets, including transfer taxes (40.0% excluding transfer taxes). Proportionate LTV ratio as at December 31, 2019, was 40.5% (42.1% excluding transfer taxes).
[65] Excluding €2,039 Mn of goodwill as per the Group's European leverage covenants.
[66] After impact of derivative instruments on debt raised in foreign currencies. Excluding financial leases accounted as debt under IFRS 16.
[67] €594 Mn on a proportionate basis.

1.1. Debt breakdown

URW's gross financial debt as at December 31, 2019:[68]

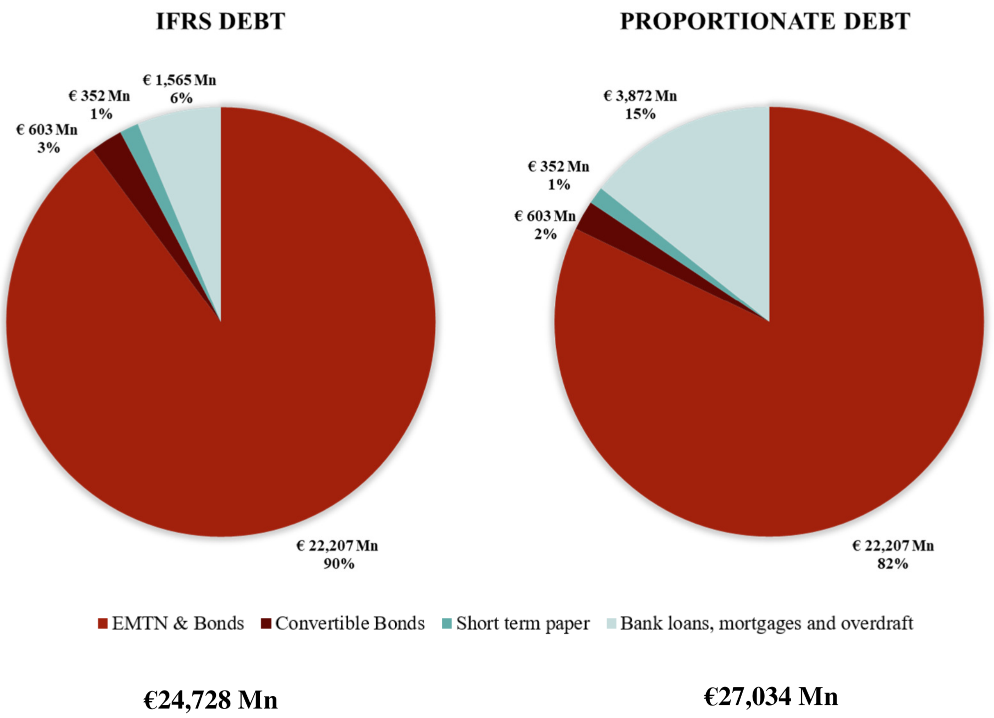
	Total URW (€ Mn)
EMTN	16,344
Rule 144A and other Regulation S bonds	5,864
ORNANE	603
Short term paper	352
Bank loans, overdrafts	303
Mortgage loans	1,263
Total	24,728

The medium to long-term corporate debt issued by the various URW entities is cross guaranteed.

No loans are subject to prepayment clauses linked to the Group's ratings.[69]

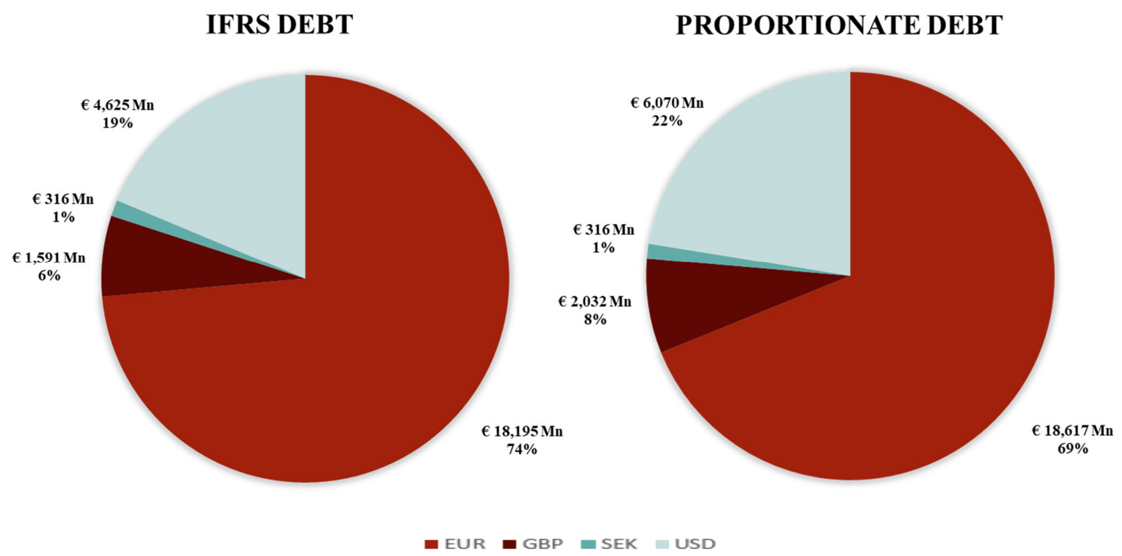
On a proportionate basis, the Group's gross financial debt stood at €27,034 Mn[70] and the net financial debt at €26,440 Mn, after taking into account the cash on-hand. Pro-forma for the receipt of the proceeds of the sale of the five French assets, net financial debt would be €24,929 Mn.

The Group's financing sources are as follows:



[68] Figures may not add up due to rounding.
[69] Barring exceptional circumstances (change in control).
[70] The sum of (i) IFRS debt and (ii) the Group's share of debt at joint-venture accounted for under the equity method under IFRS, most of which is secured by assets held in joint-ventures (mainly in the US and UK).

The split of the gross financial debt by currency is as follows:[71]



€24,728 Mn **€27,034 Mn**

1.2. Funds Raised

In 2019, the Group took advantage of favorable market windows to extend its maturity profile and secure attractive funding conditions through the following transactions:

- Public EMTN bonds:
  - ✓ €750 Mn with a 1.00% coupon and 8-year maturity;
  - ✓ €750 Mn with a 1.75% coupon and 15-year maturity;
  - ✓ €500 Mn with a 1.75% coupon and 30-year maturity;
  - ✓ €750 Mn with a 0.875% coupon and 12-year maturity.

- Rule 144A USD bonds:
  - ✓ $750 Mn with a 3.50% coupon and a 10-year maturity;
  - ✓ $750 Mn with a 2.875% coupon and a 7-year maturity.

- Private placements under URW's EMTN programme: €500 Mn Floating Rate Note ("FRN") with a 2-year maturity and a margin of 33 bps over 3-month Euribor.[72]

On July 1, 2019, the Group issued a 30-year bond for €500 Mn with a coupon of 1.75%, the longest maturity ever achieved by the Group in the Euro bond market. URW was also the first real estate company to access this maturity on this market.

In total, €4,585[73] Mn of bonds were issued with a weighted average maturity of 11.8 years at a weighted average coupon of 1.71%.

In addition, €550 Mn of medium-to long-term bank financing transactions were completed in 2019:
- Two 5-year revolving credit facilities for a total of €450 Mn;
- A €50 Mn 5-year bank loan in Slovakia, to refinance debt on Aupark;
- A €50 Mn 1-year revolving credit facility.

The Group also refinanced part of the debt consolidated on a proportionate basis:

- A $218 Mn 10-year mortgage loan to refinance maturing debt on Westfield Southcenter; ($120 Mn (€107Mn) in URW's proportionate debt) with a 2.88% coupon (vs. 6.25%);

[71] Figures may not add up due to rounding.
[72] With a coupon floored at 0%.
[73] Of which Rule 144A bonds $1,500 Mn at 1.1234 EUR/USD rate.

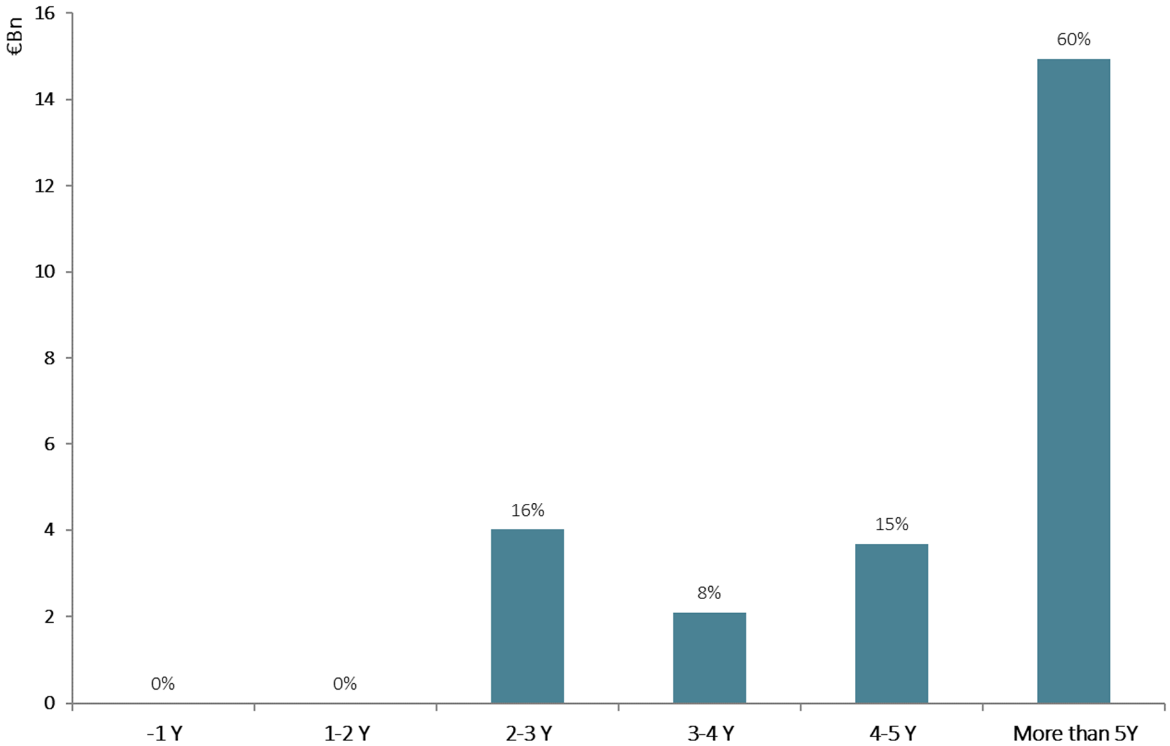
▪ A £750 Mn 7-year secured fixed rate bond to refinance secured debt on Westfield Stratford City (£375 Mn (€441 Mn) in URW's proportionate debt) with a 1.64% coupon (vs. 2.69%). This coupon is the lowest ever issued for a GBP benchmark transaction in the real estate sector.

URW also accessed the money market by issuing short-term paper (Neu CP and Neu MTN). The average amount of short-term paper outstanding in 2019 was €1,061 Mn (€1,256 Mn on average in 2018), including €844 Mn of Neu CP raised at 2 bps above Eonia.

As at December 31, 2019, the total amount of undrawn credit lines came to €9,195 Mn (€8,409 Mn) and cash on-hand came to €489 Mn (€370 Mn). The undrawn credit lines include a $3,000 Mn (ca. €2,670 Mn) multi-currency revolving credit facility.

1.3. Debt maturity

The following chart illustrates URW's gross financial debt as at December 31, 2019, after the allocation of the committed credit lines (including the undrawn part of the revolving loans), by maturity date and based on the residual life of its facilities. 100% of the debt had a maturity of more than two years as at December 31, 2019 (after taking into account undrawn credit lines).



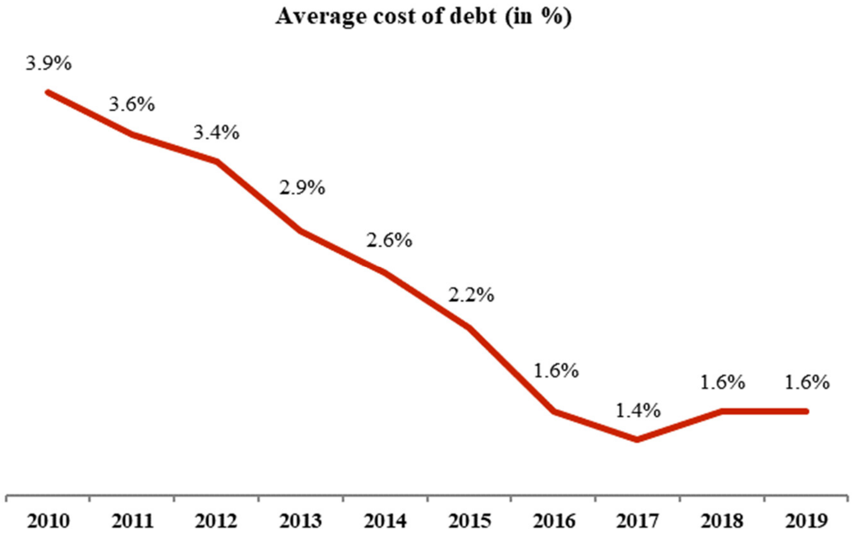
The average maturity of the Group's debt as at December 31, 2019, taking into account the undrawn credit lines, stood at 8.2 years.

<u>Liquidity needs</u>

URW's debt repayment needs[74] for the next twelve months are covered by the available undrawn credit lines (€9,195 Mn) and cash on-hand (€489 Mn). The amount of bonds and bank loans outstanding as at December 31, 2019, and maturing or amortizing within one year is €2,169 Mn (including €2,134 Mn of bonds).

[74] Excluding Neu CP and Neu MTN maturing in 2020 (€352 Mn) and overdrafts (€3 Mn).

1.4. Average cost of Debt



The average cost of debt for 2019 was 1.6% (1.6%), representing the blended average cost of debt, of which an average of 0.9% for Euro and SEK denominated debt and an average of 3.4% for USD and GBP denominated debt.

This average cost of debt results from:

- The low coupon levels the Group achieved during the last years on its fixed rate debt;
- The level of margins on existing borrowings;
- The hedging instruments in place;
- The cost of carry of the undrawn credit lines;
- The cost of debt to finance the Westfield acquisition;
- Higher base rates in the US and the UK and debt issued by Westfield prior to completion of the acquisition.

2. Ratings

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

On April 17, 2019, Moody's confirmed the "A2" long term rating of the Group, while changing its outlook to negative.
On September 20, 2019, Standard & Poor's confirmed its long-term rating "A" and its short-term rating "A-1" while changing its outlook to negative.

On December 10, 2019, Moody's published a credit update maintaining URW's "A2" rating and negative outlook unchanged.

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 Westfield acquisition. 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.

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 these objectives, the Group uses derivatives, mainly caps and swaps, to hedge its interest rate exposure through a macro hedging policy.

URW's exchange rate policy objective is to have an LTV ratio that is broadly 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.

*In millions**	Euros[75]	USD	GBP	Total eq. EUR
Assets[76]	**43,596**	**16,259**	**3,992**	**62,762**
Net Financial Debt	**18,145**	**5,109**	**1,316**	**24,239**
LTV [77]	**41.6%**	**31.4%**	**33.0%**	**38.6%**

**In local currencies*

Pro-forma for receipt of the proceeds from the Transaction, the Group's LTV ratio would be 37.2%, of which 39.7% for the Euro based LTV.

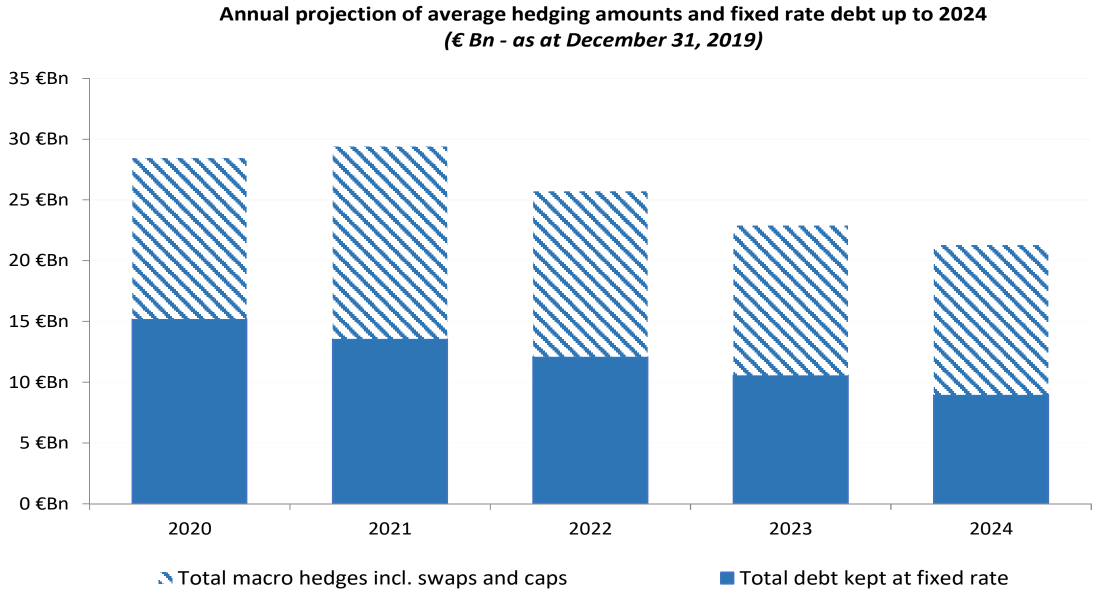
On a proportionate basis, the Group's LTV was 40.5% (39.1% on a pro-forma basis, of which 40.1% for the Euro based LTV).

3.1. Interest rate risk management

The bonds issued were kept at a fixed rate except the following bonds which were swapped to a variable rate:
- €750 Mn with a 1.00% coupon and 8-year maturity;
- €750 Mn with a 1.75% coupon and 15-year maturity.

In view of the debt reduction resulting from the disposal programme and the debt kept at fixed rate, the hedging program has been adjusted to reduce the amount of hedging instruments for a total cost of €104 Mn.

In total, and despite these hedge adjustments, the debt[78] the Group expects to raise:
- In 2020 and 2021 is fully hedged; and
- In 2022, 2023 and 2024 is hedged at more than 95%, 85% and 85%, respectively.



The graph above shows:
- The part of the debt 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.

[75] Including SEK.
[76] Including transfer taxes and excluding €2,039 Mn of goodwill.
[77] The LTV per currency, on a proportionate basis, is 42.0%, 37.2%, 37.5% in EUR, USD and GBP, respectively.
[78] On a proportionate basis.

Measuring interest rate exposure

The interest cost of outstanding debt was fully hedged as at December 31, 2019, through both:
- Debt kept at a fixed rate;
- Hedging in place as part of URW's macro hedging policy.

Based on the estimated average proportionate debt position of URW in 2020, if interest rates (Euribor, Libor, Stibor or Pribor) were to rise by an average of +50 bps[79] during 2020, the estimated positive impact on financial expenses would be +€1.2 Mn, increasing the 2020 recurring net result by a broadly similar amount:
- Euro financial expenses would decrease by +€0.5 Mn;
- Dollar financial expenses would decrease by +$0.9 Mn (+€0.8 Mn);
- Sterling financial expenses would increase by -£0.1 Mn (-€0.1 Mn).

An additional +50 bps would decrease financial expenses by a further +€1.2 Mn.

In total, a +100 bps increase in interest rates during 2020 would have a net positive impact on financial expenses of +€2.4 Mn.

A -50 bps drop in interest rates would have a positive impact on the financial expenses of +€63 Mn, increasing the recurring net profit in 2020 by a broadly equivalent amount:
- Euro financial expenses would decrease by +€57.0 Mn;
- Dollar financial expenses would decrease by +$3.3 Mn (+€3.0 Mn);
- Sterling financial expenses would decrease by +£2.6 Mn (+€3.1 Mn).

3.2. Foreign exchange risk management

The Group is active in countries outside the Eurozone. 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 broadly 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 the Group's balance sheet 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.

Measure of exposure to foreign exchange risks (€Mn)[80]

Currency	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
USD	12,657	-5,898	6,759	623	7,382
GBP	4,586	-1,436	3,151	-651	2,500
SEK	2,796	-623	2,173	-77	2,095
Others	668	-714	-45	460	415
Total	20,707	-8,671	12,037	355	12,391

The main exposures kept are in USD, GBP and SEK. A change of 10% of EUR/USD, EUR/GBP or EUR/SEK (i.e. a +10% increase of EUR against the USD, GBP or SEK in 2020) would have an impact on shareholders' equity and on the recurring net result as follows:

	Impact on	
in €Mn	**Shareholder's Equity**	**Recurring Result**
+10% in EUR/USD	-671.1	-33.7
+10% in EUR/GBP	-227.3	-12.6
+10% in EUR/SEK	-190.5	-9.1

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[79] 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 December 31, 2019: 3m Euribor (-0.383%), 3m USD Libor (1.908%) and 3m GBP Libor (0.792%).
[80] Liabilities include, but are not limited to, the debt raised in the given currencies and deferred tax liabilities.

However, the impact on the recurring result (or conversely a positive impact in case of a decrease of EUR vs. these currencies) would be fully offset by the FX hedging that the Group has put in place against EUR/USD, EUR/GBP, EUR/SEK fluctuations.

As at December 31, 2019, the SEK1,750 Mn credit line signed in December 2017 and the $3,000 Mn revolving credit facility signed in June 2018 were undrawn.

4. Financial structure

As at December 31, 2019, the Gross Market Value of the Group's assets was €62,762 Mn (€65,341 Mn on a proportionate basis).

Debt ratio

The LTV ratio was 38.6%[81] (37.0%).
Out of the total Group's €6.0 Bn disposal plan announced in February 2019, €3.3 Bn (55%) was completed (€4.8 Bn or 80% including the proceeds from the Transaction).

Interest coverage ratio

The ICR for the period stood at 5.7x[82] (6.1x).

Financial ratios	December 31, 2019	December 31, 2018
LTV	**38.6%**	**37.0%**
ICR	**5.7x**	**6.1x**

These ratios show ample headroom vis-à-vis the unsecured credit facility covenants usually set at:
- In Europe:
    - a maximum LTV of 60%;
    - a minimum ICR of 2x.
- In the US:
    - a maximum LTV of 65%;
    - a minimum ICR of 1.5x;
    - a maximum of 50% for the Secured debt ratio;[83]
    - a minimum of 1.5x for the Unencumbered leveraged ratio.[84]

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

As at December 31, 2019, 94% of the Group's credit facilities allowed an LTV 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 interest coverage ratios) in the Neu MTN, the Neu CP and the USCP programs of URW.

The US dollar bond indentures (Rule 144A and Reg S bonds) contain financial covenants based on the Group's financial statements:
- a maximum LTV 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.

[81] Excluding €2,039 Mn of goodwill as per the Group's European leverage covenants. The proportionate LTV ratio of 40.5%.
[82] Proportionate ICR of 4.9x.
[83] The secured debt ratio (Secured debt/Total assets) was 2.0% as at December 31, 2019.
[84] The unencumbered leverage ratio (unencumbered assets/unsecured debt) was 2.1x as at December 31, 2019.

6. EPRA PERFORMANCE MEASURES

In compliance with the EPRA[85] Best Practices Recommendations[86], URW summarises the Key Performance measures of 2019 and 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.

		2019	2018
EPRA Earnings	€ Mn	1,759.7	1,609.8
EPRA Earnings / share	€ / share	12.72	13.15
Growth EPRA Earnings / share	%	-3.3%	9.1%

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

Recurring Earnings per share	2019	2018
Net Result of the period attributable to the holders of the Stapled Shares (€ Mn)	**1,103.3**	**1,031.1**
Adjustments to calculate EPRA Recurring Earnings, exclude:		
(i) Changes in value of investment properties, development properties held for investment and other interests	(1,102.4)	62.2
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	68.6	83.1
(iii) Profits or losses on sales of trading properties including impairment charges in respect of trading properties		0.0
(iv) Tax on profits or losses on disposals	(210.1)	-33.7
(v) Negative goodwill / goodwill impairment	(7.1)	-4.9
(vi) Changes in fair value of financial instruments and associated close-out costs	(351.8)	-289.8
(vii) Acquisition costs on share deals and non-controlling joint venture interests	(45.8)	-268.7
(viii) Deferred tax in respect of EPRA adjustments	1,324.9	-53.4
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(533.4)	-65.2
(x) Non-controlling interests in respect of the above	200.7	-8.4
EPRA Recurring Earnings	**1,759.7**	**1,609.8**
Average number of shares and ORA	138,354,383	122,412,784
EPRA Recurring Earnings per Share (REPS)	**12.72 €**	**13.15 €**
EPRA Recurring Earnings per Share growth	**-3.3%**	**9.1%**

[85] EPRA: European Public Real estate Association.
[86] 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 EPRA NNNAV, please see the Net Asset Value section, included in this report.

		Dec. 31, 2019	Dec. 31, 2018
EPRA NAV	€ / share	213.30	221.80
EPRA NNNAV	€ / share	199.20	210.80
% change over 1 year	%	-5.5%	5.1%

3. EPRA Net Initial Yields

The following table provides the Group yields according to the EPRA Net Initial Yield definitions per segment for URW's Net Initial Yields:

	Dec. 31, 2019		Dec. 31, 2018	
	Retail (3)	Offices & Others (3)	Retail (3)	Offices & Others (3)
Unibail-Rodamco-Westfield yields	**4.3%**	**5.5%**	**4.3%**	**5.7%**
Effect of vacant units	0.0%	-0.6%	0.0%	-0.3%
Effect of EPRA adjustments on NRI	0.1%	0.0%	0.1%	0.0%
Effect of estimated transfer taxes and transaction costs	-0.1%	-0.2%	-0.1%	-0.2%
EPRA topped-up yields (1)	**4.3%**	**4.8%**	**4.3%**	**5.3%**
Effect of lease incentives	-0.1%	-1.2%	-0.1%	-1.1%
EPRA Net Initial Yields (2)	**4.2%**	**3.6%**	**4.2%**	**4.2%**

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 not controlled are not included in the calculation.

4. EPRA Vacancy rate

The EPRA vacancy rate is defined as the ERV of vacant spaces divided by the ERV of total space (let plus vacant). The vacancy in the US is calculated as the ERV of vacant units over the sum of existing MGR + ERV of vacant units.

EPRA Vacancy Rate - total URW	Dec. 31, 2019	Dec. 31, 2018
Estimated Rental Value of vacant space (A)	185.7	165.6
Estimated Rental Value of the whole portfolio (B)	3,357.4	3,347.8
EPRA Vacancy rate (A/B)	**5.5%**	**4.9%**

EPRA Vacancy Rate - per region	Dec. 31, 2019	Dec. 31, 2018
Shopping Centres - Continental Europe		
France	2.6%	2.6%
Central Europe	1.3%	1.2%
Spain	0.7%	0.9%
Nordics	3.3%	3.1%
Austria	1.1%	0.9%
Germany	3.4%	3.8%
The Netherlands	8.2%	5.1%
Total Shopping Centres - Continental Europe	**2.5%**	**2.4%**
Offices & Others		
France	8.5%	2.9%
Total Offices & Others - Continental Europe	**8.7%**	**4.4%**
United States	9.1%	8.3%
United Kingdom	7.7%	7.4%

5. EPRA Cost ratios

EPRA references		Proportionate 2019	Proportionate 2018
	Include:		
(i-1)	General expenses	-202.3	-143.8
(i-2)	Development expenses	-17.4	-2.1
(i-3)	Operating expenses	-425.2	-307.0
(ii)	Net service charge costs/fees	-49.1	-35.9
(iii)	Management fees less actual/estimated profit element	0.0	0.0
(iv)	Other operating income/recharges intended to cover overhead expenses	0.0	0.0
(v)	Share of Joint Ventures expenses	-11.6	-10.0
	Exclude (if part of the above):		
(vi)	Investment Property Depreciation	0.0	0.0
(vii)	Ground rents costs	0.0	0.0
(viii)	Service charge costs recovered through rents but not separately invoiced	271.6	156.2
	EPRA Costs (including direct vacancy costs) (A)	**-434.1**	**-342.6**
(ix)	Direct vacancy costs	-49.1	-35.9
	EPRA Costs (excluding direct vacancy costs) (B)	**-385.0**	**-306.7**
(x)	Gross Rental Income (GRI) less ground rents	2,871.7	2,408.7
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	-271.6	-156.2
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	82.5	77.5
	Gross Rental Income (C)	**2,682.6**	**2,330.0**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**16.2%**	**14.7%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**14.4%**	**13.2%**

Note:
The calculation is based on the EPRA recommendations and is applied on Shopping Centres and Offices & Others sectors.

6. Capital Expenditure

in € Mn	Proportionate			
	2019		2018	
	100%	Group Share	100%	Group Share
Acquisitions (1)	-4.5	3.7	217.1	228.4
Development (2)	863.1	826.3	691.5	640.0
Like-for-like portfolio (3)	633.3	542.2	530.5	464.0
Other (4)	218.8	198.6	223.2	198.1
Total Capital Expenditure	**1,710.8**	**1,570.9**	**1,662.4**	**1,530.7**
Conversion from accruals to cash basis	-7.1	-39.0	53.7	39.9
Total Capital Expenditure on cash basis	**1,703.7**	**1,531.9**	**1,716.1**	**1,570.5**

Notes:
1) In 2019, includes mainly the acquisitions in France (Westfield Vélizy 2) and Spain (la Vaguada).
2) In 2019, includes mainly the capital expenditures related to investments in the La Part-Dieu, Westfield Mall of the Netherlands and Gaîté Montparnasse extension projects and to the Westfield Hamburg and Trinity new development projects.
3) In 2019, includes mainly the capital expenditures related to Donau Zentrum, Täby Centrum, Westfield Carré Sénart, Westfield UTC, Westfield Topanga, Porte de Versailles and Shift. Capital expenditure on the like-for-like portfolio includes capital expenditure spent on extension and works on standing assets. In 2019, URW spent €176.0 Mn on replacement capex, Group share.
4) Includes eviction costs and tenant incentives, letting fees, capitalized interest relating to projects referenced above and other capitalized expenses of €49.9 Mn, €66.2 Mn, €61.3 Mn and €21.2 Mn in 2019, respectively (amounts in Group share).

7. LTV reconciliation with the Balance Sheet (B/S)

a) Under IFRS:

€ Mn	Dec. 31, 2019 IFRS	June 30, 2019 IFRS	Dec. 31, 2018 IFRS [1]
Amounts accounted for in B/S	**62,282.7**	**62,454.8**	**62,251.7**
Investment properties at fair value	44,589.9	46,116.0	46,068.8
Investment properties at cost	1,143.3	1,182.6	1,557.8
Shares and investments in companies accounted for using the equity method	10,194.6	10,058.3	10,273.3
Other tangible assets	344.5	352.9	292.2
Goodwill	2,878.4	2,846.1	2,863.1
Intangible assets	984.4	1,071.4	1,130.2
Properties or shares held for sale	2,147.6	827.5	66.2
Adjustments	**479.7**	**64.3**	**441.0**
Transfer taxes	2,189.9	2,206.6	2,189.8
Goodwill not justified by fee business [2]	-2,039.3	-2,023.4	-2,038.9
Revaluation intangible and operating assets	1,234.0	718.7	679.0
IFRS adjustments, including	-905.0	-837.6	-388.9
Financial leases	*-848.1*	*-845.5*	*-386.6*
Other	*-56.9*	*7.9*	*-2.3*
Total assets, including Transfer Taxes (=A)	**62,762.4**	**62,519.1**	**62,692.7**
Total assets, excluding Transfer Taxes (=B)	**60,572.4**	**60,312.5**	**60,502.9**
Amounts accounted for in B/S			
Net share settled bonds convertible into new and/or existing shares (ORNANE)	602.1	600.9	491.8
Non current bonds and borrowings	22,931.6	22,446.6	20,655.3
Current borrowings and amounts due to credit institutions	2,557.4	3,547.5	3,850.7
Total financial liabilities	**26,091.0**	**26,595.0**	**24,997.8**
Adjustments			
Mark-to-market of debt	18.1	20.1	27.8
Current accounts with non-controlling interests	-1,307.9	-1,319.5	-1,282.7
Impact of derivative instruments on debt raised in foreign currency	-8.4	-26.0	-44.6
Accrued interest / issue fees	-65.1	-5.2	-100.8
Total financial liabilities (nominal value)	**24,727.8**	**25,264.5**	**23,597.5**
Cash & cash equivalents	-488.8	-1,303.9	-369.9
Net financial debt (=C)	**24,239.0**	**23,960.6**	**23,227.6**

LTV ratio including Transfer Taxes (=C/A)	**38.6%**	**38.3%**	**37.0%**
LTV ratio excluding Transfer Taxes (=C/B)	**40.0%**	**39.7%**	**38.4%**

[1] December 31, 2018 has been restated as follows: reclassification of Los Angeles (LAX) and Chicago airports from Intangible assets to Investment properties at fair value.

[2] Adjustment of goodwill according to bank covenants.

Pro-forma for the disposal of the five French assets to institutional investors, the Group's LTV including Transfer Taxes would be 37.2%.

b) On a proportionate basis:

€ Mn	Dec. 31, 2019 Proportionate	June 30, 2019 Proportionate	Dec. 31, 2018 Proportionate [1]
Amounts accounted for in B/S	**64,619.1**	**64,715.6**	**64,538.2**
Investment properties at fair value	56,002.4	57,274.6	57,381.1
Investment properties at cost	1,222.3	1,268.0	1,656.0
Shares and investments in companies accounted for using the equity method	948.0	983.8	1,057.0
Other tangible assets	345.5	353.8	294.2
Goodwill	2,968.9	2,936.5	2,953.6
Intangible assets	984.4	1,071.4	1,130.2
Properties or shares held for sale	2,147.6	827.5	66.2
Adjustments	**722.3**	**251.4**	**662.6**
Transfer taxes	2,472.8	2,478.2	2,470.6
Goodwill not justified by fee business [2]	-2,129.8	-2,113.9	-2,129.3
Revaluation intangible and operating assets	1,233.0	717.8	677.2
IFRS adjustments, including	-853.7	-830.7	-355.9
Financial leases	*-857.4*	*-854.7*	*-395.8*
Other	*3.7*	*24.0*	*39.9*
Total assets, including Transfer Taxes (=A)	**65,341.4**	**64,967.0**	**65,200.8**
Total assets, excluding Transfer Taxes (=B)	**62,868.6**	**62,488.8**	**62,730.2**
Amounts accounted for in B/S			
Net share settled bonds convertible into new and/or existing shares (ORNANE)	602.1	600.9	491.8
Non current bonds and borrowings	25,159.5	24,078.6	22,446.5
Current borrowings and amounts due to credit institutions	2,620.0	4,140.3	4,282.8
Total financial liabilities	**28,381.7**	**28,819.9**	**27,221.1**
Adjustments			
Mark-to-market of debt	36.4	38.2	43.4
Current accounts with non-controlling interests	-1,307.9	-1,319.4	-1,282.7
Impact of derivative instruments on debt raised in foreign currency	-8.4	-26.0	-44.5
Accrued interest / issue fees	-67.5	-13.3	-108.5
Total financial liabilities (nominal value)	**27,034.3**	**27,499.4**	**25,828.8**
Cash & cash equivalents	-594.3	-1,395.9	-463.2
Net financial debt (=C)	**26,440.0**	**26,103.5**	**25,365.6**

LTV ratio including Transfer Taxes (=C/A)	**40.5%**	**40.2%**	**38.9%**
LTV ratio excluding Transfer Taxes (=C/B)	**42.1%**	**41.8%**	**40.4%**

[1] December 31, 2018 has been restated as follows: reclassification of Los Angeles (LAX) and Chicago airports from Intangible assets to Investment properties at fair value.
[2] Adjustment of goodwill according to bank covenants.

Pro-forma for the disposal of the five French assets to institutional investors, the Group's LTV including Transfer Taxes would be 39.1%.

7. 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.

Average rental spread: for the US portfolio, the rental spread reflects the trailing 12-months average increase in total rents, including common area maintenance charges, for specialty stores (excluding lease extensions, deals with zero prior rent and deals for less than 12 months).

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 for which URW owns the land or building rights and has obtained all necessary administrative authorizations and permits, approvals of JV partners (if applicable), approvals of URW's internal governing bodies to start superstructure construction works and on which such works have started.

Controlled projects: projects in an advanced stage of studies, for which URW controls the land or building rights, and all required administrative authorizations have been filed or are expected to be filed shortly. There can be no assurance these will become "Committed" projects, as this will be subject to having obtained all required administrative approvals, as well as those of JV partners (if applicable), and of URW's internal governing bodies to start superstructure works.

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

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

Financial statements under IFRS: the Group's consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union as at closing date.

Financial statements on a proportionate basis: they are prepared based on the financial statements under IFRS, except for the joint-controlled entities, which are consolidated on a proportionate basis, instead of being accounted for using the equity method (as applicable under IFRS). Unibail-Rodamco-Westfield believes that these financial statements on a proportionate basis give to stakeholders a better understanding of the underlying operations of URW and the joint-controlled entities, as they represent a significant part of the Group's operations in the US and the UK.

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.

Influencer Brand: unique retailer that create differentiation and experience in URW's shopping centres due to strong brand recognition and a differentiated product approach.

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, excluding current accounts with non-controlling interests / total assets (whether under IFRS or on a proportionate basis), including or excluding transfer taxes and excluding goodwill not justified by fee business.

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.

Net Operating Income (NOI): Net Operating Income before management fees, termination/settlement income and straight-line adjustments.

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. Primark sales are estimates.

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

ORNANE (Obligations Convertibles ou Échangeables en Actions Nouvelles ou Existantes): net share settled bonds convertible into new and/or existing 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.

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

SBR: Sales Based Rent.

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

Specialty tenant: specialty stores <10k sq. ft. (ca. 929 sqm).

Tenant sales: performance in URW's shopping centres (excluding The Netherlands) in operation, including extensions of existing assets, but 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, 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. Does not include capitalized financial interests, overheads costs, early or lost NRI and IFRS adjustments.

Yield on cost: stabilized expected Net Rental Income divided by the URW Total Investment Cost.