

Amsterdam, March 19, 2019

Press release

## FULL-YEAR RESULTS 2018: WFD UNIBAIL-RODAMCO N.V.

WFD Unibail-Rodamco N.V. (“**WFD UR NV**” or the “**Company**”) today reported its unaudited financial results for the partial fiscal year ended December 31, 2018. The Company’s annual report, including the management board report and the audited financial statements, will be published on March 27, 2019, on: <http://www.wfd-unibail-rodamco-nv.com/en/investors>.

The Company’s accounts reflect the financial results for the period from February 14, 2018 (establishment), until December 31, 2018. However, the references to operational results, such as tenant sales, rents and leases signed for the US assets owned by Westfield Corporation until June 7, 2018, and by WFD UR NV afterwards, relate to the entire 12-month period ended December 31, 2018, and comparisons relate to the same period in 2017, unless otherwise indicated.

### **RESULTS**

The net operating result of the Company was €99.7 Mn and the net result for the period €187.9 Mn. This translates to a net result per share for the period of €1.20.

### **OPERATIONAL PERFORMANCE**

In the US, speciality sales productivity per square foot (psf)<sup>(1)</sup> through December 31, 2018, increased by +10.9% (+12.0% for Flagships<sup>(2)</sup>). Luxury sales were particularly strong, up by +15.2% psf. Average letting spreads were +7.5% (+11.5% in Flagships) and average rent for stores under 10k sq. ft was \$87 psf<sup>(3)</sup>, up +3.9%. As at December 31, 2018, occupancy stood at 95.6% (96.2% in Flagships), stable compared to December 2017 but up by +130 bps from June 30, 2018. NOI increased by +3.1%, mainly due to the deliveries of Westfield Century City and Westfield UTC. Comparable NOI<sup>(4)</sup> declined -1.6% or -0.3% for Flagships, improving from -3.0% and -2.6%, respectively, for the 6-month period ended on June 30, 2018.

### **AT THE FOREFRONT OF THE RETAIL TRANSFORMATION**

The WFD UR NV portfolio is at the forefront of the changes of a rapidly evolving retail environment. Exposure to fashion is being reduced and replaced by exciting new formats of growing retail segments:

- Entertainment: the Company signed or opened Virtual Reality spaces, such as Dreamscape at Westfield Century City and The Void at Westfield San Francisco Centre, new cinemas, including the Showplace Icon Theatre at Westfield Valley Fair;
- Dining: building on the successes of Eataly and Javier’s, the Company opened the famous Din Tai Fung restaurant at Westfield Century City;
- Digital Native Vertical Brands (DNVBs): in 2018, the Company signed 25 leases with DNVBs, bringing the total number in its portfolio to 65. A DNVB-dedicated precinct will be set up at Westfield Valley Fair, with ready-to-operate units and specific services.

### **A FLEXIBLE PIPELINE TO REINVENT CITIES**

The Expected Cost<sup>(5)</sup> of the Company's development pipeline amounted to €1.4 Bn. The following projects are in the committed part of the pipeline:

- The 47,402 sqm GLA extension of Westfield Valley Fair;
- Westfield World Trade Center Tower 3 and North Temporary Access (NTA), with an additional 7,180 sqm GLA;
- Residential units at Westfield UTC, with 26,845 sqm GLA (300 apartments);
- The Westfield Topanga Renovation where construction works started in August 2018.

### **INTEGRATION OF WESTFIELD**

In the second-half of 2018, the Operating Management function was implemented in the US and the initial 5-year business plan process for the US was completed.

### **GROUP STRUCTURE**

WFD UR NV and its consolidated entities, together with Unibail-Rodamco S.E. ("UR SE") and its consolidated entities, form Unibail-Rodamco-Westfield ("URW" or the "Group"). UR SE consolidates WFD UR NV and its controlled undertakings, and its accounts represent a comprehensive overview of the Group. The Group's full year 2018 results were published on February 13, 2019, and are available at [www.urw.com](http://www.urw.com)

### **DIVIDEND**

For the financial year 2018, the Group proposed a cash dividend of €10.80 per stapled share to be paid by UR SE subject to approval by its Annual General Meeting (AGM) to be held on May 17, 2019.

Further details on the Group dividend can be found in the press release issued by UR SE on this topic.

### **FINANCIAL SCHEDULE**

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

**March 27, 2019:** Release of WFD Unibail-Rodamco N.V.'s 2018 Annual Report

**June 11, 2019:** AGM WFD Unibail-Rodamco N.V.

**September 27, 2019:** Publication of the WFD Unibail-Rodamco N.V. 2019 Half-Year results

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## WFD UNIBAIL-RODAMCO

- 1) Calculated on the basis of sales psf for specialty tenants, being stores with <10k sq. ft (929 sqm). For centres in operation and excluding new brownfield deliveries, acquired assets and assets under heavy refurbishment (in line with the UR methodology).
- 2) Assets of a certain size and / or with footfall in excess of 10 million per year, substantial growth potential for the Group based on their appeal to both retailers and visitors, iconic architecture or design and a strong footprint in their area.
- 3) €815 / sqm.
- 4) Comparable NOI is based on Net Operating Income before management fees, termination/settlement income and straightline adjustments, and excluding one-offs. For comparability, recent project deliveries or centres undergoing significant development works are excluded.
- 5) The Company's Expected Cost equals 100% Expected Cost multiplied by the Company's percentage of ownership of the project, plus specific own costs, if any.



WFD UNIBAIL-RODAMCO

**APPENDIX TO THE PRESS RELEASE**  
**March 19, 2019**

**CONSOLIDATED FINANCIAL STATEMENTS (IFRS):**

1. Consolidated statement of comprehensive income
2. Consolidated statement of financial position
3. Consolidated statement of cash flows
4. Notes to the Consolidated financial statements

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

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements are presented in millions of euros, rounded to the nearest hundred thousand and, as a result, slight differences between rounded figures may exist.

### 1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| <i>(€Mn)</i>  | Notes      | 2018*          |
|---|------------|----------------|
| Gross rental income   | 4.2        | 274.5          |
| <i>Net service charge expenses</i>  |            | (5.3)          |
| <i>Property operating expenses</i>  |            | (120.3)        |
| Operating expenses and net service charges  |            | (125.6)        |
| <b>Net rental income</b>  | <b>4.2</b> | <b>148.9</b>   |
| Project management revenue  |            | 13.8           |
| Project management costs  |            | (9.4)          |
| <b>Net project management income</b>  |            | <b>4.4</b>     |
| Property services and other activities revenue                                      |            | 19.0           |
| Property services and other activities expenses                                     |            | (10.9)         |
| <b>Net property services and other activities income</b>                            |            | <b>8.1</b>     |
| <b>Share of result of companies accounted for using the equity method</b>           |            | <b>120.6</b>   |
| Corporate expenses  |            | (32.3)         |
| Depreciation of tangible assets   |            | (6.1)          |
| <b>Administrative expenses</b>  |            | <b>(38.4)</b>  |
| <b>Acquisition and related costs</b>  |            | <b>(48.3)</b>  |
| Proceeds from disposal of investment properties                                     |            | 1.4            |
| Carrying value of investment properties sold  |            | (1.8)          |
| <b>Result on disposal of investment properties</b>                                  |            | <b>(0.4)</b>   |
| Proceeds from disposal of shares  |            | 353.2          |
| Carrying value of disposed shares   |            | (315.8)        |
| <b>Result on disposal of shares</b>   |            | <b>37.4</b>    |
| Valuation gains on assets   |            | 14.1           |
| Valuation losses on assets  |            | (146.7)        |
| <b>Valuation movements on assets</b>  |            | <b>(132.6)</b> |
| <b>NET OPERATING RESULT</b>   |            | <b>99.7</b>    |
| <i>Financial income</i>   |            | 21.9           |
| <i>Financial expenses</i>   |            | (184.6)        |
| Net financing costs   |            | (162.7)        |
| Fair value adjustments of derivatives, debt and currency effect                     |            | 228.9          |
| <b>RESULT BEFORE TAX</b>  |            | <b>165.9</b>   |
| Income tax expenses   |            | 22.0           |
| <b>NET RESULT FOR THE PERIOD</b>  |            | <b>187.9</b>   |
| <b>Net result for the period attributable to:</b>                                   |            |                |
| Owners of WFD Unibail-Rodamco N.V. shares   |            | 182.1          |
| External non-controlling interests  |            | 5.8            |
| <b>NET RESULT FOR THE PERIOD</b>  |            | <b>187.9</b>   |
| Average numbers of shares (undiluted)   |            | 152,223,412    |
| Net result of the period (Owners of WFD Unibail-Rodamco N.V.)                       |            | 182.1          |
| <b>Net result for the period per share (Owners of WFD Unibail-Rodamco N.V.) (€)</b> |            | <b>1.20</b>    |
| Average numbers of shares (diluted)   |            | 155,849,683    |
| Net result of the period (Owners of WFD Unibail-Rodamco N.V.)                       |            | 182.1          |
| <b>Diluted net result per share (Owners of WFD Unibail-Rodamco N.V.) (€)</b>        |            | <b>1.17</b>    |

\* For the period from February 14, 2018 to December 31, 2018, unaudited



WFD UNIBAIL-RODAMCO

| <b>Net comprehensive income (€Mn)</b>   | <b>2018*</b> |
|---|--------------|
| <b>NET RESULT FOR THE PERIOD</b>  | <b>187.9</b> |
| Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries | 119.1        |
| <b>Other comprehensive income that may be subsequently recycled to profit and loss</b>  | <b>119.1</b> |
| <b>Other comprehensive income not subsequently recycled to profit and loss</b>  | <b>-</b>     |
| <b>Other comprehensive income net of tax</b>  | <b>119.1</b> |
| <b>NET COMPREHENSIVE INCOME</b>   | <b>307.0</b> |
| <b>Net Comprehensive Income for the period attributable to:</b>   |              |
| Owners of WFD Unibail-Rodamco N.V. shares   | 294.4        |
| External non-controlling interests  | 12.6         |
| <b>NET COMPREHENSIVE INCOME</b>   | <b>307.0</b> |

\* For the period from February 14, 2018 to December 31, 2018, unaudited

## 2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| (€Mn)   | Notes | December 31, 2018* |
|---|-------|--------------------|
| <b>Non-current assets</b>   |       | <b>13,974.5</b>    |
| <b>Investment properties</b>  |       | <b>5,976.6</b>     |
| <i>Investment properties at fair value</i>                                | 4.3   | 5,957.2            |
| <i>Investment properties at cost</i>                                      |       | 19.4               |
| Shares and investments in companies accounted for using the equity method |       | 6,920.7            |
| Tangible assets   |       | 37.5               |
| Goodwill  |       | 19.8               |
| Intangible assets   |       | 314.0              |
| Financial assets  |       | 676.5              |
| Deferred tax assets   |       | 0.6                |
| Derivatives at fair value   |       | 28.8               |
| <b>Current assets</b>   |       | <b>159.0</b>       |
| Inventories   |       | 15.4               |
| Trade receivables from activity   |       | 73.1               |
| Tax receivables   |       | 0.1                |
| Other receivables   |       | 17.1               |
| Cash and cash equivalents   |       | 53.3               |
| <b>TOTAL ASSETS</b>   |       | <b>14,133.5</b>    |
| <b>Shareholders' equity (Owners of WFD Unibail-Rodamco N.V. shares)</b>   |       | <b>2,654.3</b>     |
| Share capital   |       | 115.8              |
| Additional paid-in capital  |       | 2,242.7            |
| Foreign currency translation reserves                                     |       | 111.7              |
| Consolidated result   |       | 182.1              |
| Hybrid securities   |       | 2.0                |
| <i>- Equity attributable to the owners of WFD Unibail-Rodamco N.V.</i>    |       | <b>2,654.3</b>     |
| <b>External non-controlling interests</b>                                 |       | <b>322.7</b>       |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>   |       | <b>2,977.0</b>     |
| <b>Non-current liabilities</b>  |       | <b>9,309.4</b>     |
| Long-term commitment to non-controlling interests                         |       | 806.3              |
| Long-term bonds and borrowings  | 4.4   | 7,373.5            |
| Long-term financial leases  |       | 33.0               |
| Derivatives at fair value   |       | 70.2               |
| Deferred tax liabilities and long term provisions                         |       | 960.3              |
| Guarantee deposits  |       | 10.9               |
| Amounts due on investments  |       | 55.2               |
| <b>Current liabilities</b>  |       | <b>1,847.1</b>     |
| <b>Current commitment to non-controlling interests</b>                    |       | <b>1.5</b>         |
| <b>Amounts due to suppliers and other creditors</b>                       |       | <b>205.1</b>       |
| <i>Amounts due to suppliers</i>   |       | 31.0               |
| <i>Amounts due on investments</i>   |       | 54.2               |
| <i>Sundry creditors</i>   |       | 119.9              |
| <b>Other liabilities</b>  |       | <b>36.4</b>        |
| <b>Current borrowings and amounts due to credit institutions</b>          | 4.4   | <b>1,554.9</b>     |
| <b>Current financial leases</b>   |       | <b>0.6</b>         |
| <b>Tax and social liabilities</b>   |       | <b>48.0</b>        |
| <b>Short-term provisions</b>  |       | <b>0.6</b>         |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                       |       | <b>14,133.5</b>    |

\* unaudited

### 3. CONSOLIDATED STATEMENT OF CASH FLOWS

| (€Mn)   | 2018*            |
|---|------------------|
| <b>OPERATING ACTIVITIES</b>   |                  |
| <b>Net result</b>   | <b>187.9</b>     |
| Depreciation & provisions <sup>(1)</sup>  | (5.3)            |
| Changes in value of property assets   | 132.6            |
| Changes in fair value of derivatives, debt and currency effect                                      | (228.9)          |
| Net capital gains/losses on disposal of shares  | (37.4)           |
| Net capital gains/losses on sales of properties <sup>(2)</sup>                                      | 0.4              |
| Share of the result of companies accounted for using the equity method                              | (120.6)          |
| Net financing costs   | 162.7            |
| Income tax expenses   | (22.0)           |
| WAT's transaction and other related costs   | 38.3             |
| <b>Cash flow before net financing costs and tax</b>   | <b>107.7</b>     |
| Dividend income and result from companies accounted for using the equity method or non-consolidated | 228.0            |
| Income tax charge   | 11.7             |
| Change in working capital requirement   | (86.6)           |
| <b>TOTAL CASH FLOW FROM OPERATING ACTIVITIES</b>  | <b>260.8</b>     |
| <b>INVESTMENT ACTIVITIES</b>  |                  |
| <b>Property activities</b>  | <b>(4,570.2)</b> |
| Acquisition of businesses   | (4,342.0)        |
| Amounts paid for works and acquisition of property assets   | (67.6)           |
| Repayment of property financing   | 0.6              |
| Increase of property financing  | (162.6)          |
| Disposal of investment properties   | 1.4              |
| <b>Financial activities</b>   | <b>0.1</b>       |
| Disposal of financial assets  | 0.1              |
| <b>TOTAL CASH FLOW FROM INVESTMENT ACTIVITIES</b>   | <b>(4,570.1)</b> |
| <b>FINANCING ACTIVITIES</b>   |                  |
| Capital increase of parent company  | 2,358.5          |
| Hybrid securities   | 2.0              |
| New borrowings and financial liabilities  | 3,106.1          |
| Repayment of borrowings and financial liabilities   | (1,000.2)        |
| Interest received   | 21.9             |
| Interest paid   | (109.2)          |
| Other financing activities  | (4.5)            |
| <b>TOTAL CASH FLOW FROM FINANCING ACTIVITIES</b>  | <b>4,374.6</b>   |
| <b>Change in cash and cash equivalents during the period</b>  | <b>65.3</b>      |
| <b>Cash at the beginning at the incorporation</b>   | <b>-</b>         |
| <b>Effect of exchange rate fluctuations on cash held</b>  | <b>(12.0)</b>    |
| <b>NET CASH AND CASH EQUIVALENTS AT PERIOD-END</b>  | <b>53.3</b>      |

(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.

\* For the period from February 14, 2018 to December 31, 2018, unaudited



## 4. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 4.1 Accounting principles and scope of consolidation

WFD UR NV's consolidated financial statements as at December 31, 2018 were prepared in accordance with International Financial Reporting Standards ("IFRS") as applicable in the European Union as at such date.

The scope of consolidation includes all companies controlled by WFD UR NV and all companies in which the Company and its consolidated entities exercises joint control or significant influence.

According to IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

### 4.2 Consolidated income statement by segment

| (€Mn)                                | 2018   |                           | Result         |              |
|--------------------------------------|--|---------------------------|----------------|--------------|
|                                      | Recurring activities   | Non-recurring activities* |                |              |
|                                      | Gross rental income  | 267.1                     | -              | 267.1        |
|                                      | Operating expenses & net service charges   | (123.7)                   | -              | (123.7)      |
|                                      | <b>Net rental income</b>   | <b>143.4</b>              | <b>-</b>       | <b>143.4</b> |
| <b>United States</b>                 | Contribution of companies accounted for using the equity method                                | 136.4                     | (15.8)         | 120.6        |
|                                      | Gains/losses on disposal of shares   | -                         | 37.4           | 37.4         |
|                                      | Valuation movements on assets  | -                         | (135.3)        | (135.3)      |
|                                      | <b>Result Shopping Centres United States</b>   | <b>279.8</b>              | <b>(113.7)</b> | <b>166.1</b> |
|                                      | Gross rental income  | 1.2                       | -              | 1.2          |
|                                      | Operating expenses & net service charges   | (0.4)                     | -              | (0.4)        |
|                                      | <b>Net rental income</b>   | <b>0.8</b>                | <b>-</b>       | <b>0.8</b>   |
| <b>Other</b>                         | Gains/losses on sales of properties  | -                         | (0.4)          | (0.4)        |
|                                      | Valuation movements  | -                         | (1.1)          | (1.1)        |
|                                      | <b>Result Shopping Centres Other</b>   | <b>0.8</b>                | <b>(1.5)</b>   | <b>(0.7)</b> |
| <b>TOTAL RESULT SHOPPING CENTRES</b> | <b>280.6</b>   | <b>(115.2)</b>            |                | <b>165.4</b> |
|                                      | Gross rental income  | 6.2                       | -              | 6.2          |
|                                      | Operating expenses & net service charges   | (1.5)                     | -              | (1.5)        |
|                                      | <b>Net rental income</b>   | <b>4.7</b>                | <b>-</b>       | <b>4.7</b>   |
| <b>United States</b>                 | Valuation movements  | -                         | 3.0            | 3.0          |
|                                      | <b>Result Offices United States</b>  | <b>4.7</b>                | <b>3.0</b>     | <b>7.7</b>   |
| <b>TOTAL RESULT OFFICES</b>          | <b>4.7</b>   | <b>3.0</b>                |                | <b>7.7</b>   |
|                                      | Project management income  | 4.4                       | -              | 4.4          |
|                                      | Other property services net income   | 8.1                       | 0.8            | 8.9          |
|                                      | Administrative expenses  | (38.4)                    | -              | (38.4)       |
|                                      | Acquisition and related costs  | -                         | (48.3)         | (48.3)       |
|                                      | <b>NET OPERATING RESULT</b>  | <b>259.4</b>              | <b>(159.7)</b> | <b>99.7</b>  |
|                                      | Financing result   | (162.7)                   | 228.9          | 66.2         |
|                                      | <b>RESULT BEFORE TAX</b>   | <b>96.7</b>               | <b>69.2</b>    | <b>165.9</b> |
|                                      | Income tax expense   | (0.4)                     | 22.4           | 22.0         |
|                                      | <b>NET RESULT FOR THE PERIOD</b>   | <b>96.3</b>               | <b>91.6</b>    | <b>187.9</b> |
|                                      | External non-controlling interests   | (15.3)                    | 9.5            | (5.8)        |
|                                      | <b>NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF WFD UNIBAIL-RODAMCO N.V. SHARES</b> | <b>80.9</b>               | <b>101.1</b>   | <b>182.1</b> |

\* 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 as well as costs directly incurred during a business combination and other non-recurring items.

#### 4.3 Investment properties at fair value

| <i>(€Mn)</i>            | December 31, 2018 |
|-------------------------|-------------------|
| <b>Shopping Centres</b> | <b>5,886.6</b>    |
| United States           | 5,854.7           |
| The Netherlands         | 31.9              |
| <b>Offices</b>          | <b>70.6</b>       |
| United States           | 70.6              |
| <b>TOTAL</b>            | <b>5,957.2</b>    |

#### 4.4 Financial debt breakdown and outstanding duration to maturity

| Outstanding duration to maturity <i>(€Mn)</i> | Current          |                   |                   | Non-current       | Total<br>December 31,<br>2018 |
|---|------------------|-------------------|-------------------|-------------------|-------------------------------|
|   | Less than 1 year | 1 year to 5 years | More than 5 years | More than 5 years |                               |
| <b>Bonds and notes</b>                        | 1,116.3          | 688.9             | 2,186.6           |                   | <b>3,991.8</b>                |
| <b>Bank borrowings</b>                        | 416.3            | 391.6             | 103.5             |                   | <b>911.4</b>                  |
| <b>Other financial liabilities</b>            | 22.3             | 945.4             | 3,057.5           |                   | <b>4,025.2</b>                |
| <b>Financial leases</b>                       | 0.6              | 2.7               | 30.3              |                   | <b>33.6</b>                   |
| <b>TOTAL</b>                                  | <b>1,555.5</b>   | <b>2,028.6</b>    | <b>5,377.9</b>    |                   | <b>8,962.0</b>                |

#### 4.5 Post-Closing Events

None.