UNIBAIL-RODAMCO-WESTFIELD

Paris, Amsterdam, July 31, 2019

Press release

UNIBAIL-RODAMCO-WESTFIELD, THE PREMIER GLOBAL DEVELOPER AND OPERATOR OF FLAGSHIP DESTINATIONS, REPORTS SOLID RESULTS FOR H1-2019

Adjusted Recurring Earnings per Stapled Share ("AREPS") of €6.45

- **Very strong tenant sales growth** in Flagship destinations: **+5.7%** in Continental Europe, **+7.1%** in the UK, and **+4.9%** in the US.
- Group Net Rental Income (NRI) like-for-like (Lfl)(1) increased by **+3.3%**. Lfl growth in Shopping Centres in Continental Europe was **+2.1%,** in the UK **-3.1%,** and in the US growth in comparable Net Operating Income (NOI)(2) was +**2.2%,** of which **+5.5%** in Flagships
- Continental European rental uplift of **+12.2%**, of which **+13.8%** in Flagships
- Average cost of debt: **1.6%**, and average debt maturity extended to a **record 8.0 years**(3)
- EPRA NAV: **€216.10** / stapled share (**-2.6%**)
- Development pipeline scaled back to **€10.3 Bn**
- Disposals: **€1.2 Bn agreed or closed,** bringing total completed disposals since June 7, 2018, to **€3.2 Bn**
- LTV: **37.5%** pro-forma for the Majunga disposal(4)

- Upgrading **2019 AREPS guidance** by €0.30 to **€12.10 – €12.30**

"Unibail-Rodamco-Westfield (URW) delivered solid results, despite the challenging retail environment. With a unique transatlantic platform, connecting the best brands with over 1.2 billion customer visits each year in the wealthiest catchment areas, the URW portfolio is at the forefront of the changes in a rapidly evolving retail environment. We are making significant progress in executing on our strategic objectives of Concentration, Differentiation, and Innovation, with very strong tenant sales growth in Europe and the US, the disposal of €3.2 Bn of assets above book value over the past 12 months, and multiple openings of restaurants, leisure concepts and Digital Native Vertical Brands across our portfolio.

Our transatlantic reach made possible by the creation of URW is showing the first exciting results: the Group signed a first-of-its-kind agreement with The VOID, a leading immersive virtual reality experience operator, to roll out their concept in over 25 of URW's Flagship destinations in both the US and Europe. More cross-border deals are expected to follow.

Our €10 Bn pipeline is well positioned for a mixed-use future, now with 50% of the GLA in retail and the rest in dining & leisure, offices, residential, and hotels. With our unique skills this will continue to contribute to value creation.

Confident in URW's performance, the outlook for the remainder of the year, and favourable financing conditions, we are increasing our 2019 AREPS guidance by +€0.30 to a range of between €12.10 and €12.30."

Christophe Cuvillier, Group Chief Executive Officer

	H1-2019	H1-2018	Growth	Like-for-like growth
Net Rental Income (in € Mn)	**1,254**	**923**	+35.9%	**+3.3%**
Shopping Centres	**1,137**	**798**	+42.4%	**+2.1%**
France	*330*	*323*	*+2.2%*	*+2.0%*
Central Europe	*113*	*108*	*+5.3%*	*+4.1%*
Spain	*77*	*82*	*-6.3%*	*+5.3%*
Nordics	*66*	*73*	*-10.2%*	*-2.0%*
Austria	*56*	*54*	*+3.5%*	*+2.1%*
Germany	*70*	*69*	*+0.9%*	*+0.7%*
The Netherlands	*28*	*30*	*-5.1%*	*+0.4%*
United States	*319*	*46*	*nm*	
United Kingdom	*78*	*14*	*nm*	
Offices & others	**62**	**76**	*-19.1%*	**+9.4%**
Convention & Exhibition	**56**	**49**	+14.7%	**+14.7%**
Recurring net result (in € Mn)	**916**	**703**	+30.4%	
Recurring EPS (in €)	6.63	6.61	+0.2%	
Adjusted Recurring EPS (in €)	***6.45***	***6.58***	*-1.9%*	
	June 30, 2019	**Dec. 31, 2018**	**Growth**	**Like-for-like growth**
Proportionate portfolio valuation (in € Mn)	**64,967**	**65,201**	-0.4%	-1.3%
Going Concern Net Asset Value (in € per stapled share)	**217.70**	**233.90**	-6.9%	
EPRA Triple Net Asset Value (in € per stapled share)	**199.00**	**210.80**	-5.6%	
EPRA Net Asset Value (in € per stapled share)	**216.10**	**221.80**	-2.6%	

Figures may not add up due to rounding

H1-2019 AREPS OF €6.45

Reported AREPS was €6.45 (-1.9%) as a result of the disposals completed in 2018 and HY-2019 (€2.3 Bn), which impact was partially offset by the robust operating performance and +€0.09 due to the implementation of IFRS 16. Rebased for these disposals, the growth of AREPS would be +3.7%, despite the increase in the number of shares issued as a result of the Westfield acquisition.

SOLID OPERATING PERFORMANCE

Shopping Centres - Continental Europe

Through June 30, URW tenant sales grew by +5.3% and by +5.7% in Flagship centres[6].
Through May 31, tenant sales increased[5] by +4.9%, outperforming national sales indices[7] by +242 bps. In France, tenant sales increased by +4.6% (+5.4% through June 30), outperforming the IFLS index by +270 bps and the CNCC index by +470 bps. Central Europe also did especially well, up by +4.6%, outperforming the national sales indices by +172 bps. The Nordics, up by +13.8%, was boosted by the outstanding performance of Tesla in its two flagship stores in URW's Stockholm centres.

Lfl NRI grew by +2.1%, +50 bps above indexation and ahead of the Group's objectives for H1, of which +5.3% in Spain and +4.1% in Central Europe. The Group signed 700 leases with a Minimum Guaranteed Rent (MGR) uplift of +12.2%, and +13.8% for Flagships. The rotation rate amounted to 5.3% and EPRA vacancy increased by 40 bps to 2.8%, reflecting some tenant departures or bankruptcies. Many retailers are carefully reviewing the performance of existing stores and the opportunity to open new ones; hence, some leasing negotiations are taking longer. URW's leasing strategy is to make no concessions on conditions in Flagships and use a case-by-case approach for the other shopping centres.

United Kingdom
Footfall was up by +6.4% in H1-2019, outperforming the UK shopping centre index by +770 bps. Tenant sales through June 30 increased by +7.1%, and through May 31 by +7.9%, outperforming the national sales index by +846 bps, particularly reflecting the strong growth of +13.8% at Westfield London. The footfall and sales results benefit from the opening of Phase 2 of Westfield London in March 2018, as well as the continued growth of Westfield Stratford City. Average MGR uplift was strong at +15.9%. EPRA vacancy stood at 8.7%, primarily driven by some non-renewals, the impact of retailer bankruptcies, and the delays in leasing at Westfield London Phase 1 as Brexit uncertainty deters new market entrants. Consequently, Lfl NRI decreased by -3.1% compared to H1-2018.

United States
Tenant sales[8] increased by +3.0% through June 30, of which +4.9% in Flagships. Speciality sales productivity per square foot (psf)[9] increased by +11.3% (+12.8% for Flagships). Average letting spreads were +5.2% and +7.7% for Flagships. Average specialty store rent was $93 psf, up +5.2%. As at June 30, 2019, occupancy stood at 93.4% (94.6% in Flagships), -90 bps below June 30, 2018. Lease commitments of vacant spaces as at June 30 amounted to an additional 1.9% of GLA. Comparable NOI increased by +2.2% or +5.5% for Flagships, improving from -3.0% and -2.6%, respectively, in H1-2018.

Offices
Lfl NRI increased by +9.4%, of which +13.8% in France, mainly due to an indemnity received. The Group agreed the disposal of Tour Majunga for a net disposal price of €850 Mn, reflecting a net initial yield of 4.16%, and generating an unlevered 13-year Internal Rate of Return of 12%. This transaction closed on July 3, 2019.

Convention & Exhibition
Recurring NOI in H1-2019 was up by +13.8% compared to H1-2017, and by +20.3% compared to H1-2018 (excluding the impact of the triennial INTERMAT show held in H1-2018).

AT THE FOREFRONT OF THE RETAIL TRANSFORMATION

The Group provides a unique transatlantic platform, connecting the best brands with over 1.2 billion customer visits each year in the wealthiest catchment areas.

The URW portfolio is at the forefront of the changes in a rapidly evolving retail environment. Exposure to fashion is being gradually reduced and replaced by exciting new formats of growing retail segments.
As online players seek a physical presence, the Group continued to grow the number of DNVBs in its portfolio, with six new leases signed in Continental Europe and 15 in the US in H1-2019.
The Group opened three fully let new dining precincts, Täby Deli (Täby Centrum, Sweden), Les Tables de Vélizy (Vélizy 2, France) and Les Tables du Carré (Carré Sénart, France), strengthening the food offer and the appeal of these centres. In addition, new cutting edge Cinema concepts were opened at Carré Sénart, Velizy 2, Parly 2 and Westfield Valley Fair.

EXPANDING OUR CSR STRATEGY

URW's CSR strategy, Better Places 2030, was extended to the new regions of the Group (the UK and US). While URW's ambition to halve its carbon footprint by 2030 remains central, Better Places 2030 now also tackles new environmental challenges like responsible consumption and the circular economy.

STARTING THE CAPTURE OF REVENUE SYNERGIES

The new Group-wide Commercial Partnerships and International Leasing teams started generating part of the announced €40 Mn in run-rate revenue synergies. Commercial Partnership revenues in Continental Europe grew by +12% to €15.4 Mn and in the UK by +24% to £4.1 Mn.
URW will further leverage the world-famous Westfield brand by rebranding a number of its Continental European Flagships, with the first ten centres scheduled for September 2019.

The Group enhanced the cross-fertilization of retailer relationships between the US and Continental Europe by accelerating the development of US retailers such as Abercrombie & Fitch and Polo Ralph Lauren. Aiming to introduce leading and differentiating leisure offers in its centres, the Group levered its transatlantic platform of Flagship destinations and entered into a framework agreement with The Void (a fully immersive virtual reality experience) to open over 25 locations across URW's portfolio, representing around 20,000 sqm. The first six leases for locations in the US have already been signed.

A FLEXIBLE PIPELINE TO REINVENT CITIES

The URW Total Investment Cost(10) of the development pipeline amounted to €10.3 Bn, down from €11.9 Bn as at year-end 2018. The Group retains significant flexibility, with committed projects of only €2.9 Bn, of which €1.6 Bn has already been invested. The pipeline GLA is split between retail (50%), dining & leisure (16%), offices (14%), residential and third party residential (15%)(11), and hotels (5%). Significant progress was made on the construction of the Shift and Trinity office buildings, scheduled to be delivered in H2-2019 and H1-2020, respectively, as well as on the extension of Westfield Valley Fair (H1-2020) and Westfield Mall of the Netherlands (H2-2020).
In July, the Group delivered ten floors of its first residential project, Palisade at Westfield UTC. The remaining floors will be delivered in August.

NAV EVOLUTION

The Gross Market Value (GMV) of the Group's assets as at June 30, 2019, amounted to €65.0 Bn on a proportionate basis (€65.2 Bn as at December 31, 2018). The Shopping Centre GMV was €55.7 Bn, down -1.2% on a like-for-like basis (-0.8% for Flagships). The Office GMV came to €4.8 Bn, up by +4.1% on a like-for-like basis. GMV of the Convention & Exhibition division decreased by -6.2% on a like-for-like basis, driven by an increase in the discount rate. The average net initial yield ("NIY") of the retail portfolio remained stable at 4.3%.

Going Concern NAV per stapled share came to €217.70 as at June 30, 2019. Adjusted for the impact of the -€10.68 mark-to-market of the fixed-rate debt and derivatives and the -€5.40 dividend paid in H1-2019, the Going Concern NAV was broadly stable (down -€0.12) compared to December 31, 2018.

SUCCESSFUL DISPOSALS TO DATE

In the last 12 months, the Group disposed of €3.2 Bn of office and retail assets(12). These were disposed at an aggregate NIY of 4.2% and 5.4%, and a 6.2% and 8.4% premium to the latest book values, respectively. With these transactions, the Group exceeded its initial target of €3 Bn of disposals well ahead of schedule. Following the Group's annual 5Y Business Plan exercise in 2018, the target was increased to €6 Bn, of which 53% has already been achieved. A number of discussions are currently on-going for further disposals.

AVERAGE COST OF DEBT OF 1.6% AND AVERAGE MATURITY OF 8.0 YEARS

The average cost of debt of the Group remained low at 1.6%, representing the blended average cost of debt on a standalone basis of only 1.0% for Unibail-Rodamco, an all-time low, and 3.5% for Westfield. Including the 30-year bond issued on July 1, 2019, and the consequent repayment of 80% of the 2014 ORNANE, the average debt maturity came to a record 8.0 years. URW was the first REIT ever to issue 30-year notes in the Euro bond market, at a historic low coupon for a corporate issuer for this maturity. The Loan-to-Value (LTV) ratio was 38.3%, and 37.5% pro-forma for the receipt of the Majunga disposal proceeds on July 3, 2019. The interest coverage ratio was 5.8x. Undrawn available credit lines amounted to a record €9.2 Bn.

OUTLOOK AND GUIDANCE

URW's performance through June 30 was solid despite the challenging retail environment. The Group expects Continental European Like-for-like NRI to grow by around +3% for 2019, and financing conditions have remained more favorable than anticipated.

Consequently, the **Group increases** its **2019 AREPS guidance** by +€0.30, of which approximately +€0.18 due to the implementation of IFRS 16 as of January 1, 2019, to a **range of between €12.10 and €12.30** (€11.80 - €12.00 previously).

FINANCIAL SCHEDULE

The next financial events on the Group's calendar will be:
October 28, 2019: 2019 3rd quarter results (after market close)
February 12, 2020: 2019 Full-Year results (after market close)
May 15, 2020: AGM Unibail-Rodamco-Westfield SE

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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 meters 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) Pro-forma for the 30-year bond issued on July 1, 2019, and the consequent repayment of 80% of the 2014 ORNANE.
(4) Pro-forma for receipt of the disposal proceeds of Majunga on July 3, 2019. LTV as at June 30, 2019: 38.3%
(5) Tenant sales data include shopping centres accounted for using the equity method (Rosny 2, CentrO, Paunsdorf and Metropole Zlicin), except Zlote Tarasy as it is not managed by URW. Tenant sales performance in URW's shopping centres (except The Netherlands) in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For the H1-2019 reporting period, shopping centres excluded due to delivery or ongoing works were Galerie Gaité, La Part-Dieu, CH Ursynow, Garbera and Gropius Passagen. Primark sales are based on estimates. Boutiques du Palais is now included in the C&E segment.
(6) Continental European Flagship assets are: Les Quatre Temps, Aéroville, Parly 2, Vélizy 2, Carré Sénart, Rosny 2, Le Forum des Halles, Carrousel du Louvre, CNIT, Confluence, La Part-Dieu, Villeneuve 2, Euralille, Polygone Riviera, La Vaguada, Parquesur, Bonaire, Splau, La Maquinista, Glòries, Donau Zentrum, Shopping City Süd, Centrum Cerny Most, Centrum Chodov, Wroclavia, Galeria Mokotow, Zlote Tarasy, Arkadia, Aupark, Fisketorvet, Mall of Scandinavia, Täby Centrum, Stadshart Amstelveen, Westfield Mall of the Netherlands, Ruhr Park, Gropius Passagen, CentrO and Pasing Arcaden.
(7) Based on latest national indices available (year-on-year evolution) as at May 2019: France: Institut Français du Libre Service (IFLS)-excluding food; Spain: Instituto Nacional de Estadistica; Central Europe: Cesky statisticky urad (Czech Republic), Polska Rada Centrow Handlowych (Poland) (as at April 2019), Eurostat (Slovakia); Austria: Eurostat; the Nordics: HUI Research (Sweden), Danmarks Statistik (Denmark); Germany: Destatis-Genesis, excluding online only operators and fuel sales (Federal Statistical Office). Including online only sales for France, Spain, Austria, the Czech Republic and Slovakia and excluding online only sales for Germany, the Nordics and Poland.
(8) Total tenant sales excluding department stores.
(9) Calculated on the basis of sales psf for specialty tenants, being stores with <10K sq. ft (ca. 929 sqm). For centres in operation and excluding new brownfield deliveries, acquired assets and assets under heavy refurbishment (in line with the UR 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 3rd party residential, not included in URW pipeline disclosures.
(12) Including the Majunga disposal closed on July 3, 2019.

About Unibail-Rodamco-Westfield

Unibail-Rodamco-Westfield is the premier global developer and operator of Flagship destinations, with a portfolio valued at €65.0 Bn as at June 30, 2019, of which 86% in retail, 7% in offices, 5% in convention & exhibition venues and 2% in services. Currently, the Group owns and operates 92 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 3,700 professionals and an unparalleled track-record and know-how, Unibail-Rodamco-Westfield is ideally positioned to generate superior value and develop world-class projects. The Group has a development pipeline of €10.3 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/

APPENDIX TO THE PRESS RELEASE
July 31, 2019

CONSOLIDATED FINANCIAL STATEMENTS (IFRS):

1. Consolidated statement of comprehensive income p 4
2. EPRA and Adjusted Recurring Earnings per share p 5
3. Consolidated statement of financial position p 6
4. Consolidated statement of cash flows p 7

FINANCIAL STATEMENTS ON A PROPORTIONATE BASIS:

1. Consolidated income statement p 11
2. Consolidated income statement by segment p 12
3. Consolidated statement of financial position p 14

MANAGEMENT DISCUSSION & ANALYSIS:

1. Business review and 2019 half-year results p 16
2. Investments and divestments p 41
3. Development projects as at June 30, 2019 p 43
4. Property portfolio and Net Asset Value as at June 30, 2019 p 48
5. Financial resources p 68
6. EPRA Performance measures p 76

Review procedures completed. Statutory auditors' report issued today.
The press release and its appendix as well as the results presentation slide show can be found on Unibail-Rodamco-Westfield's website www.urw.com

UNIBAIL-RODAMCO-WESTFIELD

CONSOLIDATED FINANCIAL STATEMENTS[1] (IFRS):

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

Consolidated statement of comprehensive income (€Mn)	H1-2019	H1-2018	2018
Gross rental income	1,214.2	989.4	2,211.3
Ground rents paid	*(6.8)*	*(14.7)*	*(20.9)*
Service charge income	*220.0*	*197.4*	*375.5*
Service charge expenses	*(236.5)*	*(208.4)*	*(404.3)*
Property operating expenses	*(183.3)*	*(103.2)*	*(321.2)*
Operating expenses and net service charges	(206.6)	(128.8)	(370.9)
Net rental income	**1,007.6**	**860.6**	**1,840.3**
Property development and project management revenue	288.2	73.8	215.5
Property development and project management costs	(252.9)	(68.7)	(178.5)
Net property development and project management income	**35.3**	**5.1**	**37.0**
Property services and other activities revenues	160.9	134.0	307.2
Property services and other activities expenses	(113.0)	(85.9)	(198.9)
Net property services and other activities income	**47.9**	**48.1**	**108.2**
Share of the result of companies accounted for using the equity method	(133.7)	66.8	233.9
Income on financial assets	17.3	13.9	32.1
Contribution of companies accounted for using the equity method	**(116.4)**	**80.7**	**266.0**
Corporate expenses	(83.8)	(61.5)	(141.4)
Development expenses	(0.9)	(0.2)	(2.1)
Depreciation of other tangible assets	(1.0)	(1.0)	(1.9)
Administrative expenses	**(85.6)**	**(62.7)**	**(145.5)**
Acquisition and related costs	**(15.5)**	**(214.7)**	**(268.7)**
Proceeds from disposal of investment properties	88.4	49.8	985.4
Carrying value of investment properties sold	(87.0)	(51.0)	(905.3)
Result on disposal of investment properties	**1.4**	**(1.2)**	**80.1**
Proceeds from disposal of shares	165.2	-	463.4
Carrying value of disposed shares	(145.7)	-	(460.5)
Result on disposal of shares	**19.5**	**-**	**3.0**
Valuation gains on assets	552.6	590.5	885.1
Valuation losses on assets	(919.8)	(255.1)	(822.9)
Valuation movements on assets	**(367.2)**	**335.4**	**62.2**
Impairment of goodwill	**(3.5)**	**(0.7)**	**(4.9)**
NET OPERATING RESULT	**523.4**	**1,050.6**	**1,977.8**
Result from non-consolidated companies	0.2	0.2	-
Financial income	*131.9*	*64.8*	*171.0*
Financial expenses	*(329.8)*	*(185.7)*	*(502.6)*
Net financing costs	(197.9)	(120.9)	(331.6)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	(5.9)	28.9	28.9
Fair value adjustments of derivatives, debt and currency effect	(208.6)	(129.3)	(318.0)
Debt discounting	(0.3)	-	(0.7)
RESULT BEFORE TAX	**110.8**	**829.5**	**1,356.5**
Income tax expenses	1,067.1	(77.6)	(113.6)
NET RESULT FOR THE PERIOD	**1,177.9**	**751.9**	**1,242.8**
Net result for the period attributable to:			
- The holders of the Stapled Shares	1,174.7	642.6	1,031.1
- External non-controlling interests	3.2	109.3	211.7
NET RESULT FOR THE PERIOD	**1,177.9**	**751.9**	**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	1,090.9	658.4	926.3
- WFD Unibail-Rodamco N.V. members	83.8	(15.8)	104.8
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES	**1,174.7**	**642.6**	**1,031.1**

Average number of shares (undiluted)	138,322,555	106,260,433	122,405,156
Net result for the period (Holders of the Stapled Shares)	1,174.7	642.6	1,031.1
Net result for the period per share (Holders of the Stapled Shares) (€)	**8.49**	**6.05**	**8.42**

Net result for the period restated (Holders of the Stapled Shares) (1)	1,180.6	613.7	1,002.2
Average number of shares (diluted)	142,055,438	109,915,551	126,031,428
Diluted net result per share (Holders of the Stapled Shares) (€)	**8.31**	**5.58**	**7.95**

NET COMPREHENSIVE INCOME (€Mn)	H1-2019	H1-2018	2018
NET RESULT FOR THE PERIOD	**1,177.9**	**751.9**	**1,242.8**
Foreign currency differences on translation of financial statements of subsidiaries and net investments in these subsidiaries	(83.6)	(72.7)	9.1
Other comprehensive income that may be subsequently recycled to profit or	**(83.6)**	**(72.7)**	**9.1**
Employee benefits		-	(0.4)
Fair Value of Financial assets	1.1	(7.2)	(16.2)
Other comprehensive income not subsequently recyclable to profit or loss	**1.1**	**(7.2)**	**(16.6)**
OTHER COMPREHENSIVE INCOME	**(82.4)**	**(79.9)**	**(7.5)**
NET COMPREHENSIVE INCOME	**1,095.5**	**672.0**	**1,235.3**
- External non-controlling interests	3.2	109.4	211.7
NET COMPREHENSIVE INCOME (HOLDERS OF THE STAPLED SHARES)	**1,092.2**	**562.6**	**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	H1-2019 IFRS	H1-2018 IFRS	2018 IFRS
Net Result of the period attributable to the holders of the Stapled Shares (€ Mn)	**1,174.7**	**642.6**	**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	(367.2)	335.4	62.2
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	20.9	(1.2)	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	(3.5)	(0.7)	(4.9)
(vi) Changes in fair value of financial instruments and associated close-out costs	(214.8)	(100.4)	(289.8)
(vii) Acquisition costs on share deals and non-controlling joint venture interests	(15.5)	(214.7)	(268.7)
(viii) Deferred tax in respect of EPRA adjustments	1,297.0	(77.9)	(53.4)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(349.4)	6.8	(65.2)
(x) External non-controlling interests in respect of the above	101.0	(7.7)	(8.4)
EPRA Recurring Earnings	**916.5**	**702.9**	**1,609.8**
Interests paid on the Hybrid Securities	(23.9)	(3.8)	(28.1)
Adjusted Recurring Earnings	**892.6**	**699.1**	**1,581.8**
Average number of shares and ORA	138,329,747	106,268,095	122,412,784
EPRA Recurring Earnings per Share (REPS)	**6.63 €**	**6.61 €**	**13.15 €**
EPRA Recurring Earnings per Share growth	**0.2%**	**7.3%**	**9.1%**

Adjusted Recurring Earnings per Share (AREPS)	**6.45 €**	**6.58 €**	**12.92 €**
Adjusted Recurring Earnings per Share growth	**-1.9%**	**6.8%**	**7.2%**

Consolidated Statement of financial position (€Mn)	**June 30, 2019**	**Dec. 31, 2018 (1)**
NON CURRENT ASSETS	**62,675.7**	**62,818.5**
Investment properties	**47,298.6**	**47,626.7**
Investment properties at fair value	*46,116.0*	*46,068.8*
Investment properties at cost	*1,182.6*	*1,557.8*
Shares and investments in companies accounted for using the equity method	10,058.3	10,273.3
Other tangible assets	352.9	292.2
Goodwill	2,846.1	2,863.1
Intangible assets	1,071.4	1,130.2
Investments in financial assets	317.7	302.9
Deferred tax assets	28.9	26.9
Derivatives at fair value	701.8	303.2
CURRENT ASSETS	**3,416.4**	**1,708.7**
Properties or shares held for sale	827.5	66.2
Derivatives at fair value	-	-
Inventories	84.1	95.2
Trade receivables from activity	575.2	550.6
Tax receivables	247.0	285.7
Other receivables	378.7	341.1
Cash and cash equivalents	1,303.9	369.9
TOTAL ASSETS	**66,092.1**	**64,527.2**
Equity attributable to the holders of the Stapled Shares	**25,767.2**	**26,176.1**
Share capital	691.9	691.4
Additional paid-in capital	13,477.2	13,471.0
Consolidated reserves	10,699.4	11,175.0
Hedging and foreign currency translation reserves	(276.0)	(192.4)
Consolidated result	1,174.7	1,031.1
- Equity attributable to Unibail-Rodamco-Westfield S.E. members	***24,157.8***	***24,594.8***
- Equity attributable to WFD Unibail-Rodamco N.V. members	***1,609.4***	***1,581.3***
Hybrid securities	1,989.0	*1,989.0*
External non-controlling interests	3,928.3	3,976.4
TOTAL SHAREHOLDERS' EQUITY	**31,684.5**	**32,141.5**
NON CURRENT LIABILITIES	**27,869.1**	**26,359.7**
Long-term commitment to non-controlling interests	186.2	178.4
Net share settled bonds convertible into new and/or existing shares (ORNANE)	600.9	491.8
Long-term bonds and borrowings	22,446.6	20,655.3
Long-term lease liabilities	808.9	384.0
Derivatives at fair value	1,069.5	450.7
Deferred tax liabilities	2,266.0	3,669.5
Non current provisions	111.9	117.1
Guarantee deposits	234.1	231.2
Amounts due on investments	145.0	181.8
CURRENT LIABILITIES	**6,538.5**	**6,026.0**
Current commitment to external non-controlling interests	1.3	1.5
Amounts owed to shareholders	747.0	-
Amounts due to suppliers and other creditors	**1,390.5**	**1,401.5**
Amounts due to suppliers	*179.9*	*207.4*
Amounts due on investments	*707.5*	*624.7*
Sundry creditors	*503.1*	*569.4*
Other current liabilities	739.4	662.5
Current borrowings and amounts due to credit institutions	3,547.5	3,850.7
Current lease liabilities	36.6	2.6
Derivatives at fair value	49.1	77.0
Current provisions	27.1	30.2
TOTAL LIABILITIES AND EQUITY	**66,092.1**	**64,527.2**

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

Consolidated statement of cash flows (€ Mn)	H1-2019	H1-2018	2018
Operating activities			
Net result	**1,177.9**	**751.9**	**1,242.8**
Depreciation & provisions (1)	9.6	(20.4)	(29.8)
Impairment of goodwill	3.5	0.7	4.9
Changes in value of property assets	367.2	(335.4)	(62.2)
Changes in value of financial instruments	214.8	100.3	289.8
Charges and income relating to stock options and similar items	7.6	5.4	24.2
Net capital gains/losses on disposal of shares	(19.5)	-	(3.0)
Net capital gains/losses on sales of properties (2)	(1.4)	1.2	(80.1)
Share of the result of companies accounted for using the equity method	133.7	(66.8)	(233.9)
Income on financial assets	(17.3)	(13.9)	(32.1)
Dividend income from non-consolidated companies	(0.1)	(0.1)	(0.1)
Net financing costs	197.9	120.9	331.6
Income tax charge (income)	(1,067.1)	77.6	113.6
Westfield's acquisition and related costs	-	108.7	108.7
Cash flow before net financing costs and tax	**1,006.8**	**730.1**	**1,674.4**
Income on financial assets	17.3	13.9	32.1
Dividend income and result from companies accounted for using the equity method or non consolidated	148.5	26.7	257.5
Income tax paid	(210.4)	(14.4)	(65.9)
Change in working capital requirement	(79.7)	(45.6)	(104.0)
Total cash flow from operating activities	**882.5**	**710.7**	**1,794.0**
Investment activities			
Property activities	**(462.3)**	**(4,958.5)**	**(4,269.0)**
Acquisition of businesses, net of cash acquired	-	(4,442.1)	(4,457.8)
Amounts paid for works and acquisition of property assets	(738.2)	(558.2)	(1,597.6)
Repayment of property financing	68.3	29.0	212.3
Increase of property financing	(114.1)	(87.8)	(262.4)
Disposal of shares/consolidated subsidiaries	233.3	(0.1)	797.2
Disposal of investment properties	88.4	100.7	1,039.3
Financial activities	**(4.3)**	**0.3**	**(2.1)**
Acquisition of financial assets	(11.4)	(5.7)	(11.6)
Disposal of financial assets	2.8	2.3	5.7
Change in financial assets	4.3	3.7	3.8
Total cash flow from investment activities	**(466.6)**	**(4,958.2)**	**(4,271.1)**
Financing activities			
Capital increase of parent company	6.4	12.5	13.4
Change in capital from companies with non-controlling shareholders	7.1	-	5.0
Hybrid securities	-	1,989.3	1,989.0
Distribution paid to parent company shareholders	(746.9)	(1,079.2)	(1,079.2)
Dividends paid to non-controlling shareholders of consolidated companies	(58.6)	(95.3)	(98.2)
Coupon on the Hybrid Securities	(21.6)	-	(13.3)
New borrowings and financial liabilities	3,029.8	3,897.7	5,098.7
Repayment of borrowings and financial liabilities	(1,398.9)	(274.7)	(3,274.3)
Financial income	135.1	69.1	139.9
Financial expenses	(404.2)	(217.3)	(440.2)
Other financing activities	(76.2)	(22.6)	(88.8)
Total cash flow from financing activities	**472.0**	**4,279.5**	**2,252.0**
Change in cash and cash equivalents during the period	**887.9**	**32.0**	**(225.1)**
Net cash and cash equivalents at the beginning of the year	**368.7**	**565.7**	**565.7**
Effect of exchange rate fluctuations on cash held	**40.5**	**(22.3)**	**28.1**
Net cash and cash equivalents at period-end	**1,297.1**	**575.4**	**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]:

1. Consolidated income statement p 11
2. Consolidated income statement by segment p 12
3. Consolidated statement of financial position p 14

[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)	**H1-2019 IFRS**	**Proportionate**	**Total H1-2019 Proportionate**	**H1-2018 IFRS**	**Proportionate**	**Total H1-2018 Proportionate**	**2018 IFRS**	**Proportionate**	**Total 2018 Proportionate**
Gross rental income	1,214.2	324.9	1,539.1	989.4	81.9	1,071.3	2,211.3	408.3	2,619.6
Ground rents paid	*(6.8)*	(0.3)	*(7.2)*	*(14.7)*	*(1.1)*	*(15.8)*	*(20.9)*	*(0.8)*	*(21.7)*
Service charge income	*220.0*	37.5	*257.5*	*197.4*	6.2	*203.6*	*375.5*	47.9	*423.4*
Service charge expenses	*(236.5)*	(43.5)	*(280.0)*	*(208.4)*	(7.5)	*(215.9)*	*(404.3)*	(55.0)	*(459.3)*
Property operating expenses	*(183.3)*	(71.8)	*(255.1)*	*(103.2)*	*(17.0)*	*(120.2)*	*(321.2)*	*(79.7)*	*(400.9)*
Operating expenses and net service charges	(206.6)	(78.2)	(284.8)	(128.8)	(19.4)	(148.3)	(370.9)	(87.6)	(458.5)
Net rental income	**1,007.6**	**246.7**	**1,254.3**	**860.6**	**62.5**	**923.0**	**1,840.3**	**320.7**	**2,161.0**
Property development and project management revenue	288.2	0.0	288.2	73.8	-	73.8	215.5	(0.0)	215.5
Property development and project management costs	(252.9)	(0.0)	(252.9)	(68.7)	-	(68.7)	(178.5)	0.0	(178.5)
Net property development and project management income	**35.3**	**0.0**	**35.3**	**5.1**	**-**	**5.1**	**37.0**	**(0.0)**	**37.0**
Property services and other activities revenues	160.9	0.0	160.9	134.0	-	134.0	307.2	(0.0)	307.2
Property services and other activities expenses	(113.0)	(2.2)	(115.2)	(85.9)	(0.7)	(86.6)	(198.9)	(4.4)	(203.3)
Net property services and other activities income	**47.9**	**(2.2)**	**45.7**	**48.1**	**(0.7)**	**47.4**	**108.2**	**(4.4)**	**103.8**
Share of the result of companies accounted for using the equity method	(133.7)	117.7	(16.1)	66.8	(61.0)	5.8	233.9	(195.6)	38.3
Income on financial assets	17.3	(2.7)	14.7	13.9	(0.5)	13.4	32.1	(5.5)	26.6
Contribution of companies accounted for using the equity method	**(116.4)**	**115.0**	**(1.4)**	**80.7**	**(61.5)**	**19.2**	**266.0**	**(201.1)**	**64.9**
Corporate expenses	(83.8)	(1.6)	(85.4)	(61.5)	(0.8)	(62.3)	(141.4)	(0.4)	(141.8)
Development expenses	(0.9)	-	(0.9)	(0.2)	-	(0.2)	(2.1)	-	(2.1)
Depreciation of other tangible assets	(1.0)	-	(1.0)	(1.0)	-	(1.0)	(1.9)	-	(1.9)
Administrative expenses	**(85.6)**	**(1.6)**	**(87.2)**	**(62.7)**	**(0.8)**	**(63.5)**	**(145.5)**	**(0.4)**	**(145.9)**
Acquisition and related costs	**(15.5)**	**-**	**(15.5)**	**(214.7)**	**-**	**(214.7)**	**(268.7)**	**-**	**(268.7)**
Proceeds from disposal of investment properties	88.4	1.9	90.3	49.8	0.2	50.0	985.4	82.7	1,068.1
Carrying value of investment properties sold	(87.0)	(1.1)	(88.1)	(51.0)	-	(51.0)	(905.3)	(82.8)	(988.1)
Result on disposal of investment properties	**1.4**	**0.8**	**2.2**	**(1.2)**	**0.2**	**(1.0)**	**80.1**	**(0.0)**	**80.1**
Proceeds from disposal of shares	165.2	-	165.2	-	-	-	463.4	(0.0)	463.4
Carrying value of disposed shares	(145.7)	-	(145.7)	-	-	-	(460.5)	-	(460.5)
Result on disposal of shares	**19.5**	**-**	**19.5**	**-**	**-**	**-**	**3.0**	**(0.0)**	**3.0**
Valuation gains on assets	552.6	47.5	600.1	590.5	19.2	609.7	885.1	131.4	1,016.4
Valuation losses on assets	(919.8)	(373.2)	(1,293.0)	(255.1)	(2.8)	(257.9)	(822.9)	(200.9)	(1,023.8)
Valuation movements on assets	**(367.2)**	**(325.7)**	**(692.9)**	**335.4**	**16.4**	**351.8**	**62.2**	**(69.6)**	**(7.4)**
Impairment of goodwill	**(3.5)**	**-**	**(3.5)**	**(0.7)**	**-**	**(0.7)**	**(4.9)**	**-**	**(4.9)**
NET OPERATING RESULT	**523.4**	**33.1**	**556.4**	**1,050.6**	**15.9**	**1,066.5**	**1,977.8**	**45.1**	**2,023.0**
Result from non-consolidated companies	0.2	(0.0)	0.2	0.2	-	0.2	-	*(0.1)*	(0.1)
Financial income	*131.9*	(2.0)	*129.9*	*64.8*	-	*64.8*	*171.0*	*0.0*	*171.0*
Financial expenses	*(329.8)*	(33.3)	*(363.2)*	*(185.7)*	*(10.2)*	*(195.9)*	*(502.6)*	*(37.9)*	*(540.5)*
Net financing costs	(197.9)	(35.4)	(233.3)	(120.9)	(10.2)	(131.1)	(331.6)	(37.9)	(369.5)
Fair value adjustment of net share settled bonds convertible into new and/or existing shares (ORNANE)	(5.9)	-	(5.9)	28.9	-	28.9	28.9	0.0	28.9
Fair value adjustments of derivatives, debt and currency effect	(208.6)	1.8	(206.7)	(129.3)	0.4	(128.9)	(318.0)	1.0	(317.0)
Debt discounting	(0.3)	-	(0.3)	-	-	-	(0.7)	0.0	(0.7)
RESULT BEFORE TAX	**110.8**	**(0.5)**	**110.3**	**829.5**	**6.1**	**835.6**	**1,356.5**	**8.2**	**1,364.6**
Income tax expenses	1,067.1	0.5	1,067.6	(77.6)	(6.1)	(83.7)	(113.6)	(8.2)	(121.8)
NET RESULT FOR THE PERIOD	**1,177.9**	**0.0**	**1,177.9**	**751.9**	**0.0**	**751.9**	**1,242.8**	**0.0**	**1,242.8**
Net result for the period attributable to:									
- The holders of the Stapled Shares	1,174.7	0.0	1,174.7	642.6	-	642.6	1,031.1	0.0	1,031.1
- External non-controlling interests	3.2	0.0	3.2	109.3	-	109.3	211.7	-	211.7
NET RESULT FOR THE PERIOD	**1,177.9**	**0.0**	**1,177.9**	**751.9**	**-**	**751.9**	**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)			H1-2019			H1-2018 restated [1]			2018 restated [1]		
			Recurring activities	Non-recurring activities [2]	Result	Recurring activities	Non-recurring activities [2]	Result	Recurring activities	Non-recurring activities [2]	Result
SHOPPING CENTRES	**FRANCE**	Gross rental income	354.7	-	354.7	347.1	-	347.1	699.3	-	699.3
		Operating expenses and net service charges	(24.5)	-	(24.5)	(24.1)	-	(24.1)	(52.1)	-	(52.1)
		Net rental income	**330.2**	**-**	**330.2**	**323.0**	**-**	**323.0**	**647.2**	**-**	**647.2**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-	-	-	-
		Gains/losses on sales of properties	-	0.5	0.5	-	0.8	0.8	-	3.1	3.1
		Valuation movements on assets	-	35.4	35.4	-	39.4	39.4	-	(24.3)	(24.3)
		Result from operations Shopping Centres France	**330.2**	**35.8**	**366.0**	**323.0**	**40.2**	**363.2**	**647.2**	**(21.1)**	**626.1**
	UNITED STATES	Gross rental income	466.0	-	466.0	78.4	-	78.4	544.2	-	544.2
		Operating expenses and net service charges	(146.9)	-	(146.9)	(32.5)	-	(32.5)	(193.1)	-	(193.1)
		Net rental income	**319.2**	**-**	**319.2**	**45.8**	**-**	**45.8**	**351.1**	**-**	**351.1**
		Contribution of companies accounted for using the equity method	4.4	(25.3)	(20.9)	-	-	-	7.1	(15.4)	(8.3)
		Gains/losses on sales of properties	-	0.5	0.5	-	-	-	-	(0.2)	(0.2)
		Valuation movements on assets	-	(312.0)	(312.0)	-	-	-	-	(153.4)	(153.4)
		Result from operations Shopping Centres United States	**323.6**	**(336.8)**	**(13.3)**	**45.8**	**-**	**45.8**	**358.2**	**(169.0)**	**189.2**
	CENTRAL EUROPE	Gross rental income	112.6	-	112.6	108.5	-	108.5	216.9	-	216.9
		Operating expenses and net service charges	0.6	-	0.6	(0.9)	-	(0.9)	(5.3)	-	(5.3)
		Net rental income	**113.2**	**-**	**113.2**	**107.6**	**-**	**107.6**	**211.6**	**-**	**211.6**
		Contribution of companies accounted for using the equity method	20.7	0.1	20.8	23.8	(6.9)	16.9	46.6	27.5	74.1
		Gains/losses on sales of properties	-	(0.0)	(0.0)	-	-	-	-	(0.2)	(0.2)
		Valuation movements on assets	-	47.8	47.8	-	130.1	130.1	-	149.9	149.9
		Result from operations Shopping Centres Central Europe	**133.9**	**47.8**	**181.7**	**131.3**	**123.2**	**254.6**	**258.3**	**177.2**	**435.4**
	SPAIN	Gross rental income	83.9	-	83.9	90.8	-	90.8	174.7	-	174.7
		Operating expenses and net service charges	(7.2)	-	(7.2)	(9.0)	-	(9.0)	(19.2)	-	(19.2)
		Net rental income	**76.7**	**-**	**76.7**	**81.9**	**-**	**81.9**	**155.5**	**-**	**155.5**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-	-	-	-
		Gains/losses on sales of properties	-	(0.1)	(0.1)	-	(0.6)	(0.6)	-	24.5	24.5
		Valuation movements on assets	-	29.7	29.7	-	23.0	23.0	-	124.1	124.1
		Result from operations Shopping Centres Spain	**76.7**	**29.7**	**106.4**	**81.9**	**22.4**	**104.3**	**155.5**	**148.6**	**304.1**
	UNITED KINGDOM	Gross rental income	104.4	-	104.4	19.9	-	19.9	127.7	-	127.7
		Operating expenses and net service charges	(26.3)	-	(26.3)	(6.1)	-	(6.1)	(28.3)	-	(28.3)
		Net rental income	**78.0**	**-**	**78.0**	**13.8**	**-**	**13.8**	**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	-	(378.5)	(378.5)	-	-	-	-	(99.6)	(99.6)
		Result from operations Shopping Centres United Kingdom	**78.0**	**(378.5)**	**(300.4)**	**13.8**	**-**	**13.8**	**99.4**	**(99.7)**	**(0.3)**
	NORDICS	Gross rental income	70.1	-	70.1	77.2	-	77.2	151.6	-	151.6
		Operating expenses and net service charges	(4.3)	-	(4.3)	(3.9)	-	(3.9)	(10.1)	-	(10.1)
		Net rental income	**65.8**	**-**	**65.8**	**73.3**	**-**	**73.3**	**141.5**	**-**	**141.5**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-	-	-	-
		Gains/losses on sales of properties	-	19.8	19.8	-	0.1	0.1	-	0.5	0.5
		Valuation movements on assets	-	0.6	0.6	-	16.3	16.3	-	28.9	28.9
		Result from operations Shopping Centres Nordics	**65.8**	**20.3**	**86.1**	**73.3**	**16.4**	**89.6**	**141.5**	**29.4**	**170.9**
	AUSTRIA	Gross rental income	57.8	-	57.8	55.9	-	55.9	111.8	-	111.8
		Operating expenses and net service charges	(2.0)	-	(2.0)	(2.0)	-	(2.0)	(4.3)	-	(4.3)
		Net rental income	**55.8**	**-**	**55.8**	**54.0**	**-**	**54.0**	**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	-	(35.9)	(35.9)	-	18.5	18.5	-	39.8	39.8
		Result from operations Shopping Centres Austria	**55.8**	**(35.9)**	**20.0**	**54.0**	**18.5**	**72.5**	**107.6**	**39.8**	**147.4**
	GERMANY	Gross rental income	74.7	-	74.7	73.9	-	73.9	149.8	-	149.8
		Operating expenses and net service charges	(4.7)	-	(4.7)	(4.5)	-	(4.5)	(10.2)	-	(10.2)
		Net rental income	**70.0**	**-**	**70.0**	**69.4**	**-**	**69.4**	**139.6**	**-**	**139.6**
		Contribution of companies accounted for using the equity method	1.0	(2.2)	(1.3)	0.5	1.8	2.3	1.0	(1.9)	(0.9)
		Gains/losses on sales of properties	-	(0.1)	(0.1)	-	(1.2)	(1.2)	-	(0.3)	(0.3)
		Valuation movements on assets	-	(84.4)	(84.4)	-	21.3	21.3	-	(23.8)	(23.8)
		Result from operations Shopping Centres Germany	**71.0**	**(86.8)**	**(15.8)**	**69.9**	**21.9**	**91.8**	**140.6**	**(26.1)**	**114.5**
	THE NETHERLANDS	Gross rental income	35.0	-	35.0	34.4	-	34.4	70.4	-	70.4
		Operating expenses and net service charges	(6.9)	-	(6.9)	(4.8)	-	(4.8)	(11.5)	-	(11.5)
		Net rental income	**28.0**	**-**	**28.0**	**29.5**	**-**	**29.5**	**59.0**	**-**	**59.0**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-	-	-	-
		Gains/losses on sales of properties	-	0.5	0.5	-	(0.2)	(0.2)	-	(0.7)	(0.7)
		Valuation movements on assets	-	(11.7)	(11.7)	-	(43.6)	(43.6)	-	(80.8)	(80.8)
		Result from operations Shopping Centres The Netherlands	**28.0**	**(11.3)**	**16.8**	**29.5**	**(43.8)**	**(14.3)**	**59.0**	**(81.5)**	**(22.5)**
		TOTAL RESULT FROM OPERATIONS SHOPPING CENTRES	**1,163.1**	**(715.6)**	**447.5**	**822.5**	**198.8**	**1,021.3**	**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 purchase price 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)			H1-2019			H1-2018 restated [1]			2018 restated [1]		
			Recurring activities	Non-recurring activities [2]	Result	Recurring activities	Non-recurring activities [2]	Result	Recurring activities	Non-recurring activities [2]	Result
OFFICES & OTHERS	**FRANCE**	Gross rental income	49.2	-	49.2	71.0	-	71.0	132.2	-	132.2
		Operating expenses and net service charges	(2.3)	-	(2.3)	(3.7)	-	(3.7)	(8.5)	-	(8.5)
		Net rental income	**46.9**	**-**	**46.9**	**67.3**	**-**	**67.3**	**123.8**	**-**	**123.8**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-	-	-	-
		Gains/losses on sales of properties	-	(0.5)	(0.5)	-	-	-	-	56.6	56.6
		Valuation movements on assets	-	207.8	207.8	-	194.5	194.5	-	205.6	205.6
		Result from operations Offices France	**46.9**	**207.3**	**254.2**	**67.3**	**194.5**	**261.8**	**123.8**	**262.3**	**386.0**
	OTHER COUNTRIES	Gross rental income	19.8	-	19.8	10.2	-	10.2	31.8	-	31.8
		Operating expenses and net service charges	(5.0)	-	(5.0)	(1.3)	-	(1.3)	(6.8)	-	(6.8)
		Net rental income	**14.8**	**-**	**14.8**	**8.9**	**-**	**8.9**	**25.0**	**-**	**25.0**
		Contribution of companies accounted for using the equity method	-	-	-	-	-	-	-	-	-
		Gains/losses on sales of properties	-	1.2	1.2	-	-	-	-	(0.2)	(0.2)
		Valuation movements on assets	-	11.6	11.6	-	4.0	4.0	-	(51.7)	(51.7)
		Result from operations Offices other countries	**14.8**	**12.8**	**27.6**	**8.9**	**4.0**	**12.9**	**25.0**	**(51.9)**	**(26.9)**
		TOTAL RESULT FROM OPERATIONS OFFICES	**61.7**	**220.1**	**281.7**	**76.3**	**198.4**	**274.7**	**148.7**	**210.4**	**359.1**
CONVENTION & EXHIBITION	**FRANCE**	Gross rental income	111.0	-	111.0	104.0	-	104.0	209.2	-	209.2
		Operating expenses and net service charges	(55.4)	-	(55.4)	(55.5)	-	(55.5)	(109.3)	-	(109.3)
		Net rental income	**55.7**	**-**	**55.7**	**48.5**	**-**	**48.5**	**99.9**	**-**	**99.9**
		On site property services net income	**32.0**	**-**	**32.0**	**32.1**	**-**	**32.1**	**64.9**	**-**	**64.9**
		Valuation movements, depreciation, capital gains	(7.2)	(148.4)	(155.7)	(5.9)	(50.3)	(56.1)	(13.1)	(76.5)	(89.7)
		Impairment of goodwill	-	(3.5)	(3.5)	-	(0.7)	(0.7)	-	(4.9)	(4.9)
		TOTAL RESULT FROM OPERATIONS C & E	**80.4**	**(152.0)**	**(71.6)**	**74.7**	**(50.9)**	**23.8**	**151.6**	**(81.4)**	**70.2**
			-	-	-			-			
		Net property development and project management income	35.3	(50.8)	(15.5)	5.1	-	5.1	37.0	(32.3)	4.7
		Other property services net income	21.0	(4.0)	17.0	21.1	(1.2)	19.9	52.1	(13.2)	38.9
		Administrative expenses	(86.3)	-	(86.3)	(63.3)	-	(63.3)	(143.8)	-	(143.8)
		Development expenses	(0.9)	-	(0.9)	(0.2)	-	(0.2)	(2.1)	-	(2.1)
		Acquisition and related costs	-	(15.5)	(15.5)	-	(214.7)	(214.7)	-	(268.7)	(268.7)
NET OPERATING RESULT			**1,274.2**	**(717.7)**	**556.4**	**936.2**	**130.4**	**1,066.5**	**2,210.6**	**(187.6)**	**2,023.0**
		Result from non consolidated companies	0.2	-	0.2	0.2	-	0.2	(0.1)	-	(0.1)
		Financing result	(233.3)	(213.0)	(446.3)	(131.1)	(100.0)	(231.1)	(369.5)	(288.8)	(658.3)
			-	-							
RESULT BEFORE TAX			**1,041.1**	**(930.7)**	**110.3**	**805.2**	**30.4**	**835.6**	**1,841.0**	**(476.4)**	**1,364.6**
		Income tax expenses	(20.3)	1,088.0	1,067.6	(0.7)	(83.0)	(83.7)	(27.9)	(93.9)	(121.8)
NET RESULT FOR THE PERIOD			**1,020.7**	**157.2**	**1,177.9**	**804.5**	**(52.6)**	**751.9**	**1,813.1**	**(570.2)**	**1,242.8**
		External non-controlling interests	(104.2)	101.0	(3.2)	(101.6)	(7.7)	(109.3)	(203.4)	(8.4)	(211.7)
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO THE HOLDERS OF THE STAPLED SHARES			**916.5**	**258.2**	**1,174.7**	**702.9**	**(60.3)**	**642.6**	**1,609.8**	**(578.6)**	**1,031.1**

(1) H1-2018 and 2018 figures have been restated as follows: hotel assets were transferred from Convention & Exhibition segment to Offices & Others segment and one asset was reclassified from Shopping Centres segment to 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)	**June 30, 2019 IFRS**	**Proportionate**	**June 30, 2019 Proportionate**	**Dec. 31, 2018 IFRS** (1)	**Proportionate**	**Dec. 31, 2018 Proportionate** (1)
NON CURRENT ASSETS	**62,675.7**	**2,268.6**	**64,944.3**	**62,818.5**	**2,294.5**	**65,113.0**
Investment properties	**47,298.6**	**11,244.0**	**58,542.6**	**47,626.7**	**11,410.4**	**59,037.1**
Investment properties at fair value	*46,116.0*	*11,158.6*	*57,274.6*	*46,068.8*	*11,312.2*	*57,381.1*
Investment properties at cost	*1,182.6*	*85.4*	*1,268.0*	*1,557.8*	*98.2*	*1,656.0*
Shares and investments in companies accounted for using the equity method	10,058.3	(9,074.5)	983.8	10,273.3	(9,216.3)	1,057.0
Other tangible assets	352.9	0.9	353.8	292.2	2.0	294.2
Goodwill	2,846.1	90.4	2,936.5	2,863.1	90.5	2,953.6
Intangible assets	1,071.4	-	1,071.4	1,130.2	0.0	1,130.2
Investments in financial assets	317.7	7.8	325.5	302.9	8.0	310.9
Deferred tax assets	28.9	-	28.9	26.9	(0.0)	26.9
Derivatives at fair value	701.8	-	701.8	303.2	-	303.2
CURRENT ASSETS	**3,416.4**	**250.7**	**3,667.1**	**1,708.7**	**217.4**	**1,926.1**
Properties or shares held for sale	827.5	-	827.5	66.2	-	66.2
Derivatives at fair value	-	-	-	-	-	-
Inventories	84.1	9.1	93.2	95.2	1.9	97.1
Trade receivables from activity	575.2	73.3	648.5	550.6	70.6	621.2
Tax receivables	247.0	4.0	251.0	285.7	4.0	289.7
Other receivables	378.7	72.3	451.0	341.1	47.5	388.6
Cash and cash equivalents	1,303.9	92.0	1,395.9	369.9	93.3	463.2
TOTAL ASSETS	**66,092.1**	**2,519.3**	**68,611.4**	**64,527.2**	**2,511.9**	**67,039.1**
Equity attributable to the holders of the Stapled Shares	**25,767.2**	**-**	**25,767.2**	**26,176.1**	**-**	**26,176.1**
Share capital	691.9	-	691.9	691.4	-	691.4
Additional paid-in capital	13,477.2	-	13,477.2	13,471.0	-	13,471.0
Consolidated reserves	10,699.4	-	10,699.4	11,175.0	-	11,175.0
Hedging and foreign currency translation reserves	(276.0)	-	(276.0)	(192.4)	-	(192.4)
Consolidated result	1,174.7	-	1,174.7	1,031.1	-	1,031.1
- Equity attributable to Unibail-Rodamco-Westfield S.E. members	***24,157.8***	**-**	***24,157.8***	***24,594.8***	**-**	***24,594.8***
- Equity attributable to WFD Unibail-Rodamco N.V. members	***1,609.4***	**-**	***1,609.4***	***1,581.3***	**-**	***1,581.3***
Hybrid securities	1,989.0	-	1,989.0	*1,989.0*	-	*1,989.0*
External non-controlling interests	3,928.3	-	3,928.3	3,976.4	-	3,976.4
TOTAL SHAREHOLDERS' EQUITY	**31,684.5**	**-**	**31,684.5**	**32,141.5**	**-**	**32,141.5**
NON CURRENT LIABILITIES	**27,869.1**	**1,767.8**	**29,636.9**	**26,359.7**	**1,928.5**	**28,288.3**
Long-term commitment to non-controlling interests	186.2	2.1	188.3	178.4	2.1	180.5
Net share settled bonds convertible into new and/or existing shares (ORNANE)	600.9	-	600.9	491.8	-	491.8
Long-term bonds and borrowings	22,446.6	1,632.0	24,078.6	20,655.3	1,791.2	22,446.5
Long-term lease liabilities	808.9	9.2	818.1	384.0	9.1	393.1
Derivatives at fair value	1,069.5	-	1,069.5	450.7	0.0	450.7
Deferred tax liabilities	2,266.0	107.5	2,373.5	3,669.5	108.7	3,778.1
Non current provisions	111.9	0.3	112.2	117.1	0.3	117.4
Guarantee deposits	234.1	17.6	251.7	231.2	17.1	248.3
Amounts due on investments	145.0	(0.9)	144.1	181.8	0.0	181.8
CURRENT LIABILITIES	**6,538.5**	**751.5**	**7,290.0**	**6,026.0**	**583.4**	**6,609.3**
Current commitment to external non-controlling interests	1.3	-	1.3	1.5	-	1.5
Amounts owed to shareholders	747.0	-	747.0	-	-	-
Amounts due to suppliers and other creditors	**1,390.5**	**138.9**	**1,529.4**	**1,401.5**	**122.8**	**1,524.3**
Amounts due to suppliers	*179.9*	*32.0*	*211.9*	*207.4*	*27.6*	*235.0*
Amounts due on investments	*707.5*	*33.7*	*741.2*	*624.7*	*31.7*	*656.4*
Sundry creditors	*503.1*	*73.2*	*576.3*	*569.4*	*63.5*	*632.9*
Other current liabilities	739.4	18.1	757.5	662.5	26.7	689.2
Current borrowings and amounts due to credit institutions	3,547.5	592.8	4,140.3	3,850.7	432.1	4,282.8
Current lease liabilities	36.6	-	36.6	2.6	0.0	2.6
Derivatives at fair value	49.1	-	49.1	77.0	-	77.0
Current provisions	27.1	1.7	28.8	30.2	1.7	31.9
TOTAL LIABILITIES AND EQUITY	**66,092.1**	**2,519.3**	**68,611.4**	**64,527.2**	**2,511.9**	**67,039.1**

(1) December 31, 2018 has been restated as follows:
- reclassification of Los Angeles Airport (LAX) and Chicago Airport from Intangible assets to Investment properties at fair value;
- reclassification from Deferred tax liabilities to Non current provision 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.

MANAGEMENT DISCUSSION & ANALYSIS[3]:

1. Business review and 2019 half-year results p 16
2. Investments and divestments p 41
3. Development projects as at June 30, 2019 p 43
4. Property portfolio and Net Asset Value as at June 30, 2019 p 48
5. Financial resources p 68
6. EPRA Performance measures p 76

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

1. BUSINESS REVIEW AND 2019 HALF-YEAR RESULTS

I. ACCOUNTING PRINCIPLES AND SCOPE OF CONSOLIDATION

Accounting principles

Unibail-Rodamco-Westfield's ("URW" or "the Group") consolidated financial statements as at June 30, 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. These right-of-use assets are depreciated over the contract period or over the useful lifetime, whichever is shorter. The interest costs of 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 for 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 classified 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 H1-2019

Consolidated statement of financial position

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

Consolidated Income statement

- +€25.3 Mn positive impact on H1-2019 Net Rental Income ("NRI");
- -€12.9 Mn increase in financial expenses;
- -€0.2 Mn in Administrative expenses;
- +€12.2 Mn positive impact on the Net recurring result for the period.

Consolidated statement of cash flows

- +€29.2 Mn positive impact on Total cash flow from operating activities;
- -€29.2 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 prepared 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

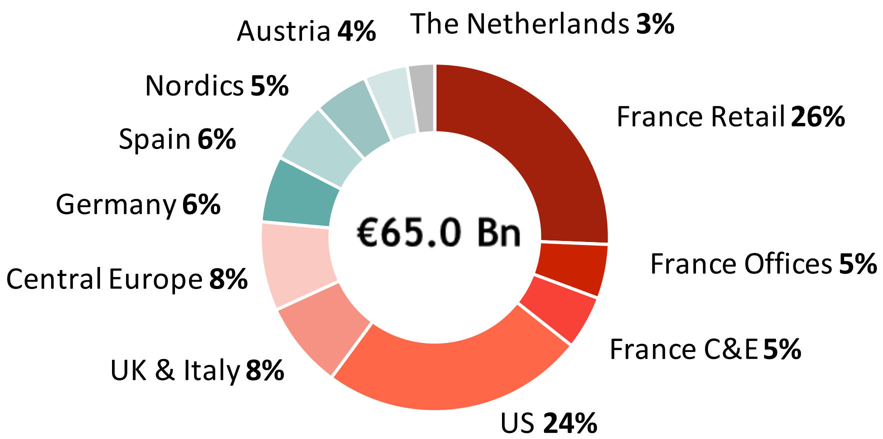
The principal changes in the scope of consolidation since December 31, 2018, were the disposal of URW's 34% stake in the Jumbo shopping centre and the disposal of a 75% stake in Cherry Park residential project at Westfield Stratford City to two institutional investors.

Operational reporting

URW operates in nine regions: France, the United States of America ("US"), Central Europe[5], Spain, the United Kingdom ("UK"), the Nordics, Austria, Germany and The Netherlands. In addition, the Group has significant development projects in two more countries: Italy and Belgium.

As France has substantial activities in all three business lines of the Group, this region is itself divided in three segments: Shopping Centres, Offices & Others and Convention & Exhibition ("C&E")[6]. 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 June 30, 2019.



Figures may not add up due to rounding.

[4] EPRA Best Practices Recommendations are available on the EPRA website: www.epra.com.
[5] Central Europe includes Ring-Center, accounted for using the equity method.
[6] C&E includes 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 on the basis of the Group's Continental European perimeter prior to the transaction. A separate section ("4. UK and US Business Review") has been added in order to give investors an overview of the most significant business events in the UK and the US in H1-2019. Unless otherwise indicated, all references in Sections 1 to 3 are to URW's Continental European operations and relate to the period ended June 30, 2019. Comparisons relate to the same period in 2018.

1. Continental Europe - Shopping Centres

1.1. Activity

Footfall[7]

The number of visits to URW's shopping centres through May 31 was up by +3.4% and by +3.7% for Flagships. In France, footfall grew by +5.7%, outperforming the French national footfall index[8] by +577 bps.

Footfall through May 31 in Central Europe, Germany and Spain increased by +3.2%, +2.5% and +1.1%, respectively, outperforming the German and Spanish indices by +291 bps and +69 bps, respectively.

The number of visits to URW's shopping centres through June 30 was up by +3.2% and by +3.6% for Flagships.

Tenant sales[9]

URW's tenant sales through June 30 increased by +5.3% and by +5.7% for Flagships.

URW's tenant sales through May 31 increased by +4.9% and by +5.2% for Flagships, outperforming the aggregate national sales index[10] by +242 bps and +284 bps, respectively. The Nordics and France benefitted from the strong impact of the deliveries of the Tesla Model 3. Excluding Tesla, tenant sales through May 31 increased by +2.9%.

Region	Tenant Sales Growth (%) (May 2019)	Performance versus National Sales Index (bps)
France	+4.6	+270
Central Europe	+4.6	+172
Spain	+1.1	-117
Nordics	+13.8	+1,071
Austria	+1.6	-37
Germany	+3.4	+2
Total	**+4.9**	**+242**

- In France, tenant sales increased by +4.6%, outperforming the IFLS index by +270 bps and the CNCC index by +470 bps as the impact of the "yellow vest" protests on URW's French shopping centres was marginal. All Flagships noted positive

[7] Footfall data include shopping centres accounted for using the equity method (Rosny 2, CentrO, Paunsdorf and Metropole Zlicin), but not Zlote Tarasy as it is not managed by URW. Footfall in URW's shopping centres in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For the H1-2019 reporting period, shopping centres excluded due to delivery or ongoing works were Galerie Gaité, La Part-Dieu, CH Ursynow, Westfield Mall of the Netherlands, Garbera and Gropius Passagen. Les Boutiques du Palais is now included in the C&E segment.
[8] Reference is the CNCC (*Conseil National des Centres Commerciaux*) index.
[9] Tenant sales data include shopping centres accounted for using the equity method (Rosny 2, CentrO, Paunsdorf and Metropole Zlicin), but not Zlote Tarasy as it is not managed by URW. Tenant sales performance in URW's shopping centres (except The Netherlands) in operation, including extensions of existing assets, but excluding deliveries of new brownfield projects, newly acquired assets and assets under heavy refurbishment. For the H1-2019 reporting period, shopping centres excluded due to delivery or ongoing works were Galerie 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 C&E segment.
[10] Based on latest national indices available (year-on-year evolution) as at May 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) (as at April 2019), Eurostat (Slovakia); Austria: Eurostat; the Nordics: HUI Research (Sweden), Danmarks Statistik (Denmark); Germany: Destatis-Genesis, excluding online only operators and fuel sales (Federal Statistical Office). Including online only sales for France, Spain, Austria, the Czech Republic and Slovakia and excluding online only sales for Germany, the Nordics and Poland.

sales growth, with the main contributors being Carré Sénart (+13.4%), Polygone Riviera (+10.3%), Vélizy 2 (+7.8%) and Parly 2 (+5.7%);

- In Central Europe, tenant sales increased by +4.6%, primarily due to Wroclavia (+17.3%), Centrum Chodov (+10.9%) and Aupark (+7.2%). Arkadia (-1.0%) and Galeria Mokotow (stable) showed resilience in the context of the Sunday trading ban introduced in 2018 (stores are now closed three out of four Sundays);

- Spanish tenant sales grew by +1.1% compared to the national sales index at +2.3%. Strong sales increases in Bonaire (+4.2%), Glòries (+4.0%) and Parquesur (+3.6%) were partially offset by La Vaguada (-7.8%), affected by a double-digit sales decline of a tenant, and Splau (-1.1%), impacted by works to introduce FNAC (opened on July 5);

- In the Nordics, tenant sales (+13.8%) were boosted by outstanding performance of Tesla driving sales in Mall of Scandinavia (+25.9%) and Täby Centrum (+18.4%). Tenant sales in Fisketorvet (-5.0%) were impacted by road works and the closure of the bridge just outside the shopping centre. These are expected to last through October 2019;

- In Austria, tenant sales growth (+1.6%) was primarily driven by Shopping City Süd (+2.8%);

- In Germany, tenant sales grew by +3.4%. Strong growth in Ruhr Park (+6.3%) and CentrO (+4.2%) was partially offset by Palais Vest (-1.1%).

In terms of sectors through June 30, in addition to automotive, sport (+8.8%), dining (+6.4%), entertainment (+4.6%) and health & beauty (+4.1%) remain the main sales growth contributors, illustrating the importance of URW's approach to focusing on shifting consumer preference towards these sectors. Sales of fashion apparel, the sector with the most GLA within URW (30.9%), were up by +1.4%.

Leasing

Despite a challenging retail environment in which negotiations are taking longer, URW signed 700 deals (688[11]) with a Minimum Guaranteed Rent uplift[12] of +12.2% (+10.3%[13]) and +13.8% (+13.8%[14]) in URW's Flagships[15], again exceeding targets. The rotation rate[16] was 5.3%, in line with URW's objective of at least 10% in every shopping centre every year.

Many retailers focus carefully on relevance of existing stores and take more time to decide on new store openings. URW's leasing strategy is to make no concessions on conditions in Flagships and use a case by case approach for the other shopping centres.

Earlier this year, the Group renamed "International Premium Retailers" to "Influencer Brands" which consist of unique retailers that create differentiation and experience in URW's shopping centres due to strong brand recognition and a differentiated product approach. 74 leases were signed in Continental European standing assets with Influencer Brands. The share of Influencer Brands in URW's rotation reached 14.3%.

The Group enhanced the cross-fertilization of retailer relationships between the US and Europe by accelerating the development of US retailers such as Abercrombie & Fitch (signing two A&F and two Hollister stores in France), and Polo Ralph Lauren. The Group entered into a framework agreement with The Void (a fully immersive virtual reality experience) to open more than 25 locations across URW's portfolio, of which ten in Continental European assets.

The following brands have chosen to enter new European markets with stores located in URW's shopping centres:
- Victoria's Secret in Sweden (first full concept in Sweden in Mall of Scandinavia);
- Intimissimi Uomo in Poland (Galeria Mokotow);
- John Reed in France (So Ouest);
- Under Armour in Sweden (Mall of Scandinavia) and Poland (Arkadia);
- America Today in Germany (CentrO);
- Dyson in Germany (CentrO).

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[11] On a proportionate basis for H1-2018. The number of leases signed on standing assets based on IFRS was 641 in H1-2018.
[12] Minimum Guaranteed Rent (MGR) uplift: difference between new MGR and indexed old MGR. Indicator calculated on renewals and relettings only.
[13] On a proportionate basis for H1-2018. The MGR uplift based on IFRS was +10.6% in H1-2018.
[14] On a proportionate basis for H1-2018. The MGR uplift for Flagships based on IFRS was +14.4% in H1-2018.
[15] URW's Flagship assets in Continental Europe are: Les Quatre Temps, Aéroville, Parly 2, Vélizy 2, Carré Sénart, Rosny 2, Le Forum des Halles, Carrousel du Louvre, CNIT, Confluence, La Part-Dieu, Villeneuve 2, Euralille, Polygone Riviera, La Vaguada, Parquesur, Bonaire, Splau, La Maquinista, Glòries, Donau Zentrum, Shopping City Süd, Centrum Cerny Most, Centrum Chodov, Wroclavia, Galeria Mokotow, Zlote Tarasy, Arkadia, Aupark, Fisketorvet, Mall of Scandinavia, Täby Centrum, Stadshart Amstelveen, Westfield Mall of the Netherlands, Ruhr Park, Gropius Passagen, CentrO and Pasing Arcaden.
[16] Rotation rate: (number of re-lettings + number of assignments and renewals with new concepts) / number of stores. Short-term leases are excluded.

Furthermore, URW continued to curate Digital Native Vertical Brands ("DNVBs"), with iDeal of Sweden signing one store in Täby Centrum, Jimmy Fairly signing two stores in France (So Ouest and Vélizy 2) and Daniel Wellington signing three stores in France (La Part-Dieu, Les Quatre Temps and Le Forum des Halles).

H1-2019 was marked by a number of bankruptcies (35 retailers) in URW's Continental European portfolio and a slight increase of vacancy, the bulk of which in France and the Nordics, in total accounting for €17.5 Mn of MGR (annual passing rent, group share, of tenants affected, representing 1.2% of URW's total MGR), with 55.4% either still occupied or re-let. Examples include:

- **Mall of Scandinavia:** introduction of NA-KD, one of the fastest growing online fashion retailers, on over 2,500 sqm, following the departure of a home goods retailer;
- **Les Quatre Temps:** split and re-letting of the ex-New Look unit to Pull & Bear and the introduction of a differentiating dining offer with Yaya (a Greek restaurant operated by the famous chef Juan Arbelaez).

Proactive leasing plans are also in place to rotate non-performing tenants through unit restructurings and relettings. The main examples include:

- **Le Forum des Halles:** re-letting of the Forever 21 unit to a pharmacy (over 2,000 sqm), strengthening the convenience offer of the centre;
- **La Maquinista:** the termination of Forever 21 to introduce Urban Outfitters and two other differentiating international fashion retailers with flagship stores in one of the main entrances of the shopping centre.

URW's top ten tenants as a percentage of total Contractual MGR (<u>for the entire Group</u>) listed in alphabetical order:

% of total Contractual MGR	**10.6%**
Largest tenant	2.6%
Apple	
Fnac	
Foot Locker	
Forever 21	
H&M	
Mango	
Printemps	
Sephora	
Victoria's Secret	
Zara	

<u>Commercial Partnerships</u>

Commercial Partnerships' income[17] increased by +12.2% to €15.4 Mn, attributable both to organic growth and to synergies linked to the Westfield transaction. The Group expects €25 Mn of Commercial Partnerships revenue synergies in Continental Europe by 2023, representing an expected CAGR of +10%. The activity is accelerating thanks to the efficiency of the new organization.

Main highlights include:

- Major in-situ communication campaigns for Sephora, which refurbished two flagship stores in Les Quatre Temps and Arkadia and opened one in CentrO;
- The appointment of a digital partner, Visual Art, following a successful collaboration in Sweden, to take over the digital assets in the German portfolio, is expected to increase revenues;
- The introduction of the Iconic Digital Signature ("IDS") technology in the extension of Vélizy 2.

<u>Destinations and innovation</u>

The roll-out of destination concepts continued, including:

- The Dining Experience™: a 14th and 15th Dining Experience™ opened in the Carré Sénart and Vélizy 2 extensions:
    - Carré Sénart: 12 fully let restaurants and a new IMAX® theatre in the Pathé cinema (now with 17 screens);
    - Vélizy 2: 23 fully let dining units, a virtual reality experience and an 18-screen UGC cinema. Footfall impact was +13.2% since opening.
- Fresh!: Täby Deli opened as the Group's third Fresh! with ten fully let dining units;
- The Family Experience: the Group's fifth Family Experience was launched in Carré Sénart, with an outside playground and a paid childcare facility.

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

URW, through URW Lab, launched the first food omnichannel platform in a test at Vélizy 2, which includes a dedicated journey for delivery companies, a partnership with Uber Eats and Deliveroo, as well as joint marketing and communication efforts. This concept will be rolled out at 22 additional locations in Continental Europe in 2019.

In addition, URW Link continued developing relationships with start-ups:
- An extension of the urban farm of "Sous les Fraises", built on the roof of So Ouest, opened in June 2019;
- The partnership with "Too Good to Go" was rolled-out across the French portfolio, with over 56,000 meals saved in H1-2019. This collaboration received the "Village Award" in June 2019 for the most efficient collaboration between a large corporate and a start-up in France.

To further strengthen its relationship with start-ups, URW partnered with blisce/, a tier-1 Venture Capital growth vehicle which invests in the most promising and innovative direct-to-consumer brands. This partnership provides URW with both technology insights and access to the most promising start-ups shaping the future of consumption and retail.

Marketing and digital

URW marketing teams are focused on the Westfield re-branding, with the launch in ten assets set for September 2019.

The URW marketing and digital strategy aims at driving customer engagement through three main platforms:
- Continued expansion of the Group's experiential event platform;
- CRM strategy using increased customer knowledge; and
- Continued focus on driving long-term loyalty to URW's shopping centres through actively pursuing new loyalty card sign-ups.

Events

URW's focus is on creating differentiated events for its customers and in H1-2019 included:

- NFL in CentrO: a visit of the AFWB (American Football Without Barriers) association with autograph and training sessions in the König-Pilsener Arena, resulting in a +10% footfall increase for the duration of the event;

- BloomArtFest in Glòries: an urban art festival, resulting in a footfall increase of +6% during the first weekend and a sales increase of +5.7% in May 2019 vs. 2018;

- Vogue Event in Galeria Mokotow: the first edition of Shopping Experience powered by Vogue in Poland, including discussion panels, workshops, and stylist sessions, resulting in a +8% footfall increase for the duration of the event;

- eSports Festival in Donau Zentrum: a weekend e-gaming event took place in eight locations in the mall, resulting in a +12% footfall increase vs. the prior week and attracting 8,000 visitors to the centre (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).

Furthermore, two rooftop venues were opened for the summer, Le Jardin Défendu in Les Quatre Temps and Top Floor in Mall of Scandinavia. Le Jardin Défendu is the second partnership of the Group with Passage Enchanté following the success of Le Jardin Suspendu on the rooftop of Porte de Versailles in 2018. This large open-air venue has welcomed over 1,100 visitors per day since the opening on June 5. Top Floor in Mall of Scandinavia welcomed over 2,500 guests on the opening day (June 27), with five food trucks reporting sales +70% above their target during the first weekend.

Digital marketing

URW's Continental European loyalty programme now has eight million members, of which 1.5 million new loyalty card members joined in H1-2019.

In H1-2019, there were 32 million consumer interactions across all URW's Continental European digital channels with the centre websites remaining the main channel that consumers interacted with.

CRM continues to be an important platform in communicating directly with the Group's customers. Due to increasing awareness of customers' preferences, the Group's CRM programmes outperform the retail benchmarks on open rates (number of addressees opening an email, at 23% vs. 19% for the benchmark) and click-through rates (number of addressees clicking on a link within the email, at 4.4% vs. 2.5% for the benchmark).

In support of ongoing innovation, a number of new pilots are in market, including:

- A proof of concept with Captain Wallet, currently being tested in Poland, enabling push messages to be sent to customers when they arrive at the centre provided that they have the loyalty card in their Apple or Android wallet;
- A pilot project with DeepNorth in Fisketorvet to measure in-mall traffic and provide new KPIs around in-mall dwell time, cross store customer journeys, etc.;
- A pilot project of a new loyalty programme in Les Quatre Temps since January 2019, following the pilot launch in Rosny 2 and Polygone Riviera in July 2018. This proof of concept rewards customers based on their actual purchases in store with a system of points and cashback which will provide transactional data, allowing for better measurement of marketing programmes and more relevant retailer activations.

1.2. Net Rental Income

Total consolidated Net Rental Income ("NRI") of the Shopping Centres portfolio was €739.8 Mn as a result of like-for-like growth of +2.1%, with the positive impact of acquisitions in Spain and France and deliveries in France offset principally by the impact of disposals in Spain and the Nordics.

Region	Net Rental Income (€Mn) (Proportionate)		
	H1-2019	H1-2018	%
France (*)	330.2	323.0	2.2%
Central Europe	113.2	107.6	5.3%
Spain	76.7	81.9	-6.3%
Nordics	65.8	73.3	-10.2%
Austria	55.8	54.0	3.5%
Germany	70.0	69.4	0.9%
The Netherlands	28.0	29.5	-5.1%
TOTAL NRI	**739.8**	**738.6**	**0.2%**

(*) Excluding Les Boutiques du Palais now managed by C&E division.
Figures may not add up due to rounding.

The total net change in NRI breaks down as follows:

- +€5.0 Mn from the acquisition of units in Spain (in La Vaguada and Parquesur) and France (the UGC cinema in Rosny 2);
- +€2.5 Mn from the implementation of IFRS 16 as of January 1, 2019;
- +€2.3 Mn from deliveries in France (dining and leisure extensions of Vélizy 2 and Carré Sénart, and the UGC cinema in Parly 2);
- -€2.0 Mn due to a negative currency effect (SEK);
- -€3.7 Mn due to assets moved to the pipeline, mainly in France, The Netherlands and Austria;
- -€16.8 Mn due to disposal of assets, mainly in Spain (El Faro, Bahia Sur, Los Arcos and Vallsur in July 2018) and the Nordics (Jumbo in February 2019);
- +€13.9 Mn of like-for-like NRI growth[18] (+2.1%).

[18] Like-for-like NRI: Net Rental Income excluding acquisitions, divestments, transfers to and from pipeline (extensions, brownfields or redevelopment of an asset when operations are stopped to enable works), all other changes resulting in any change to square meters and currency exchange rate differences in the periods analysed.

Region	Net Rental Income (€Mn) Like-for-like (Proportionate)		
	H1-2019	H1-2018	%
France	289.0	283.4	2.0%
Central Europe	112.0	107.6	4.1%
Spain	70.1	66.6	5.3%
Nordics	65.6	67.0	-2.0%
Austria	52.8	51.7	2.1%
Germany	69.9	69.4	0.7%
The Netherlands	22.7	22.6	0.4%
TOTAL NRI Lfl	**682.2**	**668.3**	**2.1%**

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	1.6%	-0.7%	1.1%	2.0%
Central Europe	1.4%	2.1%	0.7%	4.1%
Spain	2.1%	2.0%	1.3%	5.3%
Nordics	2.1%	-2.2%	-1.9%	-2.0%
Austria	2.0%	0.3%	-0.2%	2.1%
Germany	1.2%	0.5%	-1.0%	0.7%
The Netherlands	1.3%	2.3%	-3.2%	0.4%
TOTAL	**1.6%**	**0.2%**	**0.3%**	**2.1%**

Figures may not add up due to rounding.

The +2.1% like-for-like NRI growth (+2.2% for Flagships) exceeded the Group's objectives for the period and compares to +4.2%[19] in H1-2018, which was positively impacted by +1.3% of "Other". Like-for-like growth includes indexation of +1.6%, as well as growth of +0.2% in "Renewals and relettings net of departures" due to an increase in vacancy and leasing negotiations taking longer. The growth in "Other" is only +0.3% mainly due to an increase in provisions for doubtful debtors (a net impact of circa -0.5%), as the Group takes a conservative view on overdues considering the current retail environment, and service charges due to higher vacancy.

Lower "Renewals and relettings net of departures" in France was primarily due to the departure of two large tenants (in Le Forum des Halles and Carrousel du Louvre) which have not yet been replaced. The -2.2% "Renewals and relettings net of departures" in the Nordics resulted mainly from increased vacancy in Täby Centrum. "Other" in France was +1.1% (+2.5%), as a result of key money and commercial partnerships, partly offset by an increase of provisions for doubtful debtors. The increase in "Other" in Central Europe resulted from higher commercial partnerships and parking income and lower doubtful debtors. In Austria, the -0.2% in "Other" resulted from higher doubtful debtor provisions and non-rechargeable expenses which were partly offset by higher commercial partnerships and parking income. In the Nordics, Germany and The Netherlands, the negative contribution from "Other" came mainly from higher provisions for doubtful debtors.

Across the portfolio, Sales Based Rents ("SBR") represented 2.9% (€21.4 Mn) of NRI, stable compared to H1-2018, resulting from an increase in France and Germany offset by a slight decrease in Spain (due to disposals) and Austria.

The Group currently expects like-for-like NRI growth in Continental Europe for 2019 to be around +3%.

[19] On a proportionate basis. The like-for-like NRI growth based on IFRS was +4.3% in H1-2018.

1.3. Leasing activity in H1-2019

URW signed 700 leases (688[20]) on standing assets for €107.3 Mn of MGR. The MGR uplift on renewals and relettings was +12.2% (+10.3%[21]), exceeding URW's target for the period. This uplift was primarily due to a strong reversion in Spain, France and Central Europe, partially offset by more limited uplifts in the Nordics and Austria, and a decrease in The Netherlands and Germany. The MGR uplift was +13.8% (+13.8%[22]) in Flagships.

Region	Lettings / re-lettings / renewals excl. Pipeline				
	nb of leases signed	sqm	MGR (€ Mn)	MGR uplift	
				€ Mn	%
France	193	86,713	48.9	4.7	16.5%
Central Europe	165	27,017	18.7	2.4	15.2%
Spain	107	21,955	13.3	3.0	32.6%
Nordics	80	20,636	9.7	-	0.3%
Austria	46	8,510	4.9	0.3	7.8%
Germany	70	11,269	7.6	- 0.6	-8.4%
The Netherlands	39	18,548	4.1	- 0.5	-11.2%
TOTAL	**700**	**194,648**	**107.3**	**9.4**	**12.2%**

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

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

The Estimated Rental Value ("ERV") of vacant space in operation in the portfolio increased to €49.7 Mn (from €42.0 Mn as at December 31, 2018).

The EPRA vacancy rate[23] increased to 2.8% as at June 30, 2019 (2.4% as at December 31, 2018). This increase is mainly due to The Netherlands (vacant units in Amstelveen and Zoetermeer, partly offset by new lettings in Almere), the Nordics (new vacant units, mainly in Täby Centrum), France (increase in vacancy mainly in Le Forum des Halles, Carrousel du Louvre, Polygone Riviera and Les Ulis, partially offset by relettings in So Ouest and Parly 2) and Austria.

Region	Vacancy (Proportionate)		
	June 30, 2019		% Dec. 31, 2018
	€Mn	%	
France	23.5	3.0%	2.6%
Central Europe	3.1	1.3%	1.2%
Spain	2.1	1.1%	0.9%
Nordics	6.2	4.5%	3.1%
Austria	2.3	2.0%	0.9%
Germany	8.7	3.8%	3.8%
The Netherlands	3.8	6.3%	5.1%
TOTAL	**49.7**	**2.8%**	**2.4%**

Excluding pipeline.
Figures may not add up due to rounding.

[20] On a proportionate basis. The number of leases signed on standing assets based on IFRS was 641 in H1-2018.
[21] On a proportionate basis for H1-2018. The MGR uplift based on IFRS was +10.6% in H1-2018.
[22] On a proportionate basis for H1-2018. The MGR uplift for Flagships based on IFRS was +14.4% in H1-2018.
[23] EPRA vacancy rate: ERV of vacant spaces divided by ERV of total surfaces.

The OCR[24] was 15.6% (15.5%).

Region	OCR (Proportionate)	
	H1-2019	FY-2018
France	15.8%	15.8%
Central Europe	15.4%	15.4%
Spain	13.7%	13.6%
Nordics	15.5%	15.2%
Austria	17.4%	17.1%
Germany	15.7%	15.6%
The Netherlands (1)	-	-
TOTAL	**15.6%**	**15.5%**

(1) Tenant sales not available in The Netherlands.

2. Offices & Others

2.1. Property market

Take-up

Take-up in the Paris region of 1.1 million sqm was down -19%[25], though in line with the 10-year average. The Paris Central Business District ("CBD") accounted for 207,000 sqm (-6%) and La Défense for 46,300 sqm (-37%).

34 transactions over 5,000 sqm totaling 348,000 sqm were recorded[26], a drop of -41%, though a number of very large transactions are expected to be signed by the end of the year.

Available area

The immediate supply in the Paris Region slightly decreased to 2.9 million sqm, of which 27% new or refurbished as new buildings, and the vacancy rate stood at 5.3%[26].

Discrepancies remain significant from one district to another with, for example, vacancy in Paris CBD of 1.6%, La Défense of 4.9% and the Peri Défense district of 16%.

Rental values

Rental values in Paris CBD remained stable at €850 per sqm for prime assets in prime locations.

In the La Défense market, despite decreasing vacancy rates since 2014, prime rents stood at €530 per sqm, mainly due to the lack of transactions for new or refurbished as new buildings.

Lease incentives remained broadly flat for the Paris region.

Investment market

The total volume of transactions in the Paris region was stable at €8.7 Bn[26] (€8.6 Bn).

This was driven by large transactions, with deals above €100 Mn accounting for 71% of total investments (74%).

The demand was largely fueled by domestic players (62%), with European players in total still accounting for more than two thirds of total investments. There was a significant increase of activity by Asian investors, especially South-Korean (25%). Investment funds drove around 52% of the market, while the volumes invested by SCPIs/OPCIs and insurance companies

[24] Occupancy Cost Ratio: (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. Calculated on a proportionate basis.
[25] Source: Immostat.
[26] Source: BNP Paribas Real Estate.

remained stable at around 39%. The City of Paris was again the main target of investors and represented around 61% of the transactions (significantly higher than the 10-year average of 43%).

The total transaction volume for 2019 is currently expected to be comparable to 2018.

In La Défense, prime office yields were stable at around 4.00%, with three large transactions over €300 Mn closed (Tour Europe and Tour CBX) or signed (Tour Majunga).

2.2. Activity

Consolidated NRI amounted to €55.3 Mn, a -27.5% decrease due primarily to the impact of 2018 disposals.

Region	Net Rental Income (€Mn)		
	H1-2019	**H1-2018**	**%**
France	46.9	67.4	-30.4%
Nordics	4.9	6.1	-19.8%
Other countries	3.6	2.9	24.9%
TOTAL NRI	**55.3**	**76.3**	**-27.5%**

Figures may not add up due to rounding.

The decrease of -€21.0 Mn breaks down as follows:

- -€23.4 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);
- -€3.2 Mn due to assets moved to the pipeline in France;
- -€0.2 Mn due to a negative currency effect (SEK);
- -€0.1 Mn due to an office conversion to retail in Donau Zentrum;
- +€0.5 Mn due to minor acquisitions in Spain (in La Vaguada) and France (in Tour Rosny);
- +€1.0 Mn due to an indemnity received in France in Versailles Chantiers;
- The like-for-like NRI growth was +€4.4 Mn (+9.4%) mainly due to France (+€5.3 Mn), primarily from an indemnity received and partially offset by the impact of the negative renewal of the SNCF lease in the CNIT, and the Nordics (-€0.8 Mn).

Region	Net Rental Income (€Mn) Like-for-like		
	H1-2019	**H1-2018**	**%**
France	43.3	38.0	13.8%
Nordics	5.0	5.9	-14.2%
Other countries	2.8	2.8	-1.0%
TOTAL NRI Lfl	**51.1**	**46.7**	**9.4%**

Figures may not add up due to rounding.

The NRI from hotels (Novotel Lyon Confluence, Pullman Montparnasse and CNIT Hilton) is now included in the NRI of the Offices & Others segment in France (H1-2018 was retreated accordingly) and was stable.

11,791 weighted square meters (wsqm) were leased in standing assets, including 3,442 in France (mainly Accor and SMABTP in Les Villages) and 4,497 in the Nordics (renewals and relettings in Täby Centrum and Solna).

The ERV of vacant office space in operation amounted to €20.1 Mn, representing an EPRA vacancy rate of 15.6% (4.4%), of which €18.3 Mn or 17.2% (2.9%) in France. The increase in France is mainly due to the departure of Alstom in Michelet-Galilée, which will be transferred to the pipeline shortly, partially offset by lettings in Les Villages, Le Sextant and Versailles Chantiers.

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.

H1-2019 was characterized by the following shows:

Annual shows:
▪ The 115th edition of Foire de Paris attracted 486,000 visitors, +4% vs. 2018;
▪ The 56th edition of the International Agriculture show ("SIA") attracted 633,200 visitors, -5.9% vs. 2018;
▪ The 4th edition of Vivatech attracted over 124,000 visitors (+24% vs. 2018) comprising 125 nationalities, more than 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 316,470 visitors, stable compared to 2017 (322,000);
▪ The Paris International Agri-Business Show ("SIMA") welcomed approximately 230,000 visits (stable compared to 2017), with exhibitors from 140 countries.

In the Congress segment, Paris Expo Porte de Versailles welcomed the 2019 FIFA Congress held during the FIFA Women's World Cup.

In total, 405 events were held in Viparis venues during H1-2019, of which 134 shows, 52 congresses and 219 corporate events.

Viparis's EBITDA came to €87.6 Mn, an increase of +€10.6 Mn (+13.8%) compared to 2017. This includes Les Boutiques du Palais for both periods.

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

The NRI from hotels Novotel Lyon Confluence, Pullman Montparnasse and CNIT Hilton is now included in the NRI of the Offices & Others segment, and H1-2018 was restated accordingly.

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 six-month period ended June 30, 2019, and comparisons relate to the same period in 2018.

4.1. UK

Footfall

Footfall was up by +6.4%, driven by both the opening of the extension of Westfield London in March 2018 (+6.3%) and by strong growth at Westfield Stratford City (+6.5%), due to increased traffic to events at the London Stadium and Queen Elizabeth Olympic Park, and increased traffic from the International Quarter office occupants. The UK shopping centre footfall index[27] was down by -1.3%.

Tenant sales

Tenant sales in the UK shopping centres through May 31 were up by +7.9%, +846 bps above the national index[28], reflecting the growth of +13.8% at Westfield London, driven by the opening of the Phase 2 extension. Westfield Stratford City tenant sales increased by +2.7%.

[27] Source: British Retail Council, June 2019.
[28] Market sales based on the BDO High Street Sales tracker (Jan – May average).

Strong growth in luxury (+27.2%) and culture, media and technology (+4.2%) was partly offset by a decline in services (-9.8%).

Through June 30, tenant sales in the UK shopping centres were up by +7.1%, reflecting the growth of +12.5% at Westfield London, driven by the opening of the Phase 2 extension. Westfield Stratford City tenant sales increased by +2.3%.

Leasing activity, vacancy and NRI

54 leases were signed (49), an increase primarily due to the completion of the rent review cycle at Westfield Stratford City as well as lease renewals and new lettings at Westfield London. The average MGR uplift was +15.9%, mostly driven by Westfield Stratford City. In addition, three leases were signed for Westfield London Phase 2.

Notable signings included Samsung at Westfield Stratford City (a new 5G concept store, combining three units in a key location in the mall). At Westfield London, key signings include Polo Ralph Lauren, Hollister, Gilly Hicks and Abercrombie & Fitch. Genesis, operating a Hyundai experience store at Westfield London, converted their Commercial Partnership temporary lease into a permanent letting. The successful completion of the food court refurbishment at Westfield London also brought in several new Dining retailers, including first lettings to Master Bao and Pizza Pilgrims.

EPRA Vacancy stood at 8.7% (vs. 7.4% as at December 31, 2018), primarily driven by the delayed backfill of Westfield London Phase 1, some non-renewals and the impact of administration for certain retailers. Leasing negotiations with Continental European retailers to enter the UK take longer as they are waiting to see how Brexit plays out.

NRI decreased by -0.8% primarily due to 10-year expiries at Westfield London resulting in higher vacancy, and lower rents driven by Company Voluntary Arrangements ("CVA") and administration in the UK retail market. Like-for-like NRI growth was -3.1%.

Despite a sizeable number of UK retailers entering into a CVA procedure, the UK assets experienced a limited impact relative to the market. The annual impact of rent reductions at Westfield London and Westfield Stratford City is -1.7% of NRI, which the Group expects to reduce by reletting most of the affected units. Of the 24 stores involved, 13 are in the top category with no MGR impact, while 11 have a collective negative yearly MGR impact of -£2.3 Mn (URW Share). A further eight stores went into administration in H1-2019, with a negative yearly MGR impact of -£0.6 Mn (URW Share).

The OCR was 19.9% (19.6%).

Commercial Partnerships

Brand ventures, media and specialty leasing revenues increased by +24% to £4.1 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:
- Annual Job Show at both Westfield London and Westfield Stratford City; featuring over 100 organizations promoting hundreds of employment and training opportunities;
- Alfa Romeo's first ever activation at Westfield London. This interactive experience involved customers discovering the award-winning Quadrifoglio Range and taking part in a virtual golf challenge to win a range of prizes; and
- EE 5G launch across several Westfield Digital Media platforms including advertising on Digital Totems, Digital Spectaculars and the Stratford Town Centre Link Bridge.

Marketing and digital

The number of digital subscribers was 1.7 million as at June 30, 2019 (+13.3%), in addition to 66,500 Instagram followers (+33.0%) and 1.3 million repeat Wi-Fi users.

Other key highlights include:
- URW received two awards (for The Funfair event and the Strategic Marketing campaign – Food & Wellness) at The Revo Purple Apple Marketing Awards, which recognize effective retail destination marketing in the UK retail property sector;
- At Westfield London and Westfield Stratford City, a fashion and beauty campaign ran during February and March supporting retailers' new collections, achieving 51% awareness in the London catchment area (40% in 2018);
- During April and May, the "Home" campaign was implemented to promote the new Home quarter at Westfield London. Awareness of the Home quarter increased significantly from 22% in April to 45% in May; and
- At Westfield London and Westfield Stratford City, the food campaign ran during June. As part of the campaign, both centres hosted the Wellness event in partnership with Vogue. 22,000 people attended the events which were sponsored by KeVita.

4.2. US

Tenant Sales

Total tenant sales[29] increased by +3.0% through June 30, 2019, of which +4.9% in Flagships, compared to the national sales index of +3.1%, which includes e-commerce sales. Tenant sales decreased by -1.5% in Regionals. Specialty tenant[30] sales[31] per square foot ("psf") increased by +11.3% to $780 psf. Flagships increased by +12.8% to $971 psf, and Regionals by +3.6%, to $493 psf. Seven of the Group's regional shopping centres (representing 2% of the Group's GMV) generate sales of more than $500 psf.

Leasing

487 leases were signed on standing assets (532), representing 1.4 million sq. ft and $72.8 Mn of MGR. This compares to 2.0 million sq. ft of space signed in H1-2018, which included the renewal of several department store and big box leases. In addition, 26 leases were signed on 56,600 sq. ft of pipeline project space, mainly at Westfield Valley Fair.

Due to the current difficult retail environment, URW has taken a pragmatic and pro-active approach to maintain market share of its shopping centres. Renewals represented 67% of signings (59%). Average rental spreads[32] were +5.2%, of which +7.7% in Flagships and -1.1% in Regionals.

74% of the retail space re-let during the period related to non-fashion retailer categories.

The Group signed with a number of high profile retailers for the first time. These included: Chanel Beauté (Westfield Valley Fair), The Void (Westfield San Francisco Centre), RYU – Respect Your Universe (Westfield UTC), Hook & Reel (Westfield South Shore), Max Mara Weekend (Westfield Garden State Plaza), Dream Aero (Westfield Montgomery), PlayLive Nation (Westfield Valley Fair), and Happy Socks (Westfield Century City). The Group also signed the first entry to a shopping centre with Valley Medical Group (Westfield Garden State Plaza) and the first stores in California for Messika (Westfield Century City) and Gameworks (Westfield Oakridge).

In addition to the above, the Group signed leases to relocate some key tenants to new or expanded flagship locations, including Tiffany & Co (Westfield Valley Fair) and Tourneau (Westfield San Francisco Centre). The Group's International Leasing Team continues to have constructive discussions with retailers looking to cross over from the US to the European market and vice versa. Pursuant to a framework agreement for The Void, an immersive virtual reality destination operator, to open more than 25 locations in URW's Flagships in both the US and Europe, illustrating the potential of the revenue synergies from the Westfield transaction, URW already signed six lease agreements for US assets with The Void.

As online players explore new growth opportunities, going offline is the logical next step and as a result the Group continues to see growth in the DNVB segment. URW has 62 stores currently trading in the US which represent 28 DNVBs. Seven stores (Honey Birdette, Casper, Indochino, Peloton, Quay, Razer, and Rebag) opened in H1-2019, with a further 13 stores leased and expected to open in H2-2019. Current DNVB leases include Amazon (8), NYX (8), Peloton (7), UNTUCKit (5), Indochino (4), Bonobos (3) and Warby Parker (3).

Commercial Partnerships

Brand ventures, media and specialty leasing revenues increased to $33.8 Mn (+2.2%).
Key highlights included:

- Media: the Group continues to target new customers with Johnnie Walker, Apple Music/News and Land Rover in 2019;
- Specialty Leasing: grew by +26%, with deals mainly in the Entertainment, Consumer Goods and Fashion segments;
- Events: Westfield Century City events in its second full-year continues to ramp up pop-up and activation spaces with higher demand and doubling the 2018 average daily rate.

Marketing and digital

The Group's US loyalty programme, Westfield Rewards, launched in April 2019 and now has over 31,000 members. Centres currently participating are Westfield Century City, Westfield Garden State Plaza, Westfield Topanga & The Village and Westfield UTC.

The Group's broader Customer Acquisition & Engagement strategy made significant progress with over 300,000 newly acquired customers.

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[29] Total tenant sales excluding department stores.
[30] Specialty stores <10k sq. ft. (ca. 929 sqm).
[31] Trailing 12-months.
[32] 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 and deals for <12 months).

Westfield Annapolis piloted a dining delivery service to drive dining retailer sales, generating approximately +7% in additional sales for the participating tenants. This has been expanded to a further eight centres in June/July.

URW won four ICSC MAXI Awards at the recent ICSC RECon in Las Vegas, including the Gold medal for the "Taste" food and dining event at Westfield Century City and the Gold medal for the Woolsey fire relief efforts at Westfield Topanga & The Village.

Extensions and renovations

URW achieved important milestones on committed projects:

- Palisade at Westfield UTC (residential tower): successfully launched leasing in late April and the phased leasing program is on track. The building welcomed its first tenants in July;

- Westfield Oakridge (transformation of the former Sears): pre-letting as at June 30 stands at 98%, anchored by a 106,000 sq. ft Living Spaces furniture store. Construction is underway;

- Westfield Valencia (renovation): works on the common area refurbishment are 30% complete, delivery is planned for November 2019;

- Westfield Topanga (renovation): works on the common area refurbishment are 80% complete. Delivery is planned for August 2019;

- Westfield Valley Fair extension: 23 leases representing 51,000 sq. ft. were signed in H1-2019. The extension is circa 75% leased, and is scheduled to open in phases in 2020.

In addition, successful pre-letting of redevelopment projects of former department stores at Westfield Annapolis (circa 60%) and Westfield Garden State Plaza (circa 65%) has paved the way to launch these projects in H2-2019.

Airports

Los Angeles International Airport's recently renovated Terminal 1 was named "best airport concessions transformation" in the prestigious 2019 Excellence in Airport Concessions awards by Airports Council International-North America (ACI-NA). As part of this project, URW delivered the modern retail and dining options with 22 tenants on 23,500 sq. ft.

Net Operating Income

Comparable Net Operating Income ("NOI"[33]) increased by +2.2%, of which +5.5% in Flagships and -7.8% in Regionals (vs. -3.0%, -2.6%, and -3.9%, respectively, in H1-2018). Results were positively impacted by Westfield Century City and Westfield UTC, which benefited from stabilization following opening in late 2017. Total NOI increased by +0.8% to $293.7 Mn.

Occupancy[34] was 93.4%, -90 bps below June 30, 2018. Occupancy of the Flagships and Regionals was 94.6% (95.5%) and 91.6% (92.7%), respectively. Occupancy was impacted by the closure of stores, including certain big-boxes. Many of these have new lease commitments pending, representing 190 bps of potential occupancy.

Tenant bankruptcies in H1-2019, accounted for 407,000 sq. ft of GLA and less than 1% impact to leasing revenue. This impact is expected to be partially mitigated in H2-2019 as a result of the reletting of impacted spaces.

The OCR[35] for specialty stores was down by -30 bps to 13.0% (12.7% for the Flagships and 13.9% for the Regionals).

Average Leasing Revenue psf

Average leasing revenue for specialty stores was $92.68 psf, an increase of +5.2%. The increase in Flagships was +5.2% to $113.19 psf, and in Regionals was +2.2% to $60.07 psf.

33 NOI: Net Operating Income before management fees, termination/settlement income and straight-line adjustments.
34 Occupancy based on a square foot basis, excluding development space, and including temporary leasing.
35 Calculated for specialty stores. Occupancy cost is based on total rent, including common area maintenance charges.

III. Integration

After one year of operating as a Group, the organization to drive value creation has been put in place:

- The Commercial Partnerships and Group International Leasing strategies are being rolled-out, while the rebranding of the first ten Continental European Flagships will take place in September 2019;

- The on-going technological convergence roadmap for Finance and for Operations tools and processes will ensure long-term efficiency and is on track;

- New Corporate values have been defined and shared, the project team reaching out to over 1,850 employees from all departments and levels of the organization. An overarching umbrella for the six values, called "Together at URW", was defined to clearly brand and articulate the way of working at URW. "Together at URW" will form the backbone of URW's employee initiatives, including recruitment, talent development, talent review and employer branding.

IV. Corporate social responsibility ("CSR")

As part of URW's global integration agenda, the Group's CSR strategy, Better Places 2030, was extended to all regions of the Group. While URW's ambition to halve its carbon footprint remains central, Better Places 2030 will from now on also tackle new environmental challenges like responsible consumption and the circular economy. CSR will also become the cornerstone of URW's human resources strategy, as the Group is increasing its commitment to diversity and inclusion. A renewed CSR governance was set up to integrate the European and US platforms, and CSR-related risks have been included into the Group Risk Management Framework.

Better Places 2030 rests on three pillars: Better Spaces, Better Communities and Better Together.

1. Better Spaces

Building certifications

- Development projects: Shift was awarded a design stage BREEAM certificate (Excellent), while Wroclavia received a BREEAM post-construction certificate (Excellent);
- Standing assets: the 2019 certification process is ongoing. For reference in 2018, 16 owned and managed shopping centres obtained a BREEAM In-Use certificate (newly certified or renewed). As at December 31, 2018, the Group had 47 owned and managed shopping centres certified BREEAM In-Use in Continental Europe, of which 47% rated "Outstanding" for "Building Management (Part 2)";
- The building certification policy on development projects and standing assets will be rolled out in the US and the UK, starting H2-2019.

Improve eco-efficiency

- Green Electricity: all regions in Europe, including the UK, are now supplied with Green Electricity in owned and managed assets;
- Renewable energy: in the US, in line with the objective of increasing the Group's installed capacity of renewable energy, an additional three solar arrays projects, representing 4.1 MW installed capacity, were approved in H1-2019;
- LED Partnerships: 29 LED Partnerships were signed with tenants, bringing the total to 35.9% of Continental European retail GLA covered.

Develop connectivity and sustainable mobility

- Following the roll-out plan, two additional assets have developed their Mobility Action Plan in H1-2019, bringing the total to 38 in Continental Europe.

2. Better Communities

Engage with local stakeholders

- URW for Jobs: 18 shopping centres ran the programme in H1-2019. In the five centres for which final data are available, 243 job and training placements were provided by URW's tenants and suppliers.

Promote responsible consumption

- Sustainable consumption: after many similar events in various regions, URW is scaling up its ability to collect second-hand clothes and partnered with the Red Cross for a first successful test in Vélizy 2. The partnership with "Too Good To Go" now extends to 19 French shopping centres and saved over 56,000 meals in H1-2019.

3. Better Together

The requirement to include individual CSR objectives in annual employee reviews was rolled out to the US and the UK. On top of the integration of CSR criteria in the attribution of STI for the Group's top management, the 2019 AGM approved such inclusion in the LTI scheme.

Bring our people together

- Gender Equality: a compelling framework for Gender Equality is in place throughout the Group. A new training on Inclusive Leadership & Unconscious Bias was delivered in a number of regions, and is to be further rolled-out.

Empower our people

- Training: CSR is integrated in all URW Fundamentals trainings for new joiners since the beginning of 2019.

Inspire our people

- Volunteering programme: during the Group's first global Community Days held in all regions the week of May 20, 2019, 80 initiatives took place in partnership with non-profit organizations, involving more than 2,000 URW employees.

The Group's ambitious CSR agenda was once 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 URW's CSR achievements were rated and received awards: MSCI ESG Rating AAA, Euronext Vigeo indices (World 120, Eurozone 120, Europe 120 and France 20), the FTSE4Good Index series, the Ethibel Sustainability Index (ESI) Excellence Europe / Excellence Global. The Group was included in January 2019 in the A list 2018 of the CDP rating, which recognizes corporate pioneers on climate change.

For more information on Better Places 2030, please visit www.urw.com/csr.

V. H1-2019 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 period ended June 30, 2019, and comparisons relate to the same period in 2018.

Gross Rental Income

The Gross Rental Income ("GRI") amounted to €1,539.1 Mn (€1,071.3 Mn[36]), an increase of +43.7%. This growth resulted mainly from the acquisition of Westfield (+€481.5 Mn, corresponding to six months of GRI in H1-2019, only one month in H1-2018, and which includes the US common area maintenance charges billed to tenants) and from the growth in the retail segment in Continental Europe (+0.1%), 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) (proportionate)		
	H1-2019	H1-2018	%
France	354.7	347.1	2.2%
Central Europe	112.6	108.5	3.8%
Spain	83.9	90.8	-7.6%
Nordics	70.1	77.2	-9.2%
Austria	57.8	55.9	3.4%
Germany	74.7	73.9	1.1%
The Netherlands	35.0	34.4	1.6%
Subtotal Continental Europe-Retail	**788.8**	**787.8**	**0.1%**
Offices & Others	59.6	81.2	-26.6%
C&E	111.0	104.0	6.7%
Subtotal Continental Europe	**959.3**	**973.0**	**-1.4%**
United States - Shopping Centres	466.0	78.4	-
United States - Offices & Others	9.4	-	-
United Kingdom	104.4	19.9	-
Subtotal US and UK	**579.8**	**98.3**	**-**
TOTAL URW	**1,539.1**	**1,071.3**	**43.7%**

Figures may not add up due to rounding.

[36] On a proportionate basis. The amount under IFRS was €989.4 Mn in H1-2018.

Net Rental Income

NRI amounted to €1,254.3 Mn (€923.0 Mn[37]), an increase of +35.9%. This growth mainly resulted from the acquisition of Westfield (+€344.0 Mn, corresponding to six months of NRI in H1-2019 and only one month in H1-2018) and a stable NRI 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) (Proportionate)		
	H1-2019	H1-2018	%
France	330.2	323.0	2.2%
Central Europe	113.2	107.6	5.3%
Spain	76.7	81.9	-6.3%
Nordics	65.8	73.3	-10.2%
Austria	55.8	54.0	3.5%
Germany	70.0	69.4	0.9%
The Netherlands	28.0	29.5	-5.1%
Subtotal Continental Europe-Retail	**739.8**	**738.6**	**0.2%**
Offices & Others	55.3	76.3	-27.5%
C&E	55.7	48.5	14.7%
Subtotal Continental Europe	**850.7**	**863.4**	**-1.5%**
United States - Shopping Centres	319.2	45.8	-
United States - Offices & Others	6.4	-	-
United Kingdom	78.0	13.8	-
Subtotal US and UK	**403.6**	**59.6**	**-**
TOTAL URW	**1,254.3**	**923.0**	**35.9%**

Figures may not add up due to rounding.

Net property development and project management income was +€35.3 Mn (+€5.1 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 companies in France, the US, the UK, Spain and Germany was +€45.7 Mn (+€47.4 Mn[38]), a decrease of -€1.7 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 H1-2018.

[37] On a proportionate basis. The amount under IFRS was €860.6 Mn in H1-2018.
[38] On a proportionate basis. The amount under IFRS was €48.1 Mn in H1-2018.

Contribution of companies accounted for using the equity method

The Contribution of companies accounted for using the equity method[39] amounted to -€1.4 Mn (€19.2 Mn[40]), a decrease of -€20.6 Mn, due mainly to negative valuation movements in the US and to the decrease of -€3.1 Mn of the recurring result of Zlote Tarasy due to the disposal of the Lumen and Skylight office buildings.

Region	Contribution of companies accounted for using the equity method (€Mn)						
	H1-2019			H1-2018			2019/2018
	Recurring activities	Non-recurring activities	Total	Recurring activities	Non-recurring activities	Total	Change
France	-	-	-	-	-	-	-
Central Europe	20.7	0.1	20.8	23.8	-6.9	16.9	3.8
Spain	-	-	-	-	-	-	-
Germany	1.0	-2.2	-1.3	0.5	1.8	2.3	-3.5
The Netherlands	-	-	-	-	-	-	-
Subtotal Continental Europe-Retail	**21.7**	**-2.2**	**19.5**	**24.3**	**-5.0**	**19.2**	**0.3**
Offices & Others	-	-	-	-	-	-	-
C&E	-	-	-	-	-	-	-
Subtotal Continental Europe	**21.7**	**-2.2**	**19.5**	**24.3**	**-5.0**	**19.2**	**0.3**
United States	4.4	-25.3	-20.9	-	-	-	-20.9
United Kingdom	-	-	-	-	-	-	-
Subtotal US and UK	**4.4**	**-25.3**	**-20.9**	**-**	**-**	**-**	**-20.9**
TOTAL URW	**26.1**	**-27.5**	**-1.4**	**24.3**	**-5.0**	**19.2**	**-20.6**

Figures may not add up due to rounding.

Administrative expenses (including development expenses) amounted to -€87.2 Mn (-€63.5 Mn[41]), an increase mainly due to the acquisition of Westfield (corresponding to six months of Administrative expenses in H1-2019 and only one month in H1-2018). As a percentage of NRI from shopping centres and offices, administrative expenses were 7.3% (7.3%).

Acquisition and related costs amounted to -€15.5 Mn mainly due to the integration costs (-€214.7 Mn in H1-2018, related to the Westfield transaction costs).

Result on disposal of investment properties and result on disposal of shares were +€2.2 Mn (-€1.0 Mn[42]) and +€19.5 Mn (€0.0 Mn), respectively, reflecting the gains on disposals (compared to the book value of such assets).

Valuation movements on assets amounted to -€692.9 Mn (+€351.8 Mn[43]), of which -€638.2 Mn (+€353.0 Mn), for investment properties and -€54.7 Mn (-€1.2 Mn) for services.

[39] 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 interests received on loans granted to these entities. This corresponds to Zlote Tarasy, Ring-Center and Gropius Passagen in Europe and to the Blum/Centennial and Starwood Ventures entities in the US.
[40] On a proportionate basis. The amount under IFRS was €80.7 Mn in H1-2018.
[41] On a proportionate basis. The amount under IFRS was -€62.7 Mn in H1-2018.
[42] On a proportionate basis. The amount under IFRS was -€1.2 Mn in H1-2018.
[43] On a proportionate basis. The amount under IFRS was €335.4 Mn in H1-2018.

Region	Valuation movements on Investment Properties (€Mn)		
	H1-2019	H1-2018	Change
France	35.4	39.4	-4.1
Central Europe	47.8	130.1	-82.3
Spain	29.7	23.0	6.8
Nordics	0.6	16.3	-15.7
Austria	-35.9	18.5	-54.4
Germany	-84.4	21.3	-105.7
The Netherlands	-11.7	-43.6	31.9
Subtotal Continental Europe-Retail	**-18.6**	**204.9**	**-223.5**
Offices & Others	224.7	198.5	26.3
C&E	-148.4	-50.3	-98.1
Subtotal Continental Europe	**57.6**	**353.0**	**-295.4**
United States - SC	-312.0	-	-312.0
United States - Offices	13.7	-	13.7
United Kingdom - SC	-378.5	-	-378.5
United Kingdom - Offices	-19.0	-	-19.0
Subtotal US and UK	**-695.8**	**-**	**-695.8**
TOTAL URW	**-638.2**	**353.0**	**-991.2**

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.

The valuation movements on services break down as follows:

Region	Valuation movements on services (€Mn)		
	H1-2019	H1-2018	Change
Services Continental Europe	-1.2	-1.2	-0.0
Subtotal Continental Europe	**-1.2**	**-1.2**	**-0.0**
Net property dev. Amortization	-50.8	-	-50.8
Other property serv. Amortization	-2.8	-	-2.8
Subtotal US and UK	**-53.5**	**-**	**-53.5**
TOTAL URW	**-54.7**	**-1.2**	**-53.6**

Figures may not add up due to rounding.

The amortization of -€53.5 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 their duration.

Financing result

Net financing costs (recurring) totalled -€233.3 Mn (after deduction of capitalized financial expenses of €27.2 Mn allocated to projects under construction) (-€131.1 Mn[44]). This increase of -€102.2 Mn includes six months of financial expenses for the Westfield acquisition vs. one month in H1-2018, partially offset by lower financial expenses[45] for UR on a standalone basis. It also includes -€12.9 Mn of additional financial expenses resulting from the implementation of IFRS 16 as of January 1, 2019.

[44] On a proportionate basis. The amount under IFRS was -€120.9 Mn in H1-2018.
[45] The coupon on the Hybrid securities will be deducted directly from shareholder's equity.

URW's average cost of debt[46] for the period was 1.6% (1.6% in 2018), representing the blended average cost of debt, on a standalone basis, of only 1.0% for UR, an all-time low, and 3.5% for Westfield.

URW's financing policy is described in the section *"Financial resources".*

Non-recurring financial result amounted to -€213.0 Mn (-€100.0 Mn[47]):

- -€5.9 Mn mark-to-market of the ORNANEs issued in 2014 and 2015;
- -€207.1 Mn mainly due to the mark-to-market of derivatives, exchange rate losses resulting from the revaluation of bank accounts and debt issued in foreign currencies, and revaluation of preference shares. URW recognises the change in value of its derivatives directly in the income statement.

Income tax expenses are due to the Group's activities in countries where specific tax regimes for property companies[48] 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 Liability related to the US portfolio.

The income tax amounted to a credit of +€1,067.6 Mn (-€83.7 Mn[49]) primarily due to the impact of the 2019 Restructurings, with a net impact of +€1.1 Bn (comprising +€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 -€20.3 Mn (-€0.7 Mn[50]), an increase compared to H1-2018 which included the positive impact of the reversal of a provision related to tax litigation decided in favour of URW. Non-recurring income tax expenses amounted to +€1,088.0 Mn (-€83.0 Mn[51]), an increase mainly due to the 2019 Restructurings.

External non-controlling interests amounted to -€3.2 Mn (-€109.3 Mn) comprising recurring and non-recurring external non-controlling interests. The recurring external non-controlling interests amounted to -€104.2 Mn (-€101.6 Mn) and mainly relate to French shopping centres (-€53.8 Mn, mainly Les Quatre Temps, Parly 2 and Le Forum des Halles), to the stake of CCIR in Viparis (-€28.8 Mn) and to URW Germany and Ruhr Park (-€16.6 Mn). The non-recurring non-controlling interests amounted to +€101.0 Mn (-€7.7 Mn), due primarily to the impact of negative valuation movements in H1-2019.

Net result for the period attributable to the holders of the Stapled Shares was a profit of €1,174.7 Mn. This figure breaks down as follows:

- €916.5 Mn of recurring net result (+30.4% vs. H1-2018) as a result of NRI growth and the acquisition of Westfield;
- €258.2 Mn of non-recurring result[52] (-€60.3 Mn in H1-2018) as a result of the reversal of deferred tax liabilities in the US partially offset by negative valuation movements and the negative mark-to-market of financial instruments.

The Adjusted Recurring Earnings[53] reflect a profit of €892.6 Mn.

The average number of shares and ORAs[54] outstanding during H1-2019 was 138,329,747 (106,268,095). The increase is mainly due to the capital increase of 38,319,974 shares issued for the acquisition of Westfield (with an impact of +31,968,597 on the average number of shares in H1-2019 compared to H1-2018), stock options exercised in 2018 and H1-2019 and the issuance of performance shares in 2018 and H1-2019. The number of shares outstanding as at June 30, 2019, was 138,371,554.

[46] 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.
[47] On a proportionate basis. The amount under IFRS was -€100.4 Mn in H1-2018.
[48] In France: SIIC (Société d'Investissements Immobiliers Cotée).
[49] On a proportionate basis. The amount under IFRS was -€77.6 Mn in H1-2018.
[50] On a proportionate basis. The amount under IFRS was +€0.3 Mn in H1-2018.
[51] On a proportionate basis. The amount under IFRS was -€77.9 Mn in H1-2018.
[52] 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.
[53] 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).
[54] The ORAs have been accounted for as equity.

EPRA Recurring Earnings per Share (REPS) for H1-2019 came to €6.63 compared to €6.61 for H1-2018, an increase of +0.2%.

Adjusted Recurring Earnings per Share (AREPS)[53] for H1-2019 came to €6.45 compared to €6.58 for H1-2018, a decrease of -1.9%. Adjusted for the positive impact of IFRS 16, the AREPS for the period would be €6.36. Rebased for the disposals made in 2018 and 2019, the underlying growth in AREPS is +3.7%.

VI. POST-CLOSING EVENTS

On July 3, 2019, further to an agreement entered into in April 2019, URW completed the disposal of the Tour Majunga office building to a consortium of institutional investors led by South-Korean securities firm Mirae Asset Daewoo and Amundi Real Estate. The Net Disposal Price ("NDP") of the transaction was €850 Mn.

In July, Westfield Stratford City Finance No.2 PLC successfully priced a single tranche £750 Mn secured fixed rate bond, with a 7-year maturity and a 1.642% fixed coupon, to refinance the existing secured bond issued in 2014 and maturing in 2019 with a 2.6925% fixed coupon (including swaps in place). The coupon of the new bond is the lowest ever for a GBP benchmark issuance in the real estate sector. Strong demand resulted in a total order book in excess of £2.3 Bn. S&P and Fitch have assigned preliminary ratings to the bond of AAA (sf) and AAAsf, respectively. URW has a 50% stake in the Westfield Stratford City joint venture and manages the asset.

VII. OUTLOOK

URW's performance through June 30 was solid despite the challenging retail environment. The Group expects Continental European like-for-like NRI to grow by around +3% for 2019, and financing conditions have remained more favorable than anticipated.

Consequently, the **Group increases its 2019 AREPS guidance** by +€0.30, of which approximately +€0.18 due to the implementation of IFRS 16 as of January 1, 2019, to a **range of between €12.10 and €12.30** (€11.80 - €12.00 previously).

VIII. GOODWILL[55]

Goodwill calculation

During H1-2019, 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 H1-2019 is the reclassification of 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 June 30, 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. As a consequence, goodwill has been allocated to geographical segments which is the lowest level at which goodwill is monitored for internal management purposes.

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

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
Subtotal Continental Europe	**1,077.6**
US	818.7
UK	440.5
Subtotal US and UK	**1,259.3**
Total Westfield 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 June 30, 2019, respectively, in the Consolidated statement of financial position. The goodwill allocated to the Continental European segments was kept in euros.

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 June 30, 2019, based on:

- The detailed 5-year Business Plan 2019-2023 per geographical segment, including detailed profit & loss statements, proposed capital expenditure and disposals, as prepared at the end of 2018. As at June 30, 2019, no update of the business plan is available and it will be updated in the second half of the year in accordance with the Group's standard budgeting and planning processes;
- 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 rate effect and the specific risk associated with each geographical segment as at June 30, 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 ("LTGR") estimated as at June 30, 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 June 30, 2019. Following these tests, the value of the goodwill reported as at June 30, 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	June 30, 2019	Dec. 31, 2018	Change
Goodwill justified by fee business	822.7	824.2	- 1.5
Goodwill justified by tax optimizations	241.0	255.7	- 14.7
Other goodwill	1,782.4	1,783.3	- 0.9
Total Goodwill	**2,846.1**	**2,863.1**	**- 17.0**

IX. 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 June 30, 2019, and comparisons relate to the same period in 2018.

Cash flow from operating activities
The total cash flow from operating activities was +€882.5 Mn (+€710.7 Mn), an increase of +€171.8 Mn mainly due to the positive impact of the Westfield acquisition, partially offset by the change in working capital requirement (-€79.7 Mn).

Cash flow from investment activities
The cash flow from investment activities was -€466.6 Mn (-€4,958.2 Mn), H1-2018 being mainly affected by the cash component of the acquisition of Westfield. The increase of capital expenditures from -€558.2 Mn in H1-2018 to -€738.2 Mn in H1-2019 is mainly due to the impact of the acquisition of Westfield.

Cash flow from financing activities
The total cash flow from financing activities amounted to +€472.0 Mn (+€4,279.5 Mn), H1-2018 being mainly impacted by the financing of the acquisition of Westfield (€1,989.0 Mn of Hybrid securities and €3,000 Mn of senior debt).

2. INVESTMENTS AND DIVESTMENTS

In H1-2019, URW invested €737.5 Mn[56], Group share, in capital expenditures in assets and on construction, extension and refurbishment projects, compared to €434.4 Mn in H1-2018 for URW's Continental European perimeter only and including one month of Westfield capex.

1. Total capital expenditure

The total investments break down as follows:

in € Mn	Proportionate					
	H1 - 2019		H1 - 2018		2018	
	100%	Group Share	100%	Group Share	100%	Group Share
Shopping Centres	533.9	505.6	375.4	344.0	1,240.7	1,161.1
Offices & Others	193.2	191.4	75.0	74.9	292.5	292.1
Convention & Exhibition	80.8	40.6	30.6	15.6	129.2	77.4
Services	-	-	-	-	-	-
Total Capital Expenditure	**807.9**	**737.5**	**480.9**	**434.4**	**1,662.4**	**1,530.7**

Figures may not add up due to rounding.

2. Shopping Centres

URW invested €505.6 Mn[57] in its Shopping Centres portfolio in H1-2019:

- New acquisitions amounted to €15.6 Mn, mainly in France (Vélizy 2);
- €256.3 Mn were invested in construction, extension and refurbishment projects, including mainly: Westfield Mall of the Netherlands, Vélizy 2 extension, Gaîté Montparnasse, La Part-Dieu extension, Westfield Milano, Westfield Valley Fair, Garbera extension and Westfield Hamburg (see also section *"Development projects"*);
- €104.5 Mn were invested in enhancement and improvement projects on standing assets, including mainly Donau Zentrum, Täby Centrum, Carré Sénart, Westfield UTC and Westfield Topanga;
- Replacement Capex[58] amounted to €48.0 Mn;
- Financial, eviction and other costs were capitalized for €16.2 Mn, €27.8 Mn and €37.2 Mn, respectively.

3. Offices & Others

URW invested €191.4 Mn in its Offices & Others portfolio in H1-2019:

- New acquisitions amounted to €0.4 Mn in The Netherlands;
- €174.4 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 hotel) (see also section *"Development projects"*);
- €2.4 Mn were invested in enhancement and improvement projects on standing assets, mainly in the US and France;
- Replacement Capex amounted to €1.1 Mn;
- Financial and other costs capitalized amounted to €13.1 Mn.

[56] On a proportionate basis.

[57] Total capitalized amount in asset value, Group share.

[58] 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 €40.6 Mn in its Convention & Exhibition portfolio in H1-2019:

- €13.9 Mn were invested for construction works at Porte de Versailles;
- €19.5 Mn were invested in enhancement and improvement projects on standing assets, mainly in Porte de Versailles;
- Replacement Capex amounted to €6.7 Mn;
- Financial and other costs capitalized amounted to €0.5 Mn.

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

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 NDP of €248.6 Mn represents a premium to the December 31, 2018, book value and implies a Net Initial Yield of almost 5%.

On April 9, 2019, URW announced the disposal of Tour Majunga, an office property in La Défense. The NDP of €850 Mn represents a premium to the December 31, 2018, book value and implies a Net Initial Yield of 4.16%. This transaction closed on July 3, 2019.

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

The Group has completed €3.2 Bn (53%) of its announced €6.0 Bn disposal programme and is in discussions on the disposal of a number of assets.

3. DEVELOPMENT PROJECTS AS AT JUNE 30, 2019

As at June 30, 2019, the URW Total Investment Cost ("TIC"[59]) of its development project pipeline amounted to €10.3 Bn, with a total of 2.0 million sqm of Gross Lettable Area ("GLA"[60]) to be re-developed or added to the Group's standing assets. The Group retains significant flexibility on its development portfolio (60% of the URW TIC[61]).

1. Development project portfolio overview

The Group's pipeline stood at €10.3 Bn[62] (€11.9 Bn as at December 31, 2018). The -€1.6 Bn decrease in the URW TIC results from:

- The deliveries of the Vélizy 2 and Carré Sénart leisure extensions, the Parly 2 Cinema, and the Versailles Chantiers office building (-€0.2 Bn);
- The revision of the Westfield Milano scheme, the Westfield Montgomery project and other programme changes (-€0.3 Bn);
- The removal of certain projects following a review of the pipeline (-€1.1 Bn).

Projects which require major redefinition, or which are postponed significantly due to market or administrative circumstances have been removed from the pipeline. These will remain part of the Group's development opportunities as teams continue to review changes to or alternatives for such projects in line with the URW mixed-use strategy and its return objectives.

URW actively pursues a densification strategy of its assets. Densification and mixed use projects are an opportunity to create a real lifestyle environment around certain URW shopping centres. URW aims to use its successful, high footfall and highly connected centrally located urban destinations as a catalyst for district evolution. New opportunities have been created as the context around most URW's assets has evolved significantly in the past ten years, with new or extended public transportation and regenerated areas. URW's teams have extensive experience with complex mixed-use projects and a dedicated corporate team coordinates regional teams and develops best practices. URW has a flexible and opportunistic approach on timing for delivery depending on market conditions for each type of product. The Group expects to join with strategic capital partners on select development projects, like it did with the Cherry Park residential development project.

Since December 2018, the Group delivered:

- In February: the 3,811 sqm 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 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 Parly 2 Cinema with 12 screens.

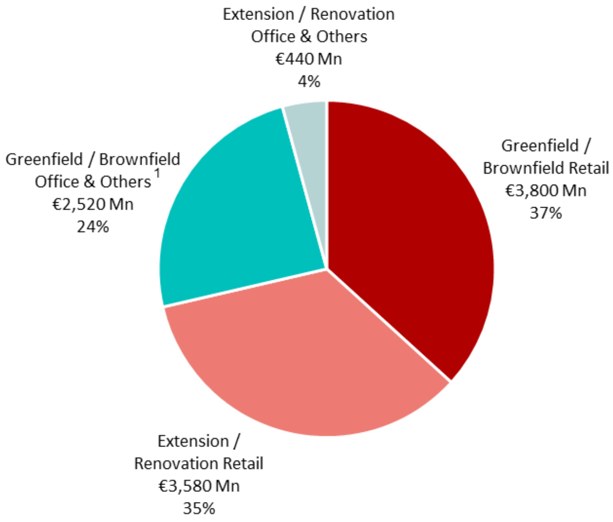
In addition, the Group made significant progress on existing pipeline projects. After final administrative authorizations were obtained, works started in March 2019 for the Garbera extension project. In May, the Cherry Park residential project broke ground after the closing of the disposal of 75% of the project to two institutional investors.

[59] URW Total Investment Cost equals 100% Total Investment Cost multiplied by URW percentage of ownership of the project, plus specific own costs, if any. 100% Total Investment Cost is expressed in value at completion. It equals the sum of: (i) all capital expenditures from the start of the project to the completion date and includes: land costs, construction costs, study costs, design costs, technical fees, tenant fitting-out costs paid for by the Group, letting fees and related costs, eviction costs and vacancy costs for renovations or redevelopments of standing assets; and (ii) tenants' lease incentives and opening marketing expenses. It excludes: (i) capitalized financial interests; (ii) overheads costs; (iii) early or lost Net Rental Income; and (iv) IFRS adjustments.
[60] GLA equals Gross Lettable Area of projects at 100%.
[61] In terms of URW TIC to completion of "Controlled" and "Secured Exclusivity" projects, as % of URW TIC of the development portfolio.
[62] This includes the Group's share of projects fully consolidated and projects accounted under equity method, excluding Viparis projects.

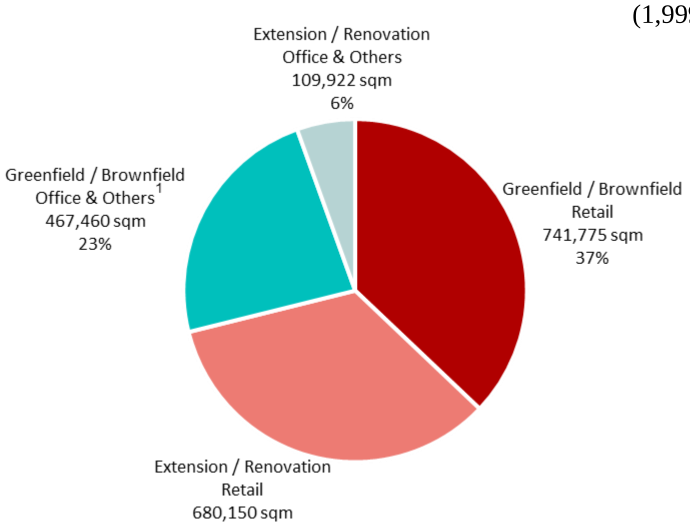
The pipeline categories are as follows:

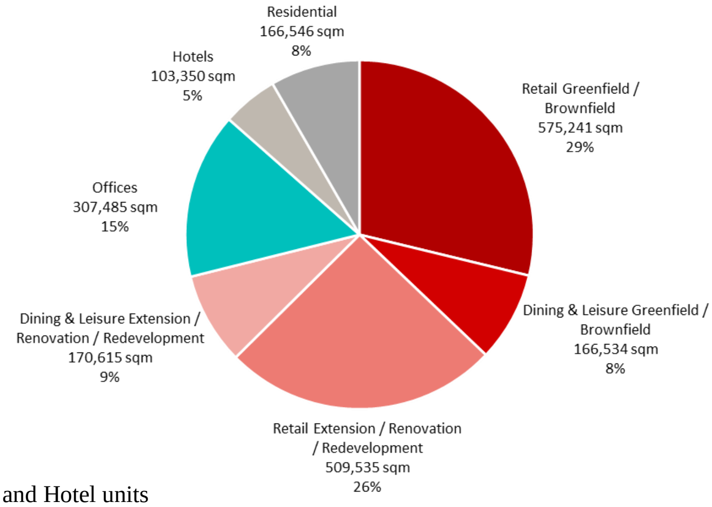
URW Development pipeline by category[63]

URW TIC
(€10,340 Mn)



GLA
(1,999,306 sqm)





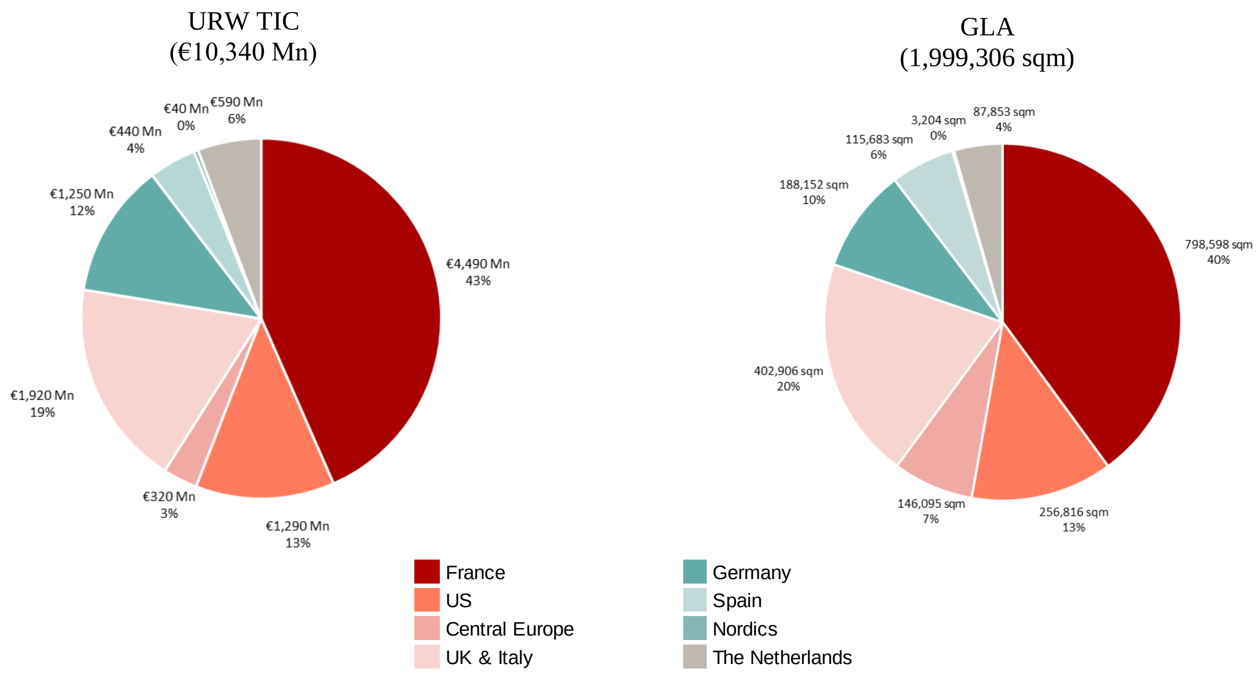
(1) Including Residential and Hotel units

The €7.4 Bn Retail pipeline is split between greenfield and brownfield projects (51%) and extensions and renovations (49%). The Group currently expects to add to its existing portfolio and redevelop or refurbish 1.4 million sqm of retail GLA, including 24% of Dining and Leisure areas, representing ca. 16% of the Group's existing retail GLA. €1.9 Bn (25%) of the Retail pipeline are committed. In addition, in a number of the Group assets, many third party urban regeneration developments are ongoing as planned, which will reinforce the relevant catchment area and the position of URW's destinations in such locations.

Development projects in the Offices & Others sector amount to €2.9 Bn. Greenfield and brownfield projects represent 85% and correspond to approximately 470,000 sqm of new GLA, of which 37% are expected to be completed after 2023. The remainder will be invested in the redevelopment or refurbishment of 110,000 sqm GLA of existing assets. €1.0 Bn (35%) of the Offices & Others pipeline are committed, of which 27% are scheduled to be delivered in H2-2019.

[63] Figures may not add up due to rounding. €0.5 Bn were reclassified from the Retail category to the Offices & Others category for the Westfield Hamburg project.

URW Development pipeline by region[64]



2. A secured and flexible development pipeline

The Group's pipeline consists of three distinct groupings:

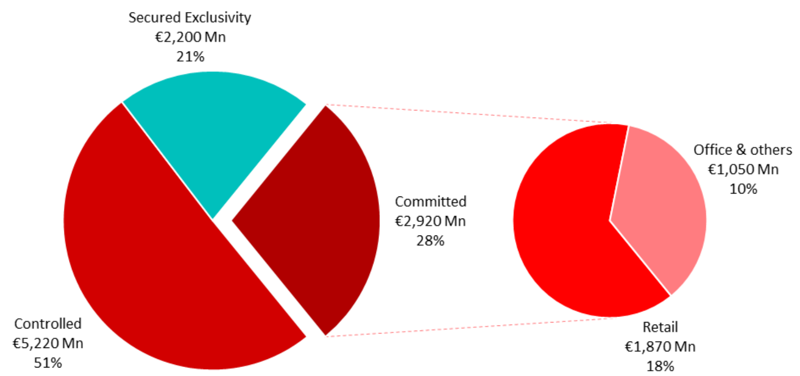
1. **Committed**: projects currently under construction, for which URW owns the land or building rights and has obtained all necessary administrative authorizations and permits.

2. **Controlled**: projects in an advanced stage of studies, for which URW controls the land or building rights but where not all required administrative authorizations or internal approvals have been obtained yet. While URW management believes that as at June 30 such projects have a reasonable probability of moving into the "Committed" projects in the next two to three years, there can be no assurance these will do so as this will be subject to obtaining all required administrative approvals, as well as that of JV partners, if applicable, and internal URW's governing bodies.

3. **Secured Exclusivity**: projects for which URW has exclusivity but where negotiations for building rights or administrative authorizations, or detailed project definition, are still ongoing.

Upon review of the Pipeline, the Group reclassified certain "Controlled" projects (€1.6 Bn) as "Secured Exclusivity" projects as these are less likely to become "Committed" projects within two to three years.

URW Development pipeline by grouping



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

The €2.9 Bn “Committed” development pipeline (URW TIC) now includes, following the start of construction and renovation works:

- Cherry Park;
- The Garbera extension;
- The Westfield Valencia renovation;
- The Westfield Oakridge transformation.

€1.6 Bn have already been spent on Committed projects, €1.0 Bn on Controlled projects and €0.2 Bn on Secured Exclusivity projects. For Committed projects, €1.3 Bn are still to be invested over the next three years, of which €0.6 Bn have been contracted.

3. Variances in URW development pipeline projects in H1-2019

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

- The Westfield Montgomery mixed-use project was delayed by 24 months due to a change of scope and administrative authorizations delay following a school moratorium in effect;
- The 3 Pays development project was delayed by 15 months due to administrative procedures, and its URW TIC increased following a project change;
- Altamar was delayed by 10 months because of the zoning plan process.

4. Investments in H1-2019

See section *“2. Investments and divestments”.*

5. Deliveries expected in H2-2019

Five projects representing a URW TIC of ca. €340 Mn are to be delivered in H2-2019:

- Palisade at Westfield UTC: floors 3 to 12 of the Group’s first residential project were delivered in July and the remaining floors will be delivered in August;
- Two retail renovation projects: Westfield Valencia and Westfield Topanga;
- One refurbishment project: Gropius Passagen;
- One office redevelopment project: Shift.

The average pre-letting[65] of the retail and office deliveries stands at 95%[66] and 100%[67], respectively.

6. Projects overview (See table next page)

[65] GLA signed, all agreed to be signed and financials agreed.
[66] Excluding renovation projects.
[67] Excluding residential projects.

DEVELOPMENT PROJECTS – June 30, 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
PALISADE AT WESTFIELD UTC	Office & others	US	San Diego	Greenfield / Brownfield	50%	26,845 sqm	140			H2 2019	Fair value
WESTFIELD TOPANGA RENOVATION	Shopping Centre	US	Los Angeles region	Extension / Renovation	55%	0 sqm	50			H2 2019	Fair value
GROPIUS PASSAGEN	Shopping Centre	Germany	Berlin	Extension / Renovation	10%	471 sqm	150			H2 2019	Fair value
SHIFT	Office & others	France	Paris region	Redevelopment / Extension	100%	46,709 sqm	210			H2 2019	Fair value
WESTFIELD VALENCIA RENOVATION	Shopping Centre	US	Valencia	Extension / Renovation	50%	0 sqm	20			H2 2019	Fair value
WESTFIELD VALLEY FAIR	Shopping Centre	US	San Jose	Extension / Renovation	50%	46,666 sqm	1,050			H1 2020	Fair value
TRINITY	Office & others	France	Paris	Greenfield / Brownfield	100%	49,109 sqm	340			H1 2020	Fair value
LA PART-DIEU EXTENSION	Shopping Centre	France	Lyon	Extension / Renovation	100%	30,279 sqm	390			H1 2020	Fair value
WESTFIELD OAKRIDGE RESTRUCTURING *	Shopping Centre	US	San Jose	Extension / Renovation	55%	15,221 sqm	50			H1 2020	Fair value
WESTFIELD MALL OF THE NETHERLANDS *	Shopping Centre	Netherlands	The Hague region	Extension / Renovation	100%	87,853 sqm	590			H2 2020	Fair value
GAITE MONTPARNASSE RETAIL *	Shopping Centre	France	Paris	Redevelopment / Extension	100%	31,094 sqm	180			H2 2020	At Cost
GAITE MONTPARNASSE OTHERS *	Office & others	France	Paris	Redevelopment / Extension	100%	63,213 sqm	230			H2 2020	Fair value
GARBERA EXTENSION	Shopping Centre	Spain	San Sebastián	Extension / Renovation	100%	19,562 sqm	130			H2 2021	At Cost
CHERRY PARK	Office & others	UK	London	Greenfield / Brownfield	25%	87,033 sqm	750			Post 2023	Fair value
Total Committed								**2,920**	**6.3%**		
WESTFIELD GARDEN STATE PLAZA RESTRUCTURING *	Shopping Centre	US	New York region	Extension / Renovation	50%	12,136 sqm	110			H2 2020	Fair value
WESTFIELD TOPANGA RESTRUCTURING *	Shopping Centre	US	Los Angeles region	Extension / Renovation	55%	15,188 sqm	250			H2 2021	Fair value
ALTAMAR	Shopping Centre	Spain	Benidorm	Greenfield / Brownfield	100% [4]	58,551 sqm	220			H1 2022	At Cost
WESTFIELD HAMBURG RETAIL	Shopping Centre	Germany	Hamburg	Greenfield / Brownfield	100%	96,662 sqm	710			H2 2022	At Cost
WESTFIELD HAMBURG OTHERS	Office & others	Germany	Hamburg	Greenfield / Brownfield	100%	91,019 sqm	530			H2 2022	At Cost
WESTFIELD MILANO	Shopping Centre	Italy	Milan	Greenfield / Brownfield	75%	153,757 sqm	1,330			H2 2022	Fair value
WESTFIELD VALENCIA RESTRUCTURING *	Shopping Centre	US	Valencia	Extension / Renovation	50%	21,224 sqm	90			H2 2022	At Cost
ROSNY 2 LEISURE EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	50%	8,063 sqm	70			H2 2022	At Cost
CROYDON *	Shopping Centre	UK	London	Greenfield / Brownfield	50%	162,116 sqm	1,550			2023	Fair value
VELIZY 2 RETAIL EXTENSION	Shopping Centre	France	Paris region	Extension / Renovation	100%	19,038 sqm	200			H1 2023	At Cost
SISTERS	Office & others	France	Paris	Greenfield / Brownfield	100%	90,675 sqm	710			H2 2023	At Cost
TRIANGLE	Office & others	France	Paris	Greenfield / Brownfield	100%	85,140 sqm	600			Post 2023	At Cost
OTHER						44,755 sqm	300				
Total Controlled								**5,220**	**7-8% target**		
WESTFIELD MISSION VALLEY *	Shopping Centre	US	San Diego	Extension / Renovation	42%	29,723 sqm	120			H1 2021	At Cost
WESTFIELD UTC PHASE 3	Shopping Centre	US	San Diego	Extension / Renovation	50%	11,893 sqm	170			H2 2022	At Cost
WESTFIELD MONTGOMERY MIXED USE RETAIL *	Shopping Centre	US	Washington region	Extension / Renovation	50%	26,736 sqm	160			H2 2023	Fair value
WESTFIELD MONTGOMERY MIXED USE RESIDENTIAL *	Office & others	US	Washington region	Greenfield / Brownfield	50%	37,640 sqm	150			H2 2023	Fair value
NEO	Shopping Centre	Belgium	Brussels	Greenfield / Brownfield	86%	122,444 sqm	670			H2 2023	At Cost
METROPOLE ZLICIN EXTENSION	Shopping Centre	Czech Rep.	Prague	Extension / Renovation	50%	24,261 sqm	150			Post 2023	At Cost
MAQUINEXT	Shopping Centre	Spain	Barcelona	Extension / Renovation	51%	37,570 sqm	200			Post 2023	At Cost
3 PAYS	Shopping Centre	France	Hésingue	Greenfield / Brownfield	100%	84,088 sqm	470			Post 2023	At Cost
VITAM	Shopping Centre	France	Neydens	Extension / Renovation	80%	76,582 sqm	430			Post 2023	At Cost
OTHER						185,991 sqm	650				
Total Secured Exclusivity								**2,200**	**7-8% target**		
URW TOTAL PIPELINE								**10,340**	**7-8% target**		

(1) Figures subject to change according to the maturity of projects.
(2) Stabilized expected Net Rental Income divided by URW Total Investment Cost.
(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 Total Investment Cost at their acquisition cost.

4. PROPERTY PORTFOLIO AND NET ASSET VALUE AS AT JUNE 30, 2019

URW's EPRA NAV per share as at June 30, 2019, came to €216.10, a decrease of -2.6%, compared to €221.80 as at December 31, 2018. Compared to June 30, 2018, the Group's EPRA NAV is stable.

URW's EPRA triple Net Asset Value (NNNAV)[68] amounted to €199.00 per share as at June 30, 2019, a decrease of -5.6%, or -€11.80, from €210.80 as at December 31, 2018. This decrease of -€11.80 is the result of: (i) +€4.28 per share representing the sum of: (a) the Recurring Earnings Per Share of +€6.63, (b) the revaluation of property and intangible assets and capital gains on disposals of -€4.11 per share, (c) foreign exchange movements and other items for -€0.89 per share, (d) the change of transfer taxes and deferred tax adjustments of +€2.75 per share, and (e) the dilutive effect of the instruments giving access to the Group's shares of -€0.10 per share; (ii) the impact of the payment of the interim dividend of -€5.40 per share in March 2019; and (iii) the negative impact of the mark-to-market of debt and financial instruments of -€10.68 per share. Compared to June 30, 2018, the EPRA NNNAV decreased by -2.5%.

The Going Concern NAV[69] (GMV based) came to €217.70 per share as at June 30, 2019, down by -6.9%, or -€16.20, compared to €233.90 as at December 31, 2018, and down by -4.1%, or -€9.40 compared to €227.10 as at June 30, 2018.

The EPRA NAV, the EPRA NNNAV and the Going Concern NAV as at June 30, 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 €12.90 per share of goodwill not justified by the fee business or tax optimizations, and mainly related to Westfield.

1. PROPERTY PORTFOLIO

Unless otherwise indicated, the data presented in the property portfolio are on a proportionate[70] basis and as at June 30, 2019, and comparisons are with values as at December 31, 2018.

The total GMV of the URW asset portfolio[71] amounted to €65.0 Bn (€65.2 Bn).

Continental Europe – Shopping Centres

Record levels of dry powder are targeting commercial real estate across Europe and globally. Whilst demand remains strong, the supply of suitable product is restricting the market activity with the volume of assets traded in H1-2019 across Continental Europe[72] amounting to €83.7 Bn, down -15% from H1-2018.

Investor demand for real estate shows a clear bifurcation between commercial real estate classes. The demand for alternative assets, such as logistics, hotels, residential and other alternative asset classes, continues to grow, reaching €37.5 Bn in H1-2019, a +1.3% increase over the same period last year. Retail investment, however, declined by -56% compared to H1-2018 reflecting wider concerns on how changing consumer habits will impact the sector.

Total retail investment volume was €8.7 Bn. Shopping centre transactions accounted for 28% of total retail investment, or 3% of total real estate investment activity.

URW's Shopping Centres portfolio GMV decreased by -0.4% on a like-for-like basis. The decrease was driven by the yield impact (-1.6%) as appraisers have increased Exit Capitalization Rates ("ECR") and Discount Rates ("DR") for a number of assets in the Shopping Centres portfolio. This was partly offset by a positive rent impact (+1.2%). The value of the Group's German portfolio decreased by -2.3% on a like-for-like basis, of which -3.0% driven by the yield impact, partly offset by a positive rent impact of +0.8%. The like-for-like GMV decrease of the Group's Dutch, Austrian and French shopping centres was -1.6%, -1.4% and -0.6%, respectively. Central Europe and Spain saw like-for-like GMV growth of +1.1% and +0.9%, respectively, while the like-for-like GMV of the Nordics shopping centres was stable.

[68] EPRA NNNAV (triple net asset value): corresponds to the Going concern NAV per share less the estimated transfer taxes and capital gain taxes.
[69] Going Concern NAV: the amount of equity per share needed to replicate the Group's portfolio with its current financial structure.
[70] 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 (Zlote Tarasy, Ring-Center, Gropius Passagen, and Blum/Centennial and Starwood Ventures entities).
[71] 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.
[72] Source: Cushman & Wakefield, estimates.

United Kingdom (UK)

Investment volumes in UK real estate[73] amounted to €23.6 Bn in H1-2019, a decrease of -30% vs. H1-2018. Retail investment volumes accounted for 10% of total volumes, of which shopping centres represented 15% (-€0.4 Bn).

The number of UK shopping centre transactions was limited. Despite the resilient performance of the UK economy, investors are postponing their decisions due to uncertainties around Brexit and the economic outlook. UK real estate appraisers are increasingly worried about the retail environment, due to the burden of business rates, retailers' ability to negotiate Company Voluntary Arrangements (CVAs), and the fundamental weakness of several British retail groups, linked to the increasing penetration of e-commerce, as well as the lack of renewal of aging concepts.

The best assets are still considered highly attractive. Their scarcity results in a limited number of transactions. In prime and super-prime shopping centres, occupier demand remains stronger than in the rest of the market and the impact of CVAs is less important. Yields have expanded by +15 bps to +40 bps in this category, depending on the relevant appraisers' sentiment. Meanwhile, secondary asset valuations are under pressure, increasing the bifurcation in the shopping centre market.

The like-for-like GMV of the Group's UK shopping centres decreased by -6.3%, of which -5.1% driven by the yield impact and -1.2% driven by the rent impact. This decrease is mainly due to Westfield London.

United States (US)

Investment volumes in US retail through June 30, 2019, saw a year-on-year decline, with total sales reported by Real Capital Analytics of $27.0 Bn. This represents a -4.9% year-on-year decrease. For shopping centres, the decrease in deal volume was -16.6%.

Super-regional mall transactions were limited, which is likely a function of owners holding on to these assets for the long term, as they are best equipped to thrive in a changing retail environment. The main asset transaction in H1-2019 was the acquisition of a 48.5% interest in the Gardens Mall, Palm Beach by Taubman, in an off-market process. This follows a wave of landmark transactions in H2-2018, which were in-line with market expectations and asset appraisals.

According to appraisers, valuation parameters and the outlook for super-regional malls remained stable. The bifurcation of the retail real estate market continues, with limited transactions in the "B" and "C" grade shopping centres priced based on their short-term cash flows and redevelopment potential. The limited availability of financing for lower quality malls and concerns about retail and the direction of interest rate had a negative effect on transaction volumes.

The value of the Group's US shopping centres decreased by -1.6% on a like-for-like basis, driven by negative yield and rent impacts (-1.6% and -0.1%, respectively).

Offices & Others

The value of URW's Offices & Others portfolio increased by +4.1% on a like-for-like basis, as a result of positive yield and rent impacts (+2.8% and +1.3%, respectively).

Convention & Exhibition

The Convention & Exhibition portfolio value decreased by -6.2% on a like-for-like basis as a result of an increase in the weighted average cost of capital applied by the appraiser.

[73] Source: Cushman & Wakefield, estimates.

1.1. URW's portfolio

Asset portfolio valuation (including transfer taxes) (a)	Proportionate					
	June 30, 2019		Like-for-like change net of investment - H1-2019 (b)		Dec. 31, 2018	
	€ Mn	%	€ Mn	%	€ Mn	%
Shopping Centres	55,720	86%	- 591	-1.2%	56,514	87%
Offices & Others	4,777	7%	62	4.1%	3,924	6%
Convention & Exhibition	2,926	5%	- 171	-6.2%	3,222	5%
Services	1,544	2%	-	0.0%	1,541	2%
Total URW	**64,967**	**100%**	**- 700**	**-1.3%**	**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 equity value of URW's investments in assets not controlled (Zlote Tarasy, Ring-Center, Gropius Passagen, and Blum/Centennial and Starwood Ventures entities). The equity value of URW's share investments in assets not controlled amounted to €984 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 balance sheet.
The portfolio does not include €2.1 Bn of goodwill not justified by the fee business, nor financial assets such as the €1,396 Mn of cash and cash equivalents on the Group's balance sheet as at June 30, 2019.

(b) Excluding the currency effect, investment properties under construction, assets not controlled and changes in the scope (including acquisitions, disposals and deliveries of new projects) during H1-2019. Changes in scope consist mainly of the:
- Acquisition of retail units in Vélizy 2, in La Vaguada, in Parquesur and in Les Quatre Temps;
- Disposal of a retail asset: Jumbo in Finland;
- Disposal of 75% of a residential project: Cherry Park in Westfield Stratford City;
- Disposal of retail units in Parly 2;
- Disposal of office units in Zoetermeer; and
- Delivery of the office building in Versailles Chantiers.
The like-for-like change in the portfolio valuation is calculated excluding changes described above.

	Proportionate	
URW Valuation as at Dec. 31, 2018 (€ Mn)	**65,201**	
Like-for-like revaluation	- 700	
Revaluation of non like-for-like assets	82	(a)
Revaluation of shares	- 73	(b)
Capex/ Acquisitions / Transfers	795	
Disposals	- 343	(c)
Constant Currency Effect	5	(d)
URW Valuation as at June 30, 2019 (€ Mn)	**64,967**	

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 Shift, Gaîté and Trinity offices, the hotel projects at Porte de Versailles and at Montparnasse, the La Part-Dieu extension, Westfield Milano and Westfield Mall of the Netherlands, assets under disposal such as Majunga and assets delivered in H1-2019 such as the office building at Versailles Chantiers.
(b) Revaluation of the shares in companies holding the assets not controlled (Zlote Tarasy, Ring-Center, Gropius Passagen and Blum/Centennial and Starwood Ventures entities).
(c) Value as at December 31, 2018.
(d) Currency impact of +€5 Mn, including +€97 Mn in the US, partly offset by the Nordics (-€89 Mn) and the UK (-€3 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 service companies, which are appraised once a year.

JLL and Cushman & Wakefield appraise the Continental European retail and office properties of the Group. France, being the largest region, is assessed by both firms. PwC assesses Convention & Exhibition venues as well as all of the Group's services activities, the trademark, and the airport activities.

The Group's UK portfolio has been valued by Cushman & Wakefield. In Italy, the Westfield Milano development project has been valued by JLL. The Group's US portfolio has been valued by Cushman & Wakefield and Duff & Phelps.

Proportionate		
Appraiser	**Property location**	**% of total portfolio**
Cushman & Wakefield	France / The Netherlands / Central Europe / UK / US	51%
JLL	France / Germany / Nordics / Spain / Austria / Italy	28%
Duff & Phelps	US	9%
PwC	France / Germany / US / UK	8%
Other appraisers	Central Europe / US	1%
At cost, under sale agreement or internal.		3%
		100%

Figures may not add up due to rounding.

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

Valuation methodology

Appraisal methods used by appraisers are compliant with international standards and guidelines as defined by RICS ("Royal Institution of Chartered Surveyors"), IVSC ("International Valuation Standards Council") and FSIF ("Fédération des Sociétés Immobilières et Foncières").

Independent appraisers determine the fair market value based on the results of two methods: the discounted cash flow (DCF) methodology and/or the yield methodology. Furthermore, the resulting valuations are cross-checked against the initial yield, value per square meter and the fair market values established through actual market transactions.

Appraisers have been given access to all information relevant for valuations, such as the Group's confidential rent rolls, including information on vacancy, break options, expiry dates and lease incentives, performance indicators (e.g., footfall and sales where available), letting evidence and the Group's cash flow forecasts from annually updated detailed asset business plans. Appraisers make their independent assessments of current and forward looking cash flow profiles and usually reflect risk either in the cash flow forecasts (e.g. future rental levels, growth, investment requirements, void periods and incentives), in the applied required returns or discount rates and in the yield applied to capitalize the exit rent to determine an exit value.

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 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

97% 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 generic guidelines to establish the residual level of risk, focusing notably on uncertainty remaining in construction and leasing.

IPUC were valued using a discounted cash flow or yield method approach (in accordance with RICS and IVSC standards) as deemed appropriate by the independent appraisers. In some cases, both methods were combined to validate and cross-check critical valuation parameters.

The Trinity offices and the hotel projects at Porte de Versailles have been carried at fair value since June 30, 2018.

The main projects in the US, the UK and Italy were carried at fair value as at June 30, 2019.

The La Part-Dieu extension, Westfield Mall of the Netherlands and the Gaîté offices have been assessed at fair value for the first time as at June 30, 2019.

Refer to the table in the Section *"Development Projects as at June 30, 2019"* for the valuation method used for each development project in the Group's pipeline.

The remaining assets of the portfolio (3%) were valued as follows:

- At cost for IPUC for which a reliable value could not yet be established. These include assets under development: Gaîté Montparnasse retail, Garbera extension, as well as the majority of development projects included in the "Controlled" and "Secured exclusivity" categories (see section "Development Projects" for more details);
- At bid value for assets subject to an agreement pursuant to which these will be disposed: Majunga and Bobigny 2.

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

1.2. Shopping Centres portfolio

The value of URW's Shopping Centres 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.

Evolution of URW's Shopping Centres portfolio valuation

The value of URW's Shopping Centres portfolio amounted to €55,720 Mn (€56,514 Mn).

	Proportionate	
URW Valuation as at Dec. 31, 2018 (€ Mn)	**56,514**	
Like-for-like revaluation	- 591	
Revaluation of non like-for-like assets	- 104	(a)
Revaluation of shares	- 73	(b)
Capex / Acquisitions / Transfers	221	(c)
Disposals	- 254	(d)
Constant Currency Effect	7	(e)
URW Valuation as at June 30, 2019 (€ Mn)	**55,720**	

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, Westfield Milano and Westfield Mall of the Netherlands.
(b) Revaluation of the shares in companies holding the assets not controlled (Zlote Tarasy, Ring-Center, 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 +€7 Mn, including the US (+€92 Mn), partly offset by the Nordics (-€84 Mn) and the UK (-€1 Mn), before offsets from foreign currency loans and hedging programs.

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

	Proportionate			
Shopping Centres portfolio by region - June 30, 2019	**Valuation including transfer taxes in € Mn**	**Valuation excluding estimated transfer taxes in € Mn**	**Net Inital Yield (a) June 30, 2019**	**Net Inital Yield (a) Dec. 31, 2018**
France (b)	16,411	15,778	4.1%	4.0%
Central Europe (c)	5,326	5,280	4.9%	4.9%
Spain	3,776	3,689	4.4%	4.4%
Nordics	3,173	3,106	4.1%	4.1%
Germany	3,528	3,338	4.5%	4.4%
Austria	2,561	2,548	4.2%	4.2%
The Netherlands	1,701	1,601	5.1%	5.1%
Subtotal Continental Europe	**36,476**	**35,340**	**4.3%**	**4.3%**
US	14,829	14,708	4.0%	4.2%
UK & Italy	4,415	4,206	4.5%	4.3%
Subtotal US and UK	**19,244**	**18,913**	**4.1%**	**4.3%**
Total URW	**55,720**	**54,254**	**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, the trademark and the airport activities are not included in the calculation.
(b) The effect of including key money in the French region's NRI would increase the NIY of French shopping centres from 4.1% to 4.2%.
(c) Ring-Center is included in the Central Europe region.

US Shopping Centres portfolio by category - June 30, 2019	Proportionate Valuation including transfer taxes in € Mn	Valuation excluding estimated transfer taxes in € Mn	Net Initial Yield (a) June 30, 2019	Net Initial Yield (a) Dec. 31, 2018
US Flagships (b)	12,654	12,537	3.7%	3.9%
US Regionals	2,175	2,171	5.6%	6.1%
Total US	**14,829**	**14,708**	**4.0%**	**4.2%**

(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, 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 US Flagships.

For the valuation of URW's US assets as at June 30, 2019, 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 June 30, 2019, would have been 4.3% for the US and 4.3% for URW compared to 4.2% and 4.3%, respectively, as at December 31, 2018.

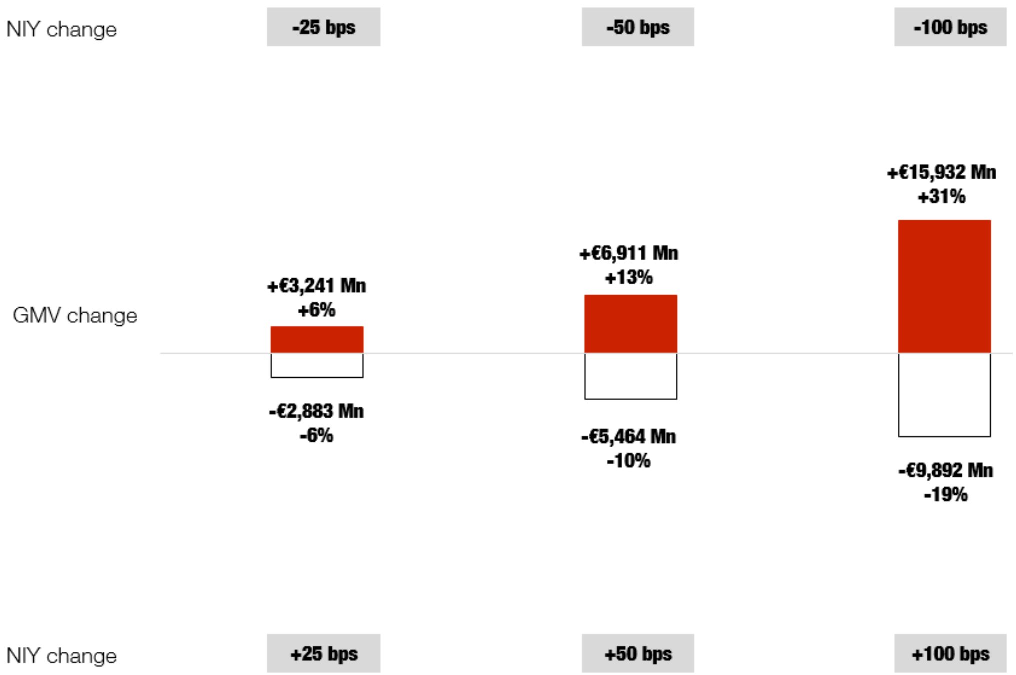
The following table shows the geographic split of the Group's retail assets:

Valuation of Shopping Centres portfolio (including transfer taxes)	Proportionate June 30, 2019		Dec. 31, 2018	
	€ Mn	%	€ Mn	%
France	16,411	29%	16,282	29%
Central Europe	5,326	10%	5,321	9%
Spain	3,776	7%	3,703	7%
Nordics	3,173	6%	3,486	6%
Germany	3,528	6%	3,756	7%
Austria	2,561	5%	2,583	5%
The Netherlands	1,701	3%	1,631	3%
Subtotal Continental Europe	**36,476**	**65%**	**36,763**	**65%**
US	14,829	27%	14,933	26%
UK & Italy	4,415	8%	4,818	9%
Subtotal US and UK	**19,244**	**35%**	**19,751**	**35%**
Total URW	**55,720**	**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 -€2,883 Mn (or -5.5%) of URW's Shopping Centres 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 -€12,169 Mn (or -23.3%) on URW's Shopping Centres 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 Centres portfolio, after accounting for works, capitalized financial and leasing expenses and eviction costs, decreased by -€591 Mn (-1.2%). This decrease was the result of a yield impact of -1.8%, partly offset by a positive rent impact of +0.7%.

Proportionate				
Shopping Centres - Like-for-like (LfL) change (a)				
H1-2019	**LfL change in € Mn**	**LfL change in %**	**LfL change - Rent impact**	**LfL change - Yield impact (b)**
France	-94	-0.6%	0.9%	-1.5%
Central Europe	49	1.1%	2.0%	-0.9%
Spain	32	0.9%	1.7%	-0.8%
Nordics	1	0.0%	1.2%	-1.2%
Germany	-76	-2.3%	0.8%	-3.0%
Austria	-35	-1.4%	1.4%	-2.7%
The Netherlands	-18	-1.6%	1.3%	-3.0%
Subtotal Continental Europe	**-141**	**-0.4%**	**1.2%**	**-1.6%**
US	-199	-1.6%	-0.1%	-1.6%
UK & Italy	-251	-6.3%	-1.2%	-5.1%
Subtotal US and UK	**-450**	**-2.8%**	**-0.3%**	**-2.5%**
Total URW	**-591**	**-1.2%**	**0.7%**	**-1.8%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2018 to June 30, 2019, excluding assets not controlled.
(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 Flagship shopping centres which represent 88% of URW's retail exposure (excluding assets under development).

Proportionate				
Shopping Centres - Like- for-like (LfL) change by category (a)				
H1-2019	**LfL change in € Mn**	**LfL change in %**	**LfL change - Rent impact**	**LfL change - Yield impact** (b)
Flagships	- 348	-0.8%	1.1%	-1.9%
Regionals	- 243	-3.9%	-1.3%	-2.6%
Total URW	**- 591**	**-1.2%**	**0.7%**	**-1.8%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2018 to June 30, 2019, excluding assets not controlled.
(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

<u>Evolution of URW's Offices & Others portfolio valuation</u>

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

The total value of URW's Offices & Others portfolio amounted to €4,777 Mn (€3,924 Mn).

	Proportionate	
URW Valuation as at Dec. 31, 2018 (€ Mn)	**3,924**	
Like-for-like revaluation	62	
Revaluation of non like-for-like assets	193	(a)
Capex / Acquisitions / Transfers	691	(b)
Disposals	- 88	(c)
Constant Currency Effect	- 4	(d)
URW Valuation as at June 30, 2019 (€ Mn)	**4,777**	

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 Shift, Gaîté and Trinity offices, the hotel project at Montparnasse, assets under disposal such as Majunga and assets delivered in H1-2019 such as the office building at Versailles Chantiers.
(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 Cherry Park residential project.
(d) Currency impact of -€4 Mn in total, with negative impacts in the Nordics (-€5 Mn) and the UK (-€1 Mn) partly offset by the US (+€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)	**June 30, 2019**		**June 30, 2019 (after Majunga disposal)**		**Dec. 31, 2018**	
	€ Mn	**%**	**€ Mn**	**%**	**€ Mn**	**%**
France	3,549	74%	2,686	69%	2,879	73%
Nordics	170	4%	170	4%	168	4%
Other countries	374	8%	374	10%	144	4%
Subtotal Continental Europe	**4,092**	**86%**	**3,229**	**83%**	**3,191**	**81%**
US	337	7%	337	9%	302	8%
UK & Italy	348	7%	348	9%	432	11%
Subtotal US and UK	**685**	**14%**	**685**	**17%**	**733**	**19%**
Total URW	**4,777**	**100%**	**3,914**	**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 -57 bps to 5.2%.

	Proportionate			
Valuation of occupied office space - June 30, 2019	**Valuation including transfer taxes in € Mn (a)**	**Valuation excluding estimated transfer taxes in € Mn (a)**	**Net Inital Yield (b) June 30, 2019**	**Net Inital Yield (b) Dec. 31, 2018**
France	1,922	1,856	5.0%	5.6%
Nordics	142	138	7.5%	7.9%
Other countries	130	127	6.6%	7.1%
Subtotal Continental Europe	**2,194**	**2,122**	**5.2%**	**5.8%**
US	227	221	5.5%	5.8%
UK & Italy	76	72	n.m.	n.m.
Subtotal US and UK	**303**	**293**	**4.6%**	**4.9%**
Total URW	**2,497**	**2,415**	**5.2%**	**5.7%**

Figures may not add up due to rounding.
(a) Valuation of occupied office space as at June 30, 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 -€141 Mn (-5.1%) 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 +€62 Mn (+4.1%) on a like-for-like basis, due to a yield impact of +2.8% and a rent impact of +1.3%.

Proportionate				
Offices & Others - Like-for-like (LfL) change (a)				
H1-2019	**LfL change in € Mn**	**LfL change in %**	**LfL change - Rent impact**	**LfL change - Yield impact (b)**
France	28	2.9%	2.4%	0.6%
Nordics	6	3.5%	-2.0%	5.5%
Other countries	5	4.0%	-2.2%	6.3%
Subtotal Continental Europe	**38**	**3.1%**	**1.2%**	**1.9%**
US	15	6.8%	1.8%	5.1%
UK & Italy	9	12.9%	2.5%	10.3%
Subtotal US and UK	**24**	**8.3%**	**1.9%**	**6.3%**
Total URW	**62**	**4.1%**	**1.3%**	**2.8%**

Figures may not add up due to rounding.
(a) Like-for-like change net of investments from December 31, 2018 to June 30, 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 (€290 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 €2,926 Mn (€3,222 Mn).

	Proportionate	
URW Valuation as at Dec. 31, 2018 (€ Mn)	**3,222**	(a)
Like-for-like revaluation	- 171	
Revaluation of non like-for-like assets	- 7	
Capex/ Acquisitions	- 117	(b)
URW Valuation as at June 30, 2019 (€ Mn)	**2,926**	(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 hotel projects 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 hotel projects at Porte de Versailles) is €2,789 Mn.

On a like-for-like basis, net of investments, the value of Convention & Exhibition venues decreased by -€171 Mn (-6.2%). This decrease was the result of an increase in the weighted average cost of capital applied by the appraiser.

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 increased by +5 bps to 5.4%.

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 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**	
Constant Currency Effect	2	(a)
URW Valuation as at June 30, 2019 (€ Mn)	**1,544**	

Figures may not add up due to rounding.
(a) Currency impact of +€2 Mn in total, including the US (+€3 Mn), partly offset by the UK (-€1 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 - June 30, 2019	€ Mn	%	€ Mn	%	€ Mn	%
Shopping Centres	55,720	86%	53,312	85%	48,761	86%
Offices & Others	4,777	7%	4,737	8%	4,710	8%
Convention & Exhibition	2,926	5%	2,927	5%	1,532	3%
Services	1,544	2%	1,544	2%	1,453	3%
Total URW	**64,967**	**100%**	**62,519**	**100%**	**56,457**	**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 - H1-2019	€ Mn	%	€ Mn	%	€ Mn	%
Shopping Centres	- 591	-1.2%	- 359	-0.9%	- 347	-1.0%
Offices & Others	62	4.1%	59	4.2%	59	4.2%
Convention & Exhibition	- 171	-6.2%	- 171	-6.2%	- 91	-6.2%
Services	-	0.0%	-	0.0%	-	0.0%
Total URW	**- 700**	**-1.3%**	**- 471**	**-1.0%**	**- 379**	**-0.9%**

URW Like-for-like change - net of Investments - H1-2019 - Split rent/yield impact	Rent impact %	Yield impact %	Rent impact %	Yield impact %	Rent impact %	Yield impact %
Shopping Centres	0.7%	-1.8%	0.9%	-1.8%	0.8%	-1.8%
Offices & Others	1.3%	2.8%	1.3%	2.9%	1.4%	2.8%

URW Net Initial Yield	June 30, 2019	Dec. 31, 2018	June 30, 2019	Dec. 31, 2018	June 30, 2019	Dec. 31, 2018
Shopping Centres (a)	4.3%	4.3%	4.2%	4.2%	4.3%	4.2%
Offices & Others - occupied space (b)	5.2%	5.7%	5.2%	5.8%	5.2%	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 (Zlote Tarasy, Ring-Center, 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[74] on IFRS 13 established by EPRA, the representative body of the publicly listed real estate industry in Europe.

Considering the limited public data available, the complexity of real estate asset valuations, as well as the fact that appraisers use in their valuations the non-public rent rolls of the Group's assets, URW believes it is appropriate to classify its assets under Level 3. In addition, unobservable inputs, including appraisers' assumptions on growth rates and exit yields, are used by appraisers to determine the fair value of URW's assets.

In addition to the disclosures provided above, the following tables provide a number of quantitative data in order to assess the fair valuation of the Group's assets.

<u>Shopping Centres</u>

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

Shopping Centres - June 30, 2019		Net Initial Yield	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
France	Max	7.5%	865	8.5%	7.3%	9.8%
	Min	2.0%	166	5.3%	3.5%	2.0%
	Weighted average	4.1%	526	5.7%	4.1%	3.8%
Central Europe	Max	7.0%	602	8.4%	7.8%	3.4%
	Min	4.4%	141	6.3%	4.7%	2.2%
	Weighted average	4.9%	388	6.8%	5.0%	2.5%
Spain	Max	7.6%	562	9.3%	6.6%	3.4%
	Min	4.1%	130	6.9%	4.3%	0.9%
	Weighted average	4.4%	353	7.1%	4.5%	3.0%
Nordics	Max	5.3%	433	8.3%	5.2%	3.5%
	Min	3.8%	179	6.1%	3.9%	2.9%
	Weighted average	4.1%	363	6.5%	4.1%	3.1%
Germany	Max	7.8%	479	8.0%	6.8%	3.5%
	Min	3.9%	161	5.9%	3.9%	1.3%
	Weighted average	4.5%	303	6.3%	4.4%	2.8%
Austria	Max	4.3%	398	6.2%	4.2%	2.8%
	Min	4.1%	356	6.1%	4.1%	2.3%
	Weighted average	4.2%	376	6.2%	4.1%	2.6%
The Netherlands	Max	6.9%	387	7.6%	6.8%	3.2%
	Min	4.2%	171	5.9%	4.3%	2.5%
	Weighted average	5.1%	262	6.6%	5.2%	3.0%
US	Max	10.7%	2,515	12.0%	10.5%	10.7%
	Min	3.0%	105	5.8%	4.3%	-0.7%
	Weighted average	4.0%	576	6.4%	5.1%	4.2%
UK & Italy	Max	4.6%	686	6.0%	4.8%	3.6%
	Min	4.3%	659	5.9%	4.7%	2.2%
	Weighted average	4.5%	671	5.9%	4.8%	3.0%

Net Initial Yield, Discount Rate and Exit yield weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled, the trademark and the airport activities are not included in this table.
(a) Average annual rent (Minimum Guaranteed Rent + Sales Based Rent) 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 Net Rental Income determined by the appraiser (between 6 and 10 years depending on duration of DCF model used).

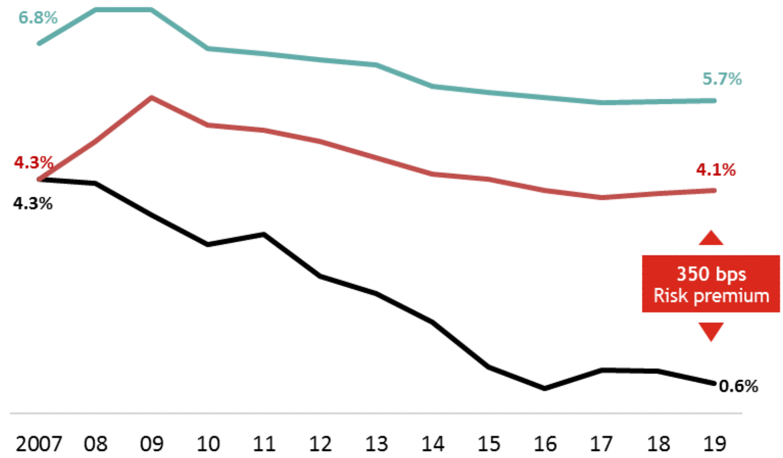
[74] EPRA Position Paper on IFRS 13 - Fair value measurement and illustrative disclosures, February 2013.

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

Shopping Centres - June 30, 2019		Net Initial Yield	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
US Flagships	Max	4.8%	2,515	7.0%	5.8%	5.8%
	Min	3.0%	410	5.8%	4.3%	3.1%
	Weighted average	3.7%	786	6.1%	4.8%	4.3%
US Regionals	Max	10.7%	494	12.0%	10.5%	10.7%
	Min	4.2%	105	6.5%	5.8%	-0.7%
	Weighted average	5.6%	307	8.1%	6.9%	3.6%

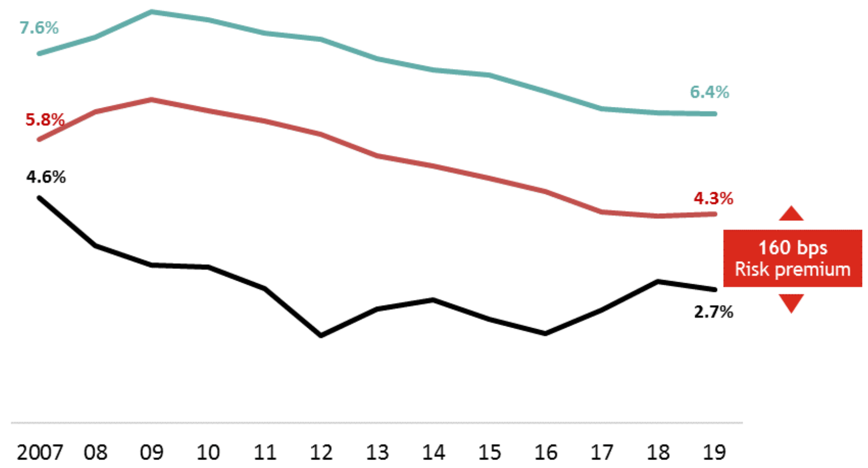
Net Initial Yield, Discount Rate and Exit yield weighted by GMV. Vacant assets, assets considered at bid value and assets under restructuring are not included in Min and Max calculation. Assets under development or not controlled, the trademark and the airport activities are not included in this table.
(a) Average annual rent (Minimum Guaranteed Rent + Sales Based Rent) 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 Net Rental Income determined by the appraiser (10 years).

France Shopping Centres



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

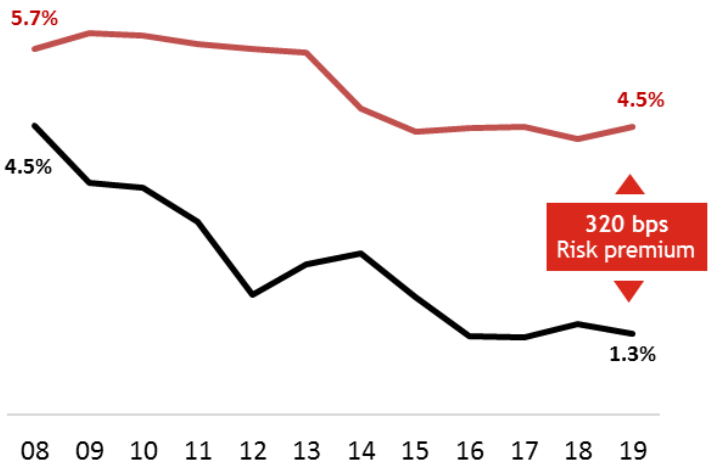
US Shopping Centres



Appraisers' Discount Rate (weighted average)
Westfield Estimated Yield (weighted average)[75]
US 10-year government bond yield (1-year average)

[75] Calculated based on the methodology used by appraisers as at December 31, 2018. Using the methodology used for the Group's other regions, the NIY would have been 4.0% and the risk premium 130 bps.

UK Shopping Centres



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

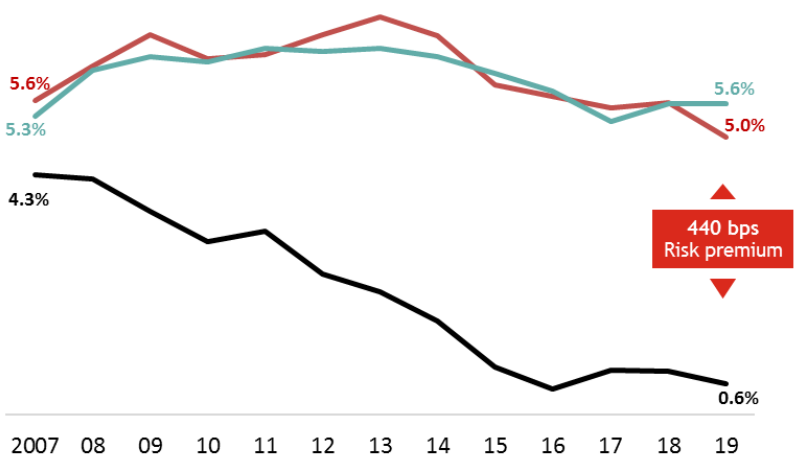
Offices & Others

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

Offices & Others - June 30, 2019		Net Initial Yield on occupied space	Rent in € per sqm (a)	Discount Rate (b)	Exit yield (c)	CAGR of NRI (d)
France	Max	11.1%	561	9.0%	8.0%	18.5%
	Min	4.2%	110	5.0%	4.2%	-0.3%
	Weighted average	5.0%	441	5.6%	4.6%	2.0%
Nordics	Max	8.8%	217	9.4%	7.8%	3.9%
	Min	6.2%	171	7.1%	5.2%	1.7%
	Weighted average	7.5%	189	8.1%	6.4%	2.6%
Other countries	Max	11.6%	170	8.8%	8.8%	20.2%
	Min	4.6%	46	5.6%	4.0%	0.4%
	Weighted average	6.6%	128	7.4%	5.9%	3.5%
US	Max	8.7%	668	9.3%	8.5%	5.1%
	Min	4.5%	257	6.9%	5.9%	2.4%
	Weighted average	5.5%	405	7.6%	6.3%	4.4%

Net Initial Yield, Discount Rate and Exit yield 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 (Minimum Guaranteed Rent) 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) Compounded Annual Growth Rate of Net Rental Income determined by the appraiser (between 3 and 10 years, depending on duration of DCF model used).

France Offices & Others



Appraisers' Discount Rate (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 Discount Rates they consider investors will require to generate target returns. For example, since 2007, the gap between Discount Rates used by appraisers for the Group's shopping centre and office assets in France and the French government bond yields has widened materially. This, and their judgment on appropriate exit capitalization rates, have led to wide yield differentials between the Group's French shopping centre and office assets relative to French government bond yields.

2. EPRA TRIPLE NET ASSET VALUE CALCULATION

The EPRA triple Net Asset Value (NNNAV) is calculated by adding to the 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 June 30, 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 €25,767 Mn.

The equity attributable to the holders of the Stapled Shares incorporated the net recurring profit of €916.5 Mn and the net positive impact of +€258.2 Mn as a result of the reversal of deferred tax liabilities in the US partially offset by negative valuation movements and the negative mark-to-market of financial instruments.

The purchase price allocation of the Westfield acquisition has been finalized as at June 30, 2019, and impairment tests of the remaining goodwill have been performed.

2.2. Impact of rights giving access to share capital

Dilution from securities giving access to share capital as at June 30, 2019, was computed for such instruments "in the money" and having fulfilled the performance conditions.

In accordance with IFRS, financial instruments and the ORNANEs[76] 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 are "out of the money" as at June 30, 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 June 30, 2019, would have led to a rise in the number of shares by +204,273, without any impact on the equity attributable to the holders of the Stapled Shares as they relate only to performance shares.

As at June 30, 2019, the fully-diluted number of shares taken into account for the NAV calculations was 138,582,890.

2.3. Unrealized capital gain on intangible and operating assets

The appraisal of property service companies in France and Germany, of the operating asset of URW (7 Adenauer, Paris 16) and of the operations ("*fonds de commerce"*) of Viparis Porte de Versailles, Paris Nord Villepinte, Palais des Congrès de Paris and Palais des Congrès d'Issy-les-Moulineaux, gave rise to an unrealized capital gain of +€601 Mn, which was added for the purpose of the NAV calculation.

2.4. Adjustment of deferred taxes on capital gains

In accordance with accounting standards, deferred tax on property assets was calculated on a theoretical basis on the consolidated statement of financial position as at June 30, 2019.
For the purpose of the EPRA NAV calculation, deferred taxes on unrealized capital gains on assets not qualifying for tax exemption (€2,372 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.

For the calculation of the EPRA NNNAV, estimated taxes actually payable should a disposal take place (€1,049 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.

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

2.5. Mark-to-market value of debt and derivatives

In accordance with IFRS, derivatives and ORNANEs were recorded on URW’s statement of financial position at their fair value.

The fair value adjustment (€695 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 -€1,230 Mn. This impact was taken into account in the EPRA NNNAV calculation.

2.6. Restatement of transfer taxes and transaction costs

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

As at June 30, 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 €613 Mn.

2.7. EPRA Triple Net Asset Value

URW’s EPRA NNNAV stood at €27,580 Mn or €199.00 per share (fully-diluted) as at June 30, 2019.

The EPRA NNNAV per share decreased by -5.6% (or -€11.80) compared to December 31, 2018 and decreased by -2.5% (or -€5.20) compared to June 30, 2018.

The decrease of -€11.80 compared to December 31, 2018 was the sum of: (i) the value increase of +€4.28 per share, (ii) the impact of the payment of the interim dividend of -€5.40 per share in March 2019, and (iii) the negative impact of the -€10.68 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 €217.70 per share as at June 30, 2019, an decrease of -€16.20 (-6.9%) compared to December 31, 2018.

This decrease was the sum of: (i) the value decrease of -€0.12 per share, (ii) the impact of the payment of the interim dividend of -€5.40 per share in March 2019, and (iii) the negative impact of the -€10.68 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 June 30, 2019 is also presented.

EPRA NNNAV calculation (All figures are Group share, in €Mn)	**June 30, 2018**		**Dec. 31, 2018**		**June 30, 2019**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
Fully diluted number of shares	138,973,702		138,445,448		138,582,890	
Equity attributable to the holders of the Stapled Shares	25,699		26,176		25,767	
Amounts owed to shareholders	0		0		747	
ORA and ORNANE	0		0		0	
Effect of exercise of options	98		0		0	
Diluted NAV	25,797		26,176		26,514	
Add						
Revaluation of intangible and operating assets	447		582		601	
Added back/deducted						
Fair value of financial instruments	320		409		695	
Deferred taxes on balance sheet	3,720		3,797		2,372	
Goodwill as a result of deferred taxes	-256		-256		-241	
EPRA NAV	**30,027**	**216.10 €**	**30,708**	**221.80 €**	**29,941**	**216.10 €**
Fair value of financial instruments	-320		-409		-695	
Fair value of debt	-206		34		-1,230	
Effective deferred taxes	-1,781		-1,774		-1,049	
Impact of transfer taxes estimation	660		626		613	
EPRA NNNAV	**28,380**	**204.20 €**	**29,185**	**210.80 €**	**27,580**	**199.00 €**

% of change over 6 months		**1.8%**		**3.2%**		**-5.6%**
% of change over 1 year		**4.6%**		**5.1%**		**-2.5%**

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)	**June 30, 2018**		**Dec. 31, 2018**		**June 30, 2019**	
	€Mn	€/share	€Mn	€/share	€Mn	€/share
EPRA NNNAV	28,380		29,185		27,580	
Effective deferred capital gain taxes	1,781		1,774		1,049	
Estimated transfer taxes	1,404		1,418		1,540	
GOING CONCERN NAV	**31,565**	**227.10 €**	**32,376**	**233.90 €**	**30,169**	**217.70 €**

% of change over 6 months		**3.6%**		**3.0%**		**-6.9%**
% of change over 1 year		**6.3%**		**6.7%**		**-4.1%**

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 Dec. 31, 2018, per share (fully diluted)		**221.80 €**	**210.80 €**	**233.90 €**
Revaluation of property assets *		-3.99	-3.99	-3.99
Retail	- 4.92			
Offices & Other	1.49			
Convention & Exhibition	- 0.57			
Revaluation of intangible and operating assets		-0.27	-0.27	-0.27
Capital gain on disposals		0.14	0.14	0.14
Subtotal revaluations and capital gain on disposals		**-4.11**	**-4.11**	**-4.11**
Recurring Net Result		**6.63**	**6.63**	**6.63**
Distribution		**-5.40**	**-5.40**	**-5.40**
Mark-to-market of debt and financial instruments		**0.50**	**-10.68**	**-10.68**
Variation in transfer taxes & deferred taxes adjustments		-2.50	2.75	-1.60
Variation in the fully diluted number of shares		-0.11	-0.10	-0.17
Other (including foreign exchange difference)		-0.71	-0.89	-0.87
Subtotal other variations		**-3.32**	**1.76**	**-2.64**
As at June 30, 2019, per share (fully diluted)		**216.10 €**	**199.00 €**	**217.70 €**

Figures may not add up due to rounding.

(*) Revaluation of property assets is -€4.18 per share on a like-for-like basis, of which +€2.31 due to rental effect and -€6.49 due to yield effect, as appraisers have increased Exit Cap Rates and Discount Rates for a number of assets in the Shopping Centres portfolio.

5. FINANCIAL RESOURCES

In H1-2019, markets were impacted by rising geopolitical concerns, including the trade-war tensions between the US and China, Brexit uncertainties and the political situation in Europe (Italy), leading to increased volatility.

Nevertheless, expectations of a more accommodative monetary policy by the European Central Bank ("ECB") and the US Federal Reserve (Fed) supported markets. The ECB decided in June to leave rates unchanged, at least through the first half of 2020 and announced the third long-term refinancing plan for European banks in order to ensure and support liquidity. The Fed, in its June meeting, left the Fed Funds rate unchanged and opened the door to a rate cut as early as July.

In this context, URW raised €3,009 Mn of medium to long-term funds in the bond and bank markets (€3,509 Mn including the €500 Mn 30-year bond priced on June 23 and settled on July 1, 2019) while maintaining its financial ratios at healthy levels.

As at June 30, 2019[77]:

- The Interest Coverage Ratio ("ICR") was 5.8x[78] (6.1x[79] as at December 31, 2018);
- The Loan-to-Value ("LTV") ratio[80] was 38.3%[81] (37.0% as at December 31, 2018). Pro-forma for the receipt of the Majunga disposal proceeds on July 3, 2019, the LTV ratio would be 37.5%.

The average cost of debt for H1-2019 stood at 1.6% (1.6% as at December 31, 2018) representing the blended average cost of debt, on a standalone basis, of 1.0% for UR and 3.5% for Westfield.

1. Debt structure as at June 30, 2019

URW's IFRS gross financial debt[82] as at June 30, 2019, increased to €25,265 Mn from €23,598 Mn as at December 31, 2018.

Gross financial debt includes €1,000 Mn of net share settled bonds convertible into new and/or existing URW stapled shares (ORNANE) issued in June 2014 and in April 2015. On July 1, 2019, €397 Mn of the €500 Mn ORNANE issued in June 2014 (the 2014 ORNANE) were repaid at par.

As at June 30, 2019, the cash on-hand of the Group was €1,304 Mn[83] (€370 Mn as at December 31, 2018).

[77] Based on IFRS accounts, 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 at: https://www.urw.com/-/media/Corporate~o~Sites/Unibail-Rodamco-Corporate/Files/Homepage/INVESTORS/Financing-Activity/BOND~o~ISSUES/Prospectuses-Hybrid/2018_Prospectus-Hybrid.ashx
[78] 5.0x on a proportionate basis.
[79] On a 2018 pro-forma basis, an ICR ratio of 5.6x and a proportionate ICR ratio of 4.8x.
[80] IFRS net financial debt as shown on the Group's IFRS balance sheet, restated for the impact of derivative instruments on debt raised in foreign currencies / total assets, including transfer taxes. 39.7% excluding transfer taxes. Proportionate LTV ratio of 40.2% as at June 30, 2019.
[81] Excluding €2,023 Mn of goodwill as per the Group's European leverage covenants.
[82] After impact of derivative instruments on debt raised in foreign currencies. Excluding financial leases accounted as debt under IFRS 16.
[83] €1,396 Mn on a proportionate basis.

1.1. Debt breakdown

URW's IFRS gross financial debt as at June 30, 2019[84]:

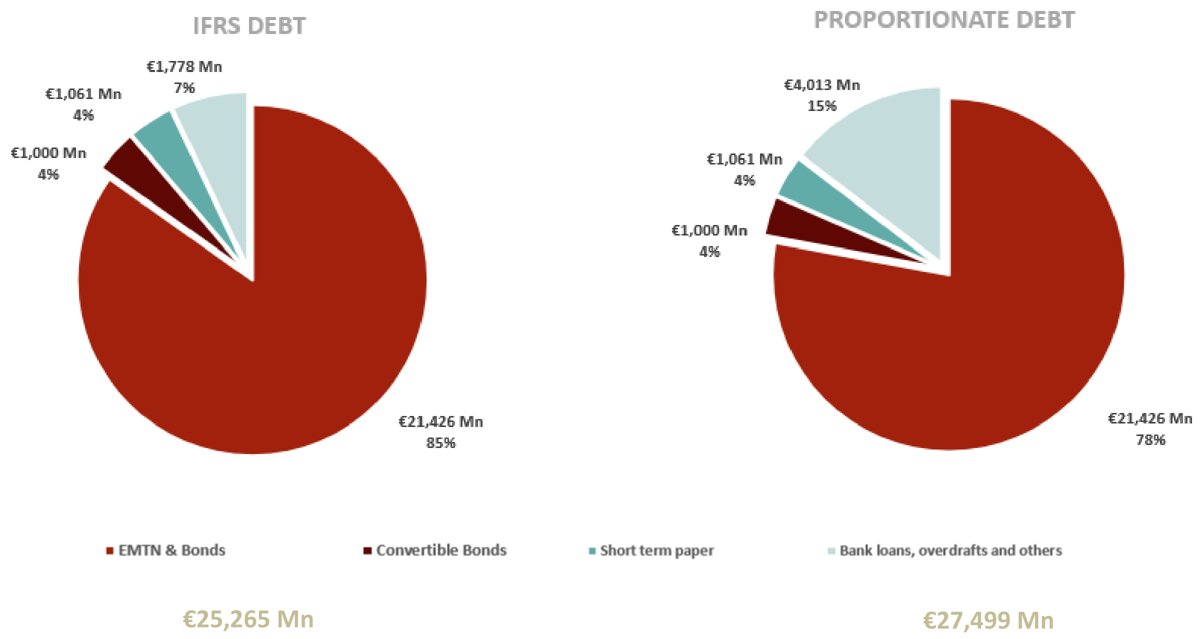
	UR (€ Mn)	WFD (eq. € Mn)	Total URW (€ Mn)
EMTN	15,259	-	15,259
Rule 144A and other Regulation S bonds	-	6,167	6,167
ORNANE	1,000	-	1,000
Short term paper	1,061	-	1,061
Bank loans and overdrafts	357	-	357
Mortgage loans	920	501	1,421
Total	**18,597**	**6,668**	**25,265**

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

No loans are subject to prepayment clauses linked to the Group's ratings[85].

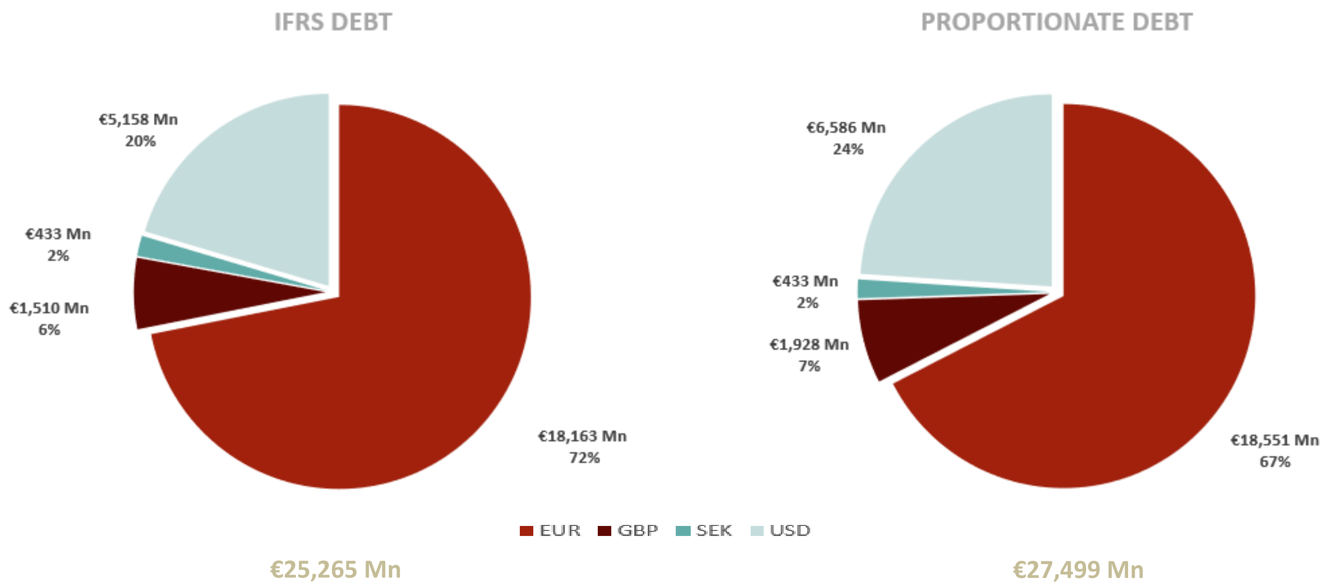
On a proportionate basis, the Group's gross financial debt stood at €27,499 Mn[86] and the net financial debt at €26,104 Mn, after taking into account the cash on-hand. After using the Majunga proceeds to repay debt, the Group's net financial debt improves to €25,253 Mn on a pro-forma basis.

The Group's gross financial debt is well diversified with a predominant proportion of bond financing.



[84] Figures may not add up due to rounding.
[85] Barring exceptional circumstances (change in control).
[86] The sum of IFRS debt and the Group's share of debt at joint-venture accounted for under the equity method under IFRS.

The split of the gross financial debt by currency is as follows[87]:



1.2. Funds Raised

- In H1-2019, 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 were issued in two tranches:
    - ✓ €750 Mn with a 1.00% coupon and 8-year maturity;
    - ✓ €750 Mn with a 1.75% coupon and 15-year maturity.
  - ➢ A Rule 144A USD bond was issued:
    - ✓ $750 Mn with a 3.50% coupon and a 10-year maturity.

- One private placement was issued under URW's EMTN programme:
  - ➢ A €500 Mn Floating Rate Note ("FRN") with a 2-year maturity and a margin of 33 bps over 3-month Euribor[88].

In total, €2,659[89] Mn of bonds were issued with a weighted average maturity of 9.4 years at a weighted average coupon of 1.64%.

On July 1, 2019, the Group issued a 30-year bond for €500 Mn at the lowest coupon (1.75%) ever achieved by a corporate issuer on the Euro market for this maturity. URW is the first real estate company to access this maturity.

Taking this issue into account, funds raised in the bond market were €3,159 Mn with a weighted average maturity of 12.6 years at a weighted average coupon of 1.66%.

In addition, €350 Mn of medium-to long-term bank financing transactions were completed in H1-2019:
- A €300 Mn 5-year revolving facility;
- A €50 Mn 5-year bank loan in Slovakia, to refinance the debt on Aupark.

The proceeds raised were used to refinance maturing debt including drawn credit facilities (€1,307 Mn), pay the 2018 dividend (€1,494 Mn), repay 80% of the 2014 ORNANE, fund Capex net of disposals and retained cash flow, and to increase the Group's cash on-hand to €1,304 Mn in order to pre-finance near-term debt maturities.

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 H1-2019 was €1,060 Mn (€1,256 Mn on average as at December 30, 2018), including €838 Mn of Neu CP raised at 2 bps above Eonia (vs. 1 bp in 2018).

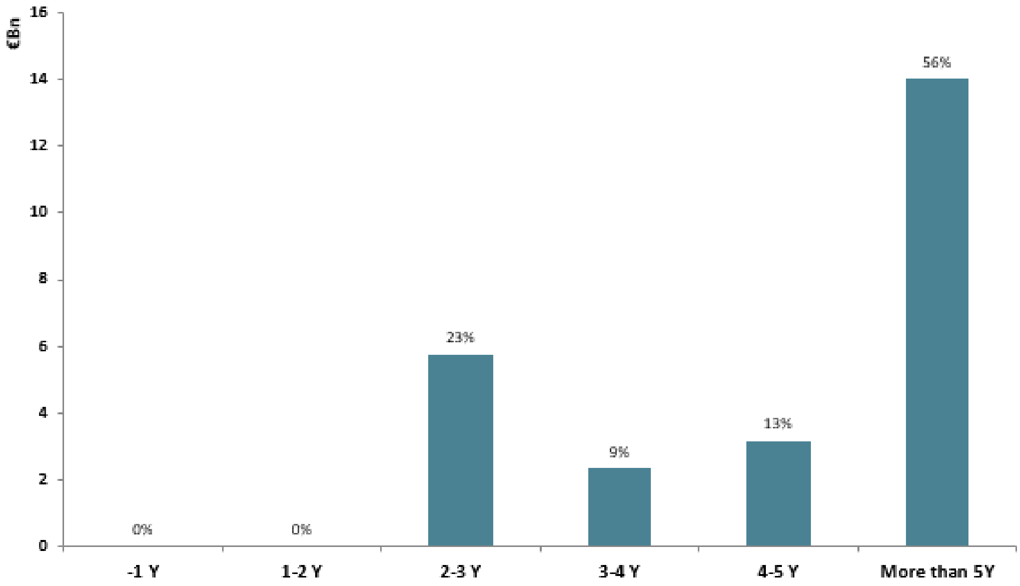
87 Figures may not add up due to rounding.
88 With a coupon floored at 0%.
89 Of which a Rule 144A bond $750 Mn at 1.138 EUR/USD rate.

As at June 30, 2019, the total amount of undrawn credit lines came to a record €9,158 Mn (€8,409 Mn as at December 31, 2018) and cash on-hand came to €1,304 Mn (€370 Mn as at December 31, 2018). The undrawn credit lines include a $3,000 Mn (ca. €2,636 Mn) multi-currency revolving credit facility.

The Group on July 29, 2019, refinanced Westfield Stratford City's[90] outstanding debt through a £750 Mn secured fixed rate bond (£375 Mn (€418 Mn) in URW's proportionate debt) with a 7-year maturity and a 1.64% coupon (vs. 2.69% for the secured debt refinanced). The coupon of the new bond is the lowest ever issued for a GBP benchmark transaction in the real estate sector.

1.3. Debt maturity

The following chart illustrates URW's IFRS gross financial debt as at June 30, 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 June 30, 2019 (after taking into account undrawn credit lines).



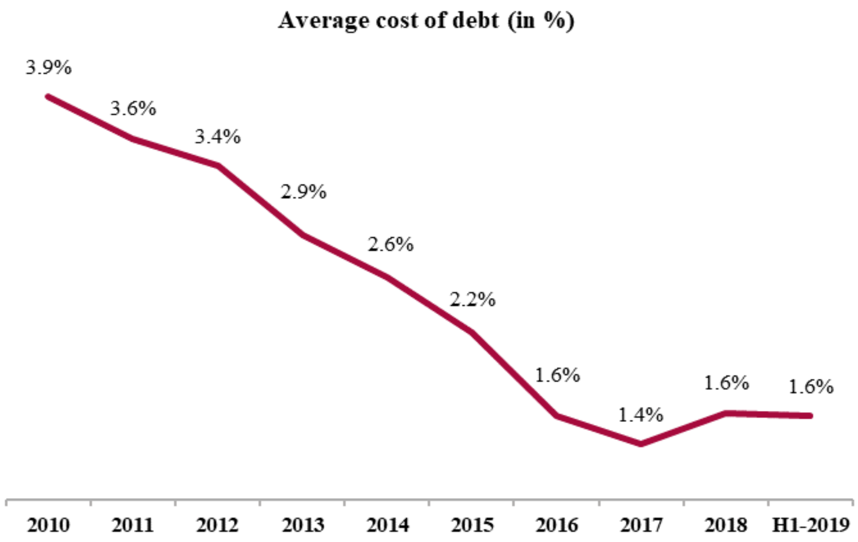
The average maturity of the Group's debt as at June 30, 2019, taking into account the undrawn credit lines, stood at 7.5 years. Pro-forma for the 30-year bond issued on July 1, 2019, and the repayment of 80% of the 2014 ORNANE, the average maturity would be 8.0 years.

Liquidity needs

URW's debt repayment needs[91] for the next twelve months are covered by the available undrawn credit lines (€9,158 Mn), cash on-hand (€1,304 Mn), and funds raised in July 1, 2019 (€500 Mn 30-year bond). The amount of bonds and bank loans outstanding as at June 30, 2019, and maturing or amortizing within one year is €2,482 Mn (including a total of €1,871 Mn of bonds and €397 Mn of the 2014 ORNANE).

[90] URW has a 50% stake in the Westfield Stratford City joint venture, accounted for using the equity method under IFRS. The asset is managed by URW.
[91] Excluding Neu CP and Neu MTN maturing in 2019 (€1,061 Mn) and overdrafts (7M€).

1.4. Average cost of Debt



URW’s average cost of debt for the period was 1.6% (1.6% in 2018), representing the blended average cost of debt, on a standalone basis, of only 1.0% for UR, an all-time low, and 3.5% for Westfield.

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;
- The higher cost of debt of Westfield due to:
  - ✓ Westfield’s “BBB+” rating before the completion of the acquisition; and
  - ✓ Higher base rates in the US and the UK.

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, changing its outlook to negative.

On May 7, 2019, Standard & Poor’s confirmed its long-term rating “A” and its short-term rating “A-1” and maintained its stable outlook.

On July 8, 2019, Moody’s announced the completion of a periodic review of URW’s rating.

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.

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**	**USD**	**GBP**	**SEK**	**Total eq. EUR**
Assets[92]	41,067	16,189	3,913	30,444	62,519
Net Financial Debt[93]	17,591	5,099	1,305	4,610	23,961
LTV [94]	42.8%	31.5%	33.3%	15.1%	38.3%

**In local currencies*

The Group's LTV is 38.3%. Pro-forma for the Majunga disposal, the Group's LTV would be 37.5% of which 41.6% for the Euro based LTV.

On a proportionate basis the Group's LTV is 40.2%. Pro-forma for the Majunga disposal, it would be 39.4% of which 42.0% for the Euro based LTV.

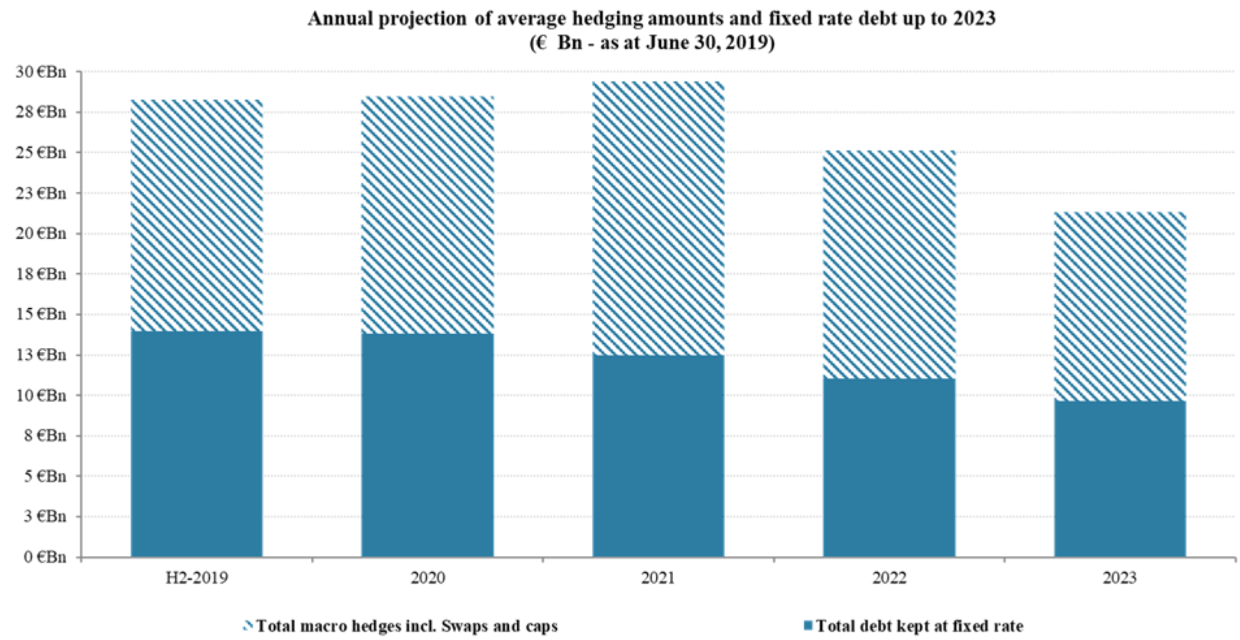
3.1. Interest rate risk management

In view of the Group's hedging programme, the bonds issued at a fixed rate were swapped back to variable rates, except:

- The 10-year USD rule 144A bond with a 3.50% coupon;
- The 30-year Euro EMTN bond with a 1.75% coupon issued on July 1, 2019.

In total, including the hedges above:

- The debt the Group expects to raise through 2021 is almost fully hedged;
- The debt the Group expects to raise in 2022 and 2023 is hedged at more than 85% and 75%, 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.

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[92] On an IFRS basis, including transfer taxes and excluding €2,023 Mn of goodwill.
[93] On an IFRS basis.
[94] On an IFRS basis. The LTV per currency, on a proportionate basis, is 43.2%, 37.3%, 38.3% and 15.1% in EUR, USD, GBP and SEK, respectively.

Measuring interest rate exposure

As at June 30, 2019, IFRS net financial debt stood at €23,961 Mn (€23,228 Mn as at December 31, 2018), excluding partners' current accounts and taking into account cash on-hand of €1,304 Mn.

The net financial debt would be €23,110 Mn pro-forma for the Majunga disposal completed on July 3, 2019.

The outstanding debt was fully hedged as at June 30, 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 debt position of URW in 2019, if interest rates (Euribor, Libor, Stibor or Pribor) were to rise by an average of +50 bps[95] during H2-2019, the estimated negative impact on financial expenses would be -€18.1 Mn, reducing the 2019 recurring net result by a broadly similar amount:
- Euro financial expenses would increase by -€16.7 Mn;
- Dollar financial expenses would increase by -$0.9 Mn (-€0.7 Mn);
- Sterling financial expenses would increase by -£0.6 Mn (-€0.6 Mn).

An additional rise of +50 bps would increase financial expenses by a further -€3.8 Mn.

In total, a +100 bps increase in interest rates during 2019 would have a net negative impact on financial expenses of -€21.9 Mn.

A -50 bps drop in interest rates would have a positive impact on the financial expenses of +€36.3 Mn increasing the recurring net profit in 2019 by a broadly equivalent amount:
- Euro financial expenses would decrease by +€32.8 Mn;
- Dollar financial expenses would decrease by +$2.1 Mn (€1.8 Mn);
- Sterling financial expenses would decrease by +£1.5 Mn (€1.7 Mn).

3.2. Foreign exchange risk management

The Group has extended its activities and investments in countries outside the Eurozone following the Westfield acquisition. When converted into euros, the income and value of the Group's investments may be influenced by fluctuations in exchange rates against the euro. The Group's policy objective is to apply a 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)[96]

Currency	Assets	Liabilities	Net exposure	Hedging Instruments	Exposure net of hedges
USD	**14,461**	**-7,035**	**7,426**	**615**	**8,041**
GBP	**3,684**	**-1,311**	**2,373**	**-618**	**1,756**
SEK	**2,722**	**-602**	**2,120**	**-200**	**1,920**
Others	**655**	**-703**	**-48**	**452**	**403**
Total	**21,522**	**-9,651**	**11,871**	**250**	**12,120**

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 H2-2019) 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/US$	-731.0	-17.9
+10% in EUR/GBP	-159.6	-4.7
+10% in EUR/SEK	-174.6	-4.2

[95] The impact on exchange rates due to this theoretical increase of +50 bps in interest rates is not taken into account.
The theoretical impact of a rise or decrease in interest rates is calculated relative to the applicable rates as at June 30, 2019: 3m Euribor (-0.345%), 3m USD Libor (2.32%) and 3m GBP Libor (0.77%).
[96] Liabilities include, but are not limited to, the debt raised in the given currencies, and include deferred tax liabilities.

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

As at June 30, the SEK1,750 Mn credit line signed in December 2017 and the $3,000 Mn revolving credit facility signed in June 2018 are undrawn.

The Group, through its activities, may be exposed to market risks which can generate losses as a result of fluctuations in stock markets. The Group is either: (i) directly exposed to fluctuations in stock prices due to the ownership of shares or financial instruments, or, (ii) indirectly exposed to fluctuations in stock prices, due to the ownership of funds, investment instruments or share based derivatives which are directly correlated with the price of the asset underlying such derivatives.

4. Financial structure

As at June 30, 2019, URW's IFRS total assets amounted to €62,519 Mn.

Debt ratio

As at June 30, 2019, the LTV ratio amounted to 38.3%[97], (37.0% as at December 31, 2018). Pro-forma for the receipt of Majunga disposal proceeds on July 3, 2019, the LTV ratio would be 37.5%[98]. Out of the total Group's €6.0 Bn disposal plan, €3.2 Bn has been completed.

Interest coverage ratio

The ICR for the period stood at 5.8x[99] (vs. 6.1x as at December 31, 2018) as result of a controlled cost of debt.

Financial ratios	June 30, 2019	December 31, 2018
LTV	**38.3%**	**37.0%**
ICR	**5.8x**	**6.1x**

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

- For URW bank loans (in Europe):
  - a maximum LTV of 60%;
  - a minimum ICR of 2x.
- For the US revolving credit facility:
  - a maximum LTV of 65%;
  - a minimum ICR of 1.5x;
  - a maximum of 50% for the Secured debt ratio[100];
  - a minimum of 1.5x for the Unencumbered leveraged ratio[101].

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

As at June 30, 2019, 94% of the Group's credit facilities and bank loans allowed a 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 UR.

The Westfield 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.

97 Excluding €2,023 Mn of goodwill as per the Group's European leverage covenants. The proportionate LTV ratio of 40.2%.

98 39.4% on a proportionate basis.

99 Proportionate ICR ratio of 5.0x. 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.

100 Secured debt ratio = Secured debt / Total assets 2.2% as at June 30, 2019.

101 Unencumbered leverage ratio = unencumbered assets / unsecured debt. 2.1% as at June 30, 2019.

6. EPRA PERFORMANCE MEASURES

In compliance with the EPRA[102] Best Practices Recommendations[103], URW summarises the Key Performance measures of H1-2019, H1-2018 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.

		H1-2019	H1-2018	2018
EPRA Earnings	€ Mn	916.5	702.9	1,609.8
EPRA Earnings / share	€ / share	6.63	6.61	13.15
Growth EPRA Earnings / share	%	0.2%	7.3%	9.1%

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

Recurring Earnings per share	H1-2019 IFRS	H1-2018 IFRS	2018 IFRS
Net Result of the period attributable to the holders of the Stapled Shares (€ Mn)	**1,174.7**	**642.6**	**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	(367.2)	335.4	62.2
(ii) Profits or losses on disposal of investment properties, development properties held for investment and other interests	20.9	(1.2)	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	(3.5)	(0.7)	(4.9)
(vi) Changes in fair value of financial instruments and associated close-out costs	(214.8)	(100.4)	(289.8)
(vii) Acquisition costs on share deals and non-controlling joint venture interests	(15.5)	(214.7)	(268.7)
(viii) Deferred tax in respect of EPRA adjustments	1,297.0	(77.9)	(53.4)
(ix) Adjustments (i) to (viii) above in respect of joint ventures (unless already included under proportional consolidation)	(349.4)	6.8	(65.2)
(x) External non-controlling interests in respect of the above	101.0	(7.7)	(8.4)
EPRA Recurring Earnings	**916.5**	**702.9**	**1,609.8**
Average number of shares and ORA	138,329,747	106,268,095	122,412,784
EPRA Recurring Earnings per Share (REPS)	**6.63 €**	**6.61 €**	**13.15 €**
EPRA Recurring Earnings per Share growth	**0.2%**	**7.3%**	**9.1%**

[102] EPRA: European Public Real estate Association.
[103] 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.

		June 30, 2019	Dec. 31, 2018	June 30, 2018
EPRA NAV	€ / share	216.10	221.80	216.10
EPRA NNNAV	€ / share	199.00	210.80	204.20
% change over 1 year	%	-2.5%	5.1%	4.6%

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:

	June 30, 2019		Dec. 31, 2018	
	Retail (3)	Offices (3)	Retail (3)	Offices (3)
Unibail-Rodamco-Westfield yields	**4.3%**	**5.2%**	**4.3%**	**5.7%**
Effect of vacant units	0.0%	-0.5%	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%	-0.1%	-0.1%	-0.2%
EPRA topped-up yields (1)	**4.3%**	**4.5%**	**4.3%**	**5.3%**
Effect of lease incentives	-0.1%	-0.6%	-0.1%	-1.1%
EPRA Net Initial Yields (2)	**4.2%**	**3.9%**	**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.

	June. 30, 2019	Dec. 31, 2018	June. 30, 2018
Retail - Continental Europe			
France	3.0%	2.6%	2.6%
Central Europe	1.3%	1.2%	0.7%
Spain	1.1%	0.9%	0.9%
Nordics	4.5%	3.1%	3.6%
Austria	2.0%	0.9%	1.9%
Germany	3.8%	3.8%	3.3%
The Netherlands	6.3%	5.1%	5.6%
Total Retail - Continental Europe	**2.8%**	**2.4%**	**2.3%**
Offices			
France	17.2%	2.9%	3.5%
Total Offices	**15.6%**	**4.4%**	**4.6%**
United States	11.2%	8.3%	10.7%
United Kingdom	8.7%	7.4%	4.0%

5. EPRA Cost ratios

EPRA references		Proportionate		
		H1-2019	H1-2018	2018
	Include:			
(i-1)	General expenses	-86.3	-63.2	-143.8
(i-2)	Development expenses	-0.9	-0.2	-2.1
(i-3)	Operating expenses	-205.1	-71.1	-307.0
(ii)	Net service charge costs/fees	-22.5	-12.1	-35.9
(iii)	Management fees less actual/estimated profit element	0.0	0.0	0.0
(iv)	Other operating income/recharges intended to cover overhead expenses	0.0	0.0	0.0
(v)	Share of Joint Ventures expenses	-4.9	-3.5	-10.0
	Exclude (if part of the above):			
(vi)	Investment Property Depreciation	0.0	0.0	0.0
(vii)	Ground rents costs	0.0	0.0	0.0
(viii)	Service charge costs recovered through rents but not separately invoiced	131.4	33.7	156.2
	EPRA Costs (including direct vacancy costs) (A)	**-188.3**	**-116.4**	**-342.6**
(ix)	Direct vacancy costs	-22.5	-12.1	-35.9
	EPRA Costs (excluding direct vacancy costs) (B)	**-165.8**	**-104.4**	**-306.7**
(x)	Gross Rental Income (GRI) less ground rents	1,426.3	958.6	2,408.7
(xi)	Less: service fee and service charge costs component of GRI (if relevant)	-131.4	-33.7	-156.2
(xii)	Add Share of Joint Ventures (Gross Rental Income less ground rents)	40.4	32.2	77.5
	Gross Rental Income (C)	**1,335.2**	**957.0**	**2,330.0**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**14.1%**	**12.2%**	**14.7%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**12.4%**	**10.9%**	**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					
	H1 - 2019		H1 - 2018		2018	
	100%	Group Share	100%	Group Share	100%	Group Share
Acquisitions (1)	15.2	16.0	7.2	7.2	217.1	228.4
Development (2)	464.8	444.6	203.7	199.2	691.5	640.0
Like-for-like portfolio (3)	221.8	182.2	183.7	152.8	530.5	464.0
Other (4)	106.1	94.7	86.3	75.2	223.2	198.1
Total Capital Expenditure	**807.9**	**737.5**	**480.9**	**434.4**	**1,662.4**	**1,530.7**

Notes:
1) In H1-2019, includes mainly the acquisitions in France (Vélizy 2).
2) In H1-2019, includes mainly the capital expenditures related to investments in the Vélizy 2, La Part-Dieu, Gaîté Montparnasse and Westfield Mall of the Netherlands extension projects and to the Westfield Milano, Westfield Valley Fair, Westfield Hamburg, Versailles Chantiers and Trinity new development projects.
3) In H1-2019, includes mainly the capital expenditures related to Donau Zentrum, Täby Centrum, Carré Sénart, Westfield UTC, Westfield Topanga and Viparis Porte de Versailles.
4) Includes eviction costs and tenant incentives, letting fees, capitalized interest relating to projects referenced above and other capitalized expenses of €27.8 Mn, €29.4 Mn, €25.7 Mn and €11.8 Mn in H1-2019, respectively (amounts in Group share).

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

a) Under IFRS:

€ Mn	June 30, 2019 IFRS	Dec. 31, 2018 IFRS (1)	June 30, 2018 IFRS (restated)
Amounts accounted for in B/S	**62,454.8**	**62,251.7**	**62,694.4**
Investment properties at fair value	46,116.0	46,068.8	44,770.7
Investment properties at cost	1,182.6	1,557.8	2,347.0
Shares and investments in companies accounted for using the equity method	10,058.3	10,273.3	9,965.7
Other tangible assets	352.9	292.2	282.1
Goodwill	2,846.1	2,863.1	3,888.5
Intangible assets	1,071.4	1,130.2	185.4
Properties or shares held for sale	827.5	66.2	1,255.0
Adjustments	**64.3**	**441.0**	**421.5**
Transfer taxes	2,206.6	2,189.8	2,213.2
Goodwill not justified by fee business (2)	-2,023.4	-2,038.9	-1,941.5
Revaluation intangible and operating assets	718.7	679.0	536.1
IFRS adjustments, including	-837.6	-388.9	-386.3
Financial leases	*-845.5*	*-386.6*	*-387.5*
Other	*7.9*	*-2.3*	*1.2*
Total assets, including Transfer Taxes (=A)	**62,519.1**	**62,692.7**	**63,115.9**
Total assets, excluding Transfer Taxes (=B)	**60,312.5**	**60,502.9**	**60,902.7**
Amounts accounted for in B/S			
Net share settled bonds convertible into new and/or existing shares (ORNANE)	600.9	491.8	991.5
Long-term bonds and borrowings	22,446.6	20,655.3	22,571.1
Current borrowings and amounts due to credit institutions	3,547.5	3,850.7	3,068.2
Total financial liabilities	**26,595.0**	**24,997.8**	**26,630.8**
Adjustments			
Mark-to-market of debt	20.1	27.8	30.0
Current accounts with non-controlling interests	-1,319.5	-1,282.7	-1,348.1
Impact of derivative instruments on debt raised in foreign currency	-26.0	-44.6	-124.3
Accrued interest / issue fees	-5.2	-100.8	-55.1
Total financial liabilities (nominal value)	**25,264.5**	**23,597.5**	**25,133.3**
Cash & cash equivalents	-1,303.9	-369.9	-584.1
Net financial debt (=C)	**23,960.6**	**23,227.6**	**24,549.2**

LTV ratio including Transfer Taxes (=C/A)	**38.3%**	**37.0%**	**38.9%**
LTV ratio excluding Transfer Taxes (=C/B)	**39.7%**	**38.4%**	**40.3%**

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

(2) Adjustment of goodwill according to bank covenants.

Pro-forma for the Majunga disposal, the Group's LTV including Transfer Taxes would be 37.5%.

b) On a proportionate basis:

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

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

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

(2) Adjustment of goodwill according to bank covenants.

Pro-forma for the Majunga disposal, the Group's LTV on a proportionate basis including Transfer Taxes would be 39.4%.