BALANCE SHEET AND DIVIDEND COVERAGE

UNIBAIL-RODAMCO-WESTFIELD

AGENDA

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PERCEPTION STUDY

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ASSET ROTATION IS AN INTEGRAL PART OF URW STRATEGY

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A COMPELLING PROPOSITION

PERCEPTION STUDY

Context

41 buy side investors

Europe: 27
Asia-Pacific: 7
North America: 5

9 sell side analysts

Feedback – URW focus today: investor concerns

Future
of malls

Development
returns

Balance sheet
& funding
of pipeline

US exposure

Integration

Ability to complete
further disposals

Complex disclosure -
earnings guidance

Sustainability
of the dividend

URW executing the plan approved by shareholders in May 2018

The WFD transaction & URW strategy

unibail·rodamco + Westfield

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94.2%
approval
at 2018 UR AGM

Financing	€2.0 Bn Hybrid (2.4%) €3.0 Bn Snr. bonds (1.3%)	☑	Better terms than planned
Disposals	> €3 Bn	☑	Target doubled
LTV	37%	☑	LTV target range decreased by 5% points
Synergies	Synergies: €100 Mn Cost: €60 Mn Revenue: €40 Mn	☑	Target synergies increased to €115 Mn
Accretion	In 2019	☐	Long-term benefit of the deal is clear

Proven value creation business model

Strong revenue growth

- Indexed rents
- Sales-based rents
- Rental uplift
- Commercial partnerships
- Developments

Active management

- Valuations driven by strong rental growth and ERVs
- Asset rotation
- Debt maturity extended to 7.5 years
- Outstanding debt & debt needs through 2021 fully hedged

Key takeaways!

Disposals are progressing

+

will create value

The balance sheet is in solid shape

Solid underlying NRI growth and reversionary potential

Sustainable dividend[(1)]

(1) Based on our 5Y Business Plan 2019-2023

ASSET ROTATION IS AN INTEGRAL PART OF URW STRATEGY

What has not changed: our core strategy

Concentration

Differentiation

Innovation

Asset rotation discipline

Selective acquisitions

+

Rigorous disposal of non-core assets

=

Focus on Flagship destinations

2007
Rodamco Europe

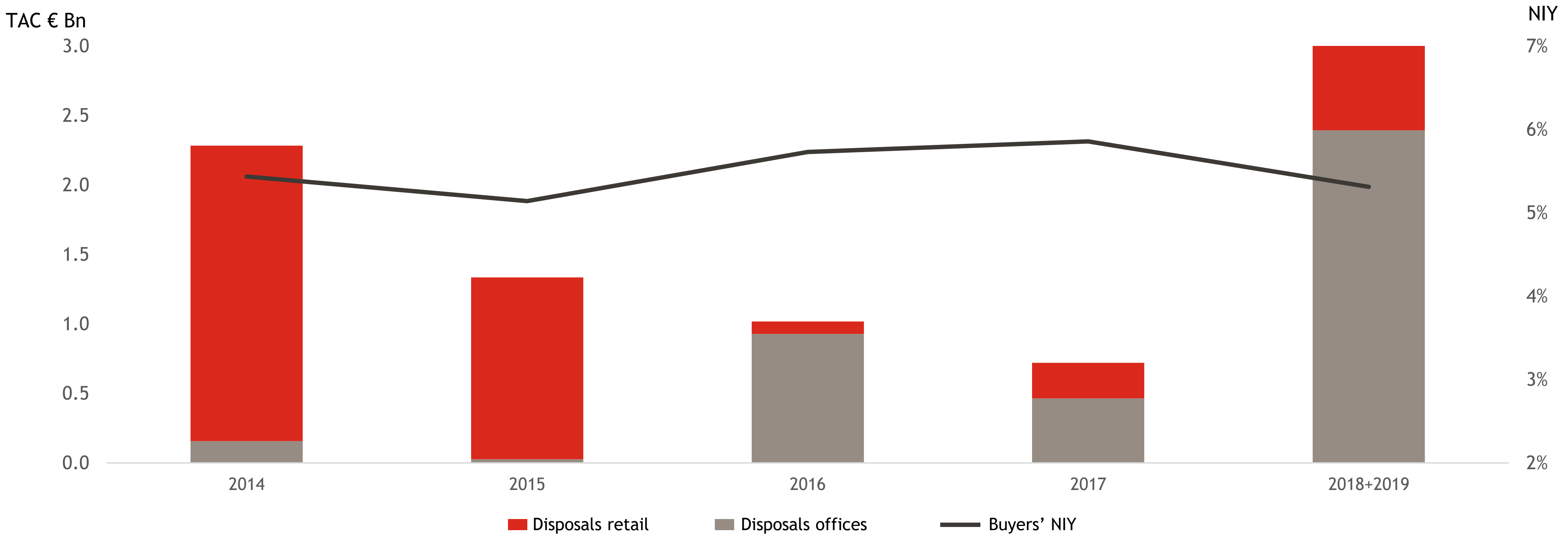
2018
Westfield Corporation

2009 - 2019
€12.5 Bn(1)

87%
GMV in Flagships

(1) TAC 2009-2019YTD, including Majunga disposal

Asset disposals accelerating since 2014: €8.6 Bn sold



	2014	2015	2016	2017	2018+2019
Buyers estimated IRR (retail)	8.1%	6.7%	4.5%	8.0%	6.0%
Avg premium to GMV (retail)	5.3%	2.6%	nm	9.4%	8.4%

IRR: estimates based on URW 5YBP assumptions. TAC 2009-2019 YTD, including Majunga disposal

Our non-core assets are attractive

	VUKILE PROPERTY FUND	WERELDHAVE	CARMILA
% of top assets bought from URW(1)	33%	40%	40%

Vukile Top 15 as published on their website; Wereldhave Top 10 as published in the FY-2018 results; Carmila Top 15 as published in the 2018 Registration Document

More than €3 Bn of disposals made in last 12 months


Capital 8


Tour Ariane

Los Arcos


Bahia Sur


ZT Lumen & Skylight


Tour Majunga

El Faro

Jumbo

NDP offices(1)
€2.3 Bn

NIY offices(2)
4.2%

Premium offices
6.2%

NDP retail(1)
€0.8 Bn

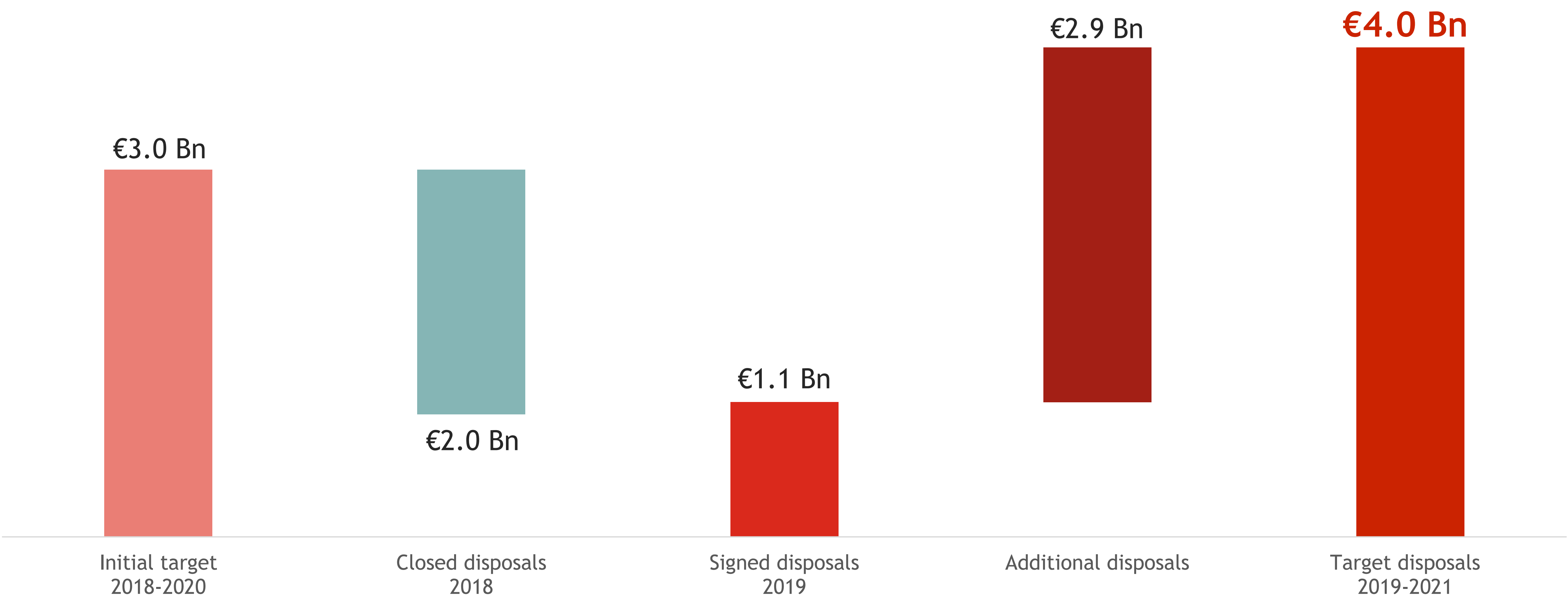
NIY retail(2)
5.4%

Premium retail
8.4%

(1) Net Disposal Price (NDP): Total Acquisition Cost incurred by the acquirer minus all transfer taxes and transaction costs

(2) Buyer's Net Initial Yield (NIY): annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the TAC. Total Acquisition Cost (TAC): the total amount a buyer shall pay to acquire an asset or a company. TAC equals the price agreed between the seller and the buyer plus all transfer taxes and transaction costs

New disposal target: €6 Bn - €2.9 Bn remaining



Disposal candidates

Remaining disposals

NDP

€2.9 Bn

Offices

15% - 25%

Retail

75% - 85%

5Y Business Plan identifies assets for disposal process

Typical characteristics:

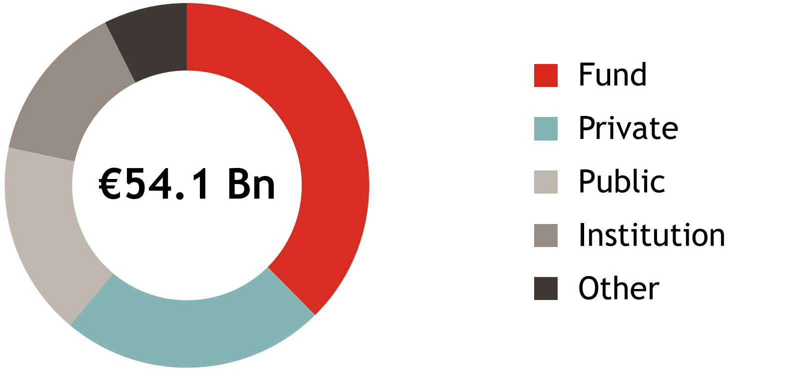
- Unlevered IRR < double digit
- Fully let offices

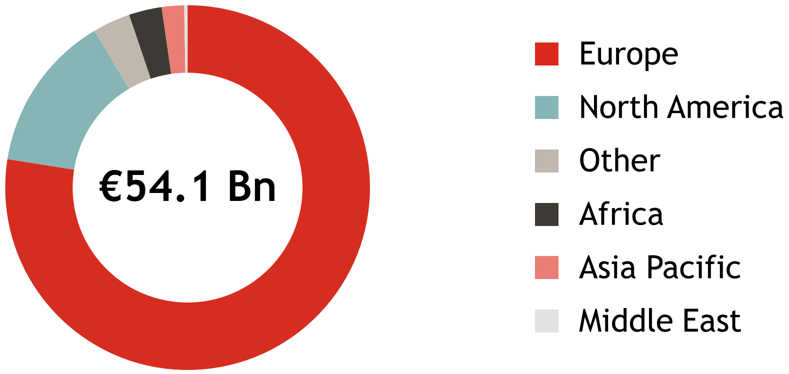
Active processes underway

Continuing demand for high quality retail assets

Top 10 retail buyers[1]	Country	Type
Signa Group	Austria	Equity Fund
Generali Group	Italy	Insurance
DekaBank	Germany	Bank
Savills IM	UK	Investment Manager
Prudential plc	UK	Insurance
Morgan Stanley	US	Investment Manager
Vukile Property Fund	South Africa	Public REIT
Union Investment	Germany	Open-ended Fund
J&T Real Estate	Slovakia	Developer / Owner
CBRE GI	Netherlands	Investment Manager

2018 - Q1 2019[2]



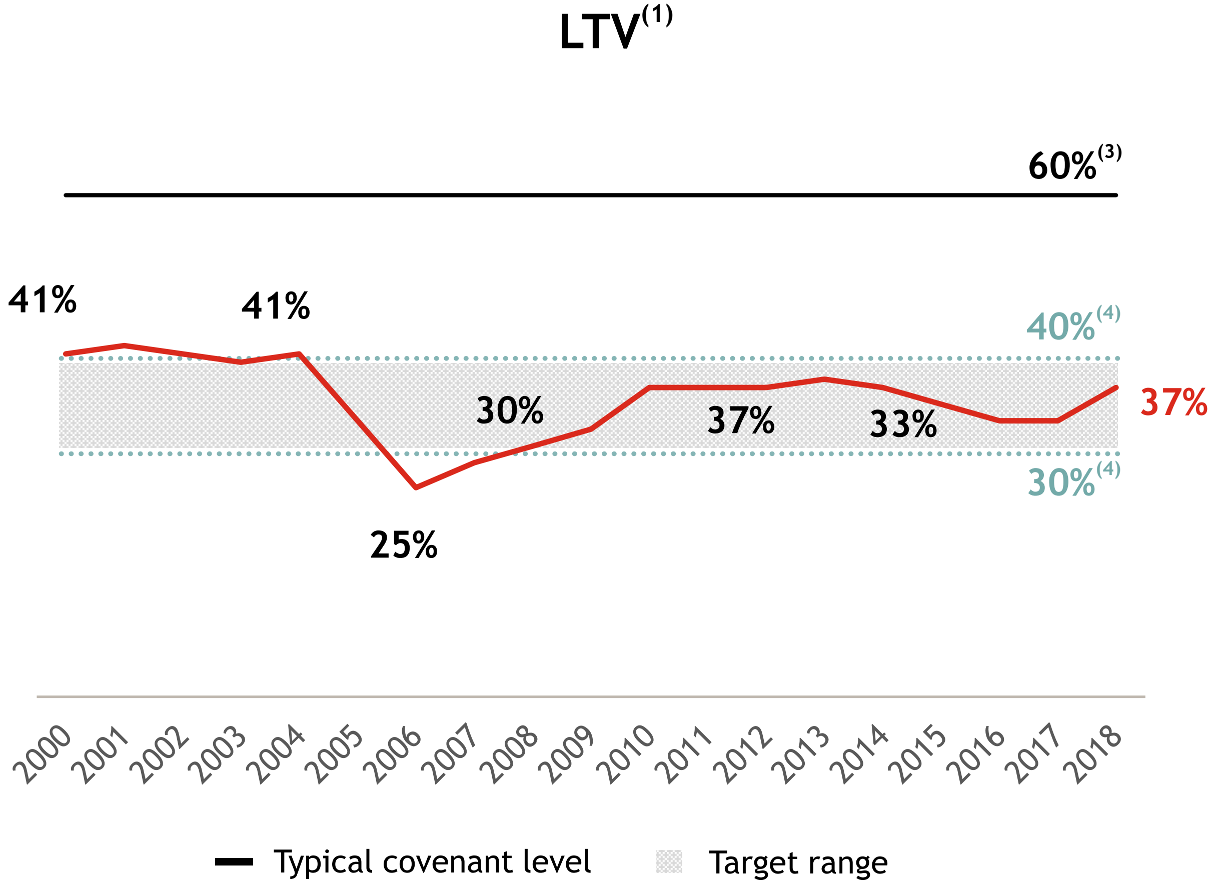


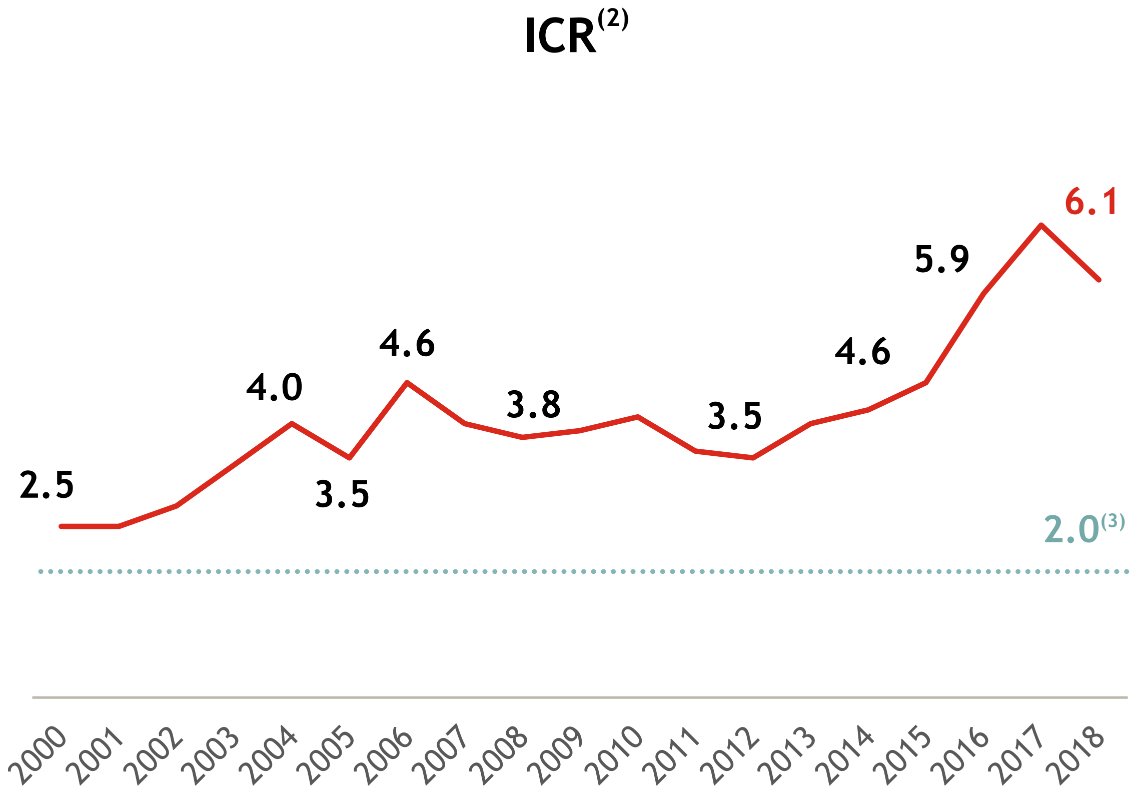
Institutional investors continue to express interest in URW assets

(1) Source: Real Capital Analytics, EMEA transactions between May 17, 2018, and May 17, 2019, excluding WFD transaction
(2) Cushman & Wakefield, EMEA investments

SOLID BALANCE SHEET

Healthy credit ratios. Target 30-40% LTV





(1) Net financial debt/total assets, including transfer taxes, excluding €2,039 Mn of goodwill as per the Group's European leverage covenants

(2) Interest Cover Ratio (ICR): Recurring EBITDA / Recurring Net Financial Expenses (including capitalised interest); Recurring EBITDA is calculated as total recurring operating results and other income less general expenses, excluding depreciation and amortization

(3) Typical European loan to value and ICR bank covenants

(4) New Loan-to-Value ratio objective of between 30% and 40%

Transparent LTV calculation

Loan-to-Value (LTV): net financial debt, excluding current accounts with non-controlling interests / total assets, including transfer taxes and excluding goodwill not justified by fee business

In line with covenants

IFRS vs proportionate

In line with IFRS

Equity treatment of hybrid reflects genuine equity cushion

"V" in LTV consists of:

Cash-flow generating assets

- ☑ €60 Bn of Real Estate and tangible assets
- ☑ €2 Bn of cash-flow generating intangibles
- ☑ Future fee business
- ✗ Excl. €2 Bn of goodwill not justified by fee business

» **On a proportionate basis and with 50% of the hybrid as debt, LTV still within URW's comfort level**

Hybrid: attractive source of funding with equity content

- Instrument rating

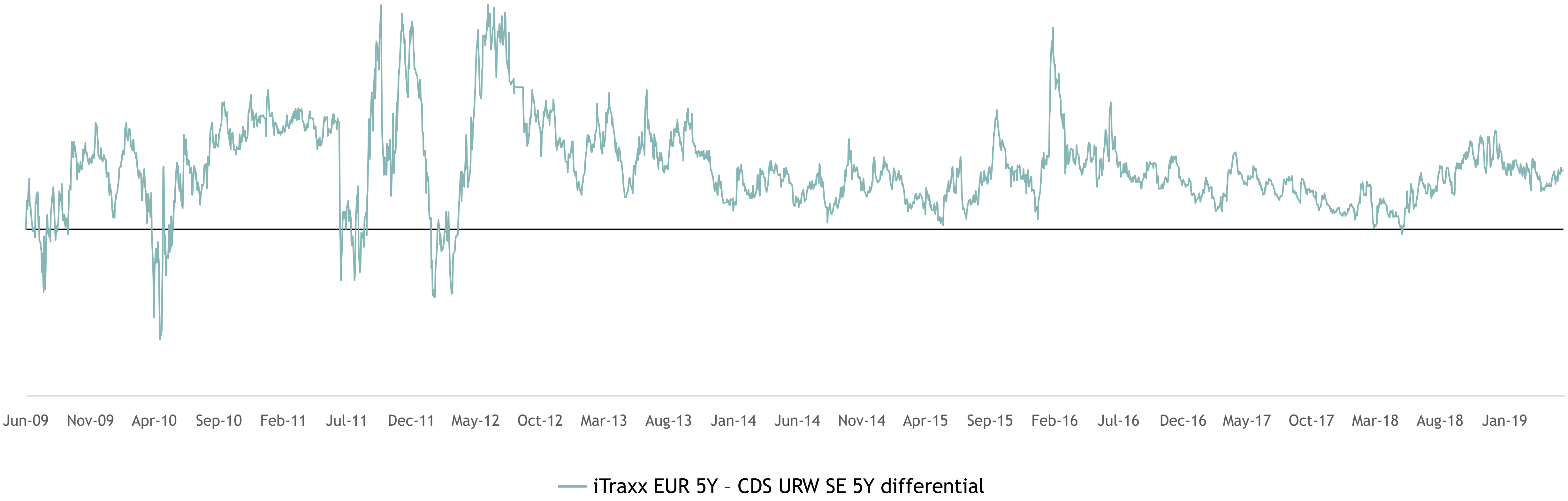
Moody's	Baa1	→ 50% equity credit
S&P	BBB+	

€1,250 Mn	€750 Mn
Maturity: Perpetual – Non-Call 5.5y	**Maturity:** Perpetual – Non-Call 8y
Initial Coupon: 2.125%	**Initial Coupon:** 2.875%
First reset: Oct 25, 2023 at 5y MS + Initial Margin	**First reset:** April 25, 2026 at 5y MS + Initial Margin
First step-up: Oct 25, 2028 at 5y MS + Initial Margin + 25bps	**First step-up:** April 25, 2031 at 5y MS + Initial Margin + 25bps
Second step-up: Oct 25, 2043 at 5y MS + Initial Margin + 75bps	**Second step-up:** April 25, 2046 at 5y MS + Initial Margin + 75bps

- Deeply subordinated
- Dividend pusher feature:

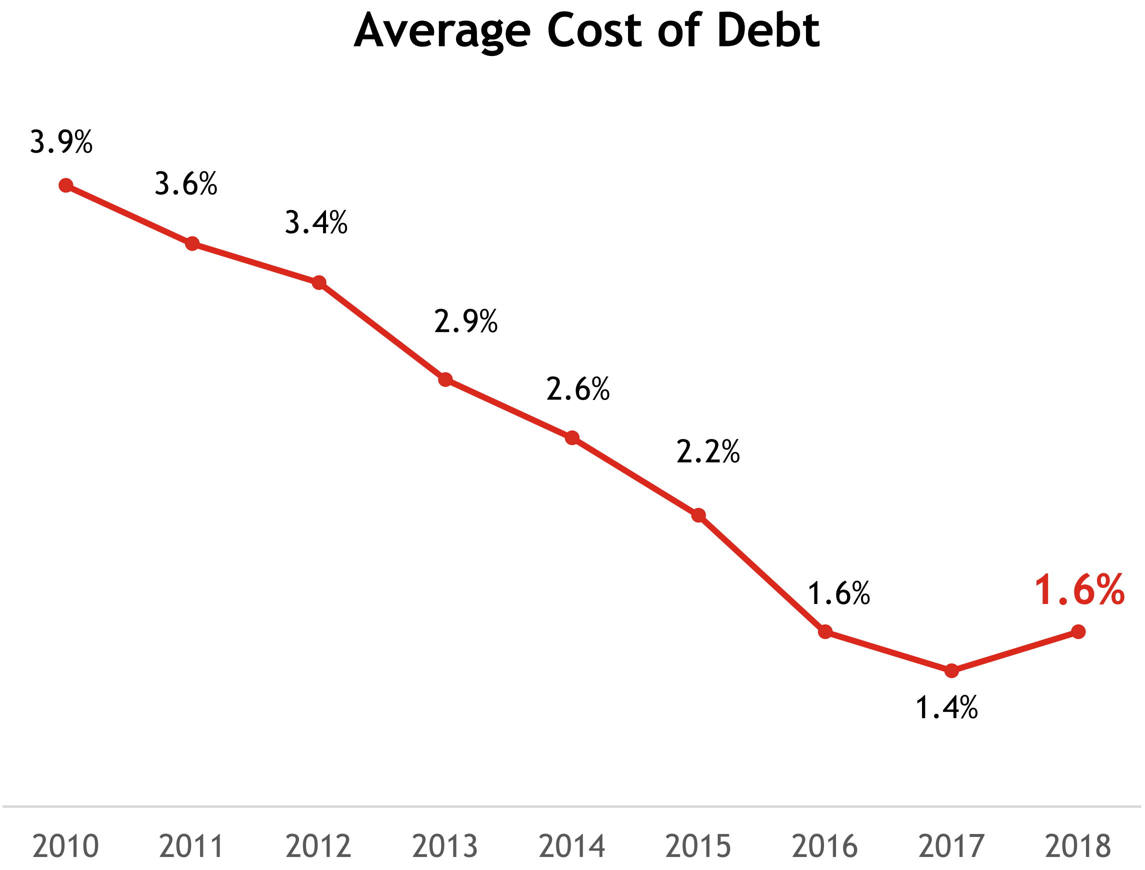
  URW can defer coupons on the Hybrid, while paying the dividend to meet the SIIC requirements

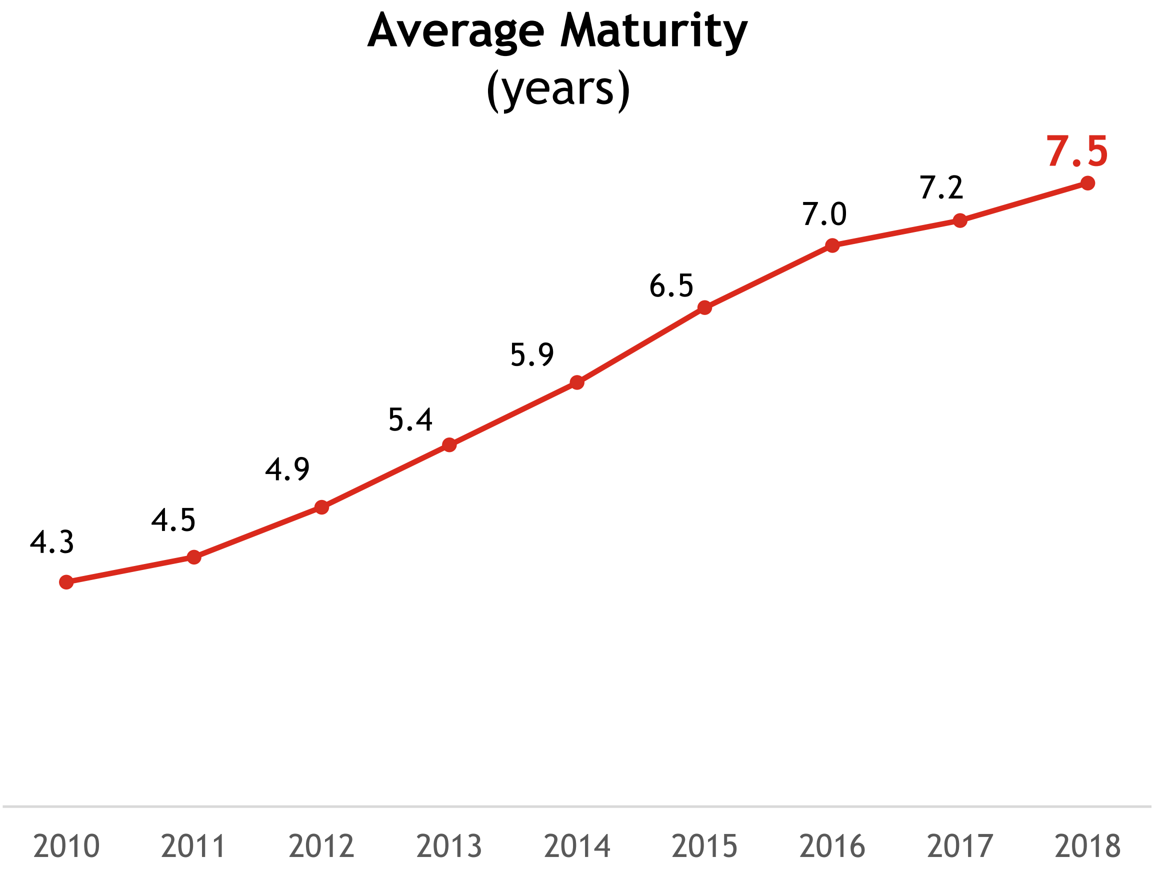
URW's position in the credit markets is strong



Rebased at 100 since June 2009 until 2019

Low cost of debt and record average maturity





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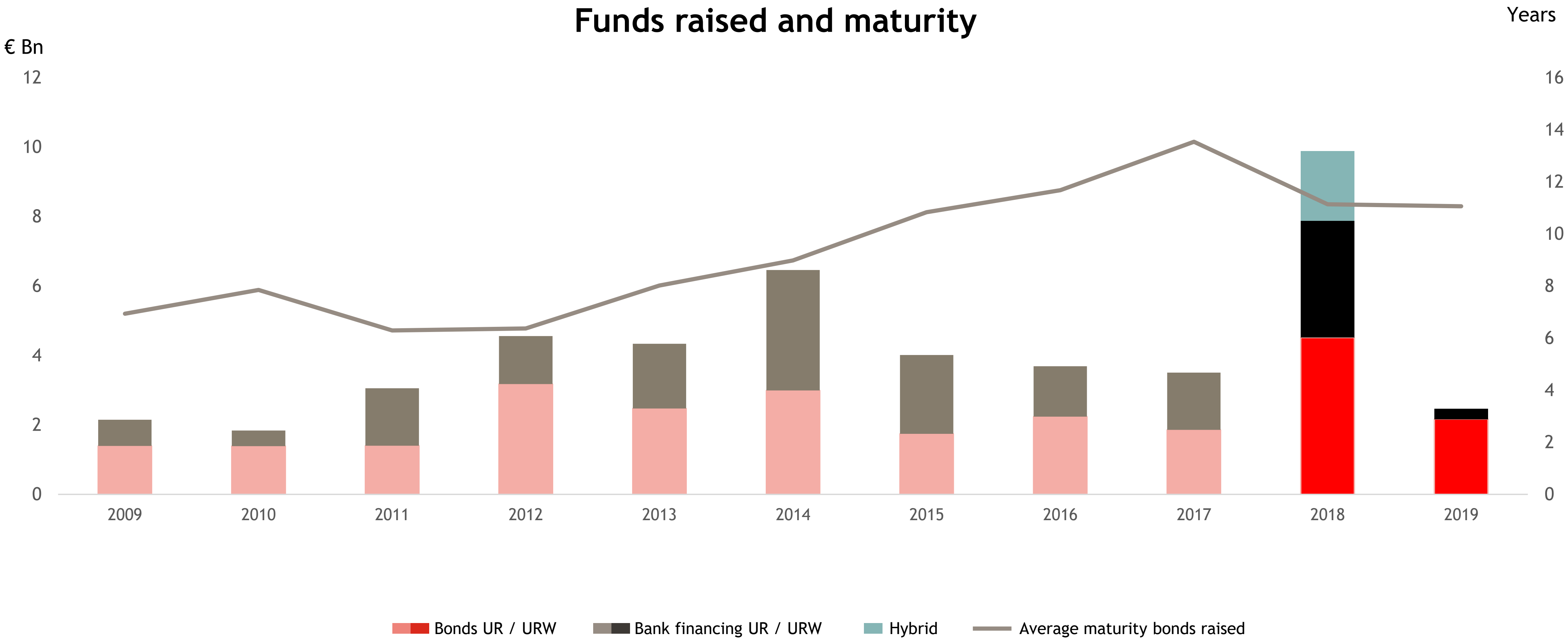
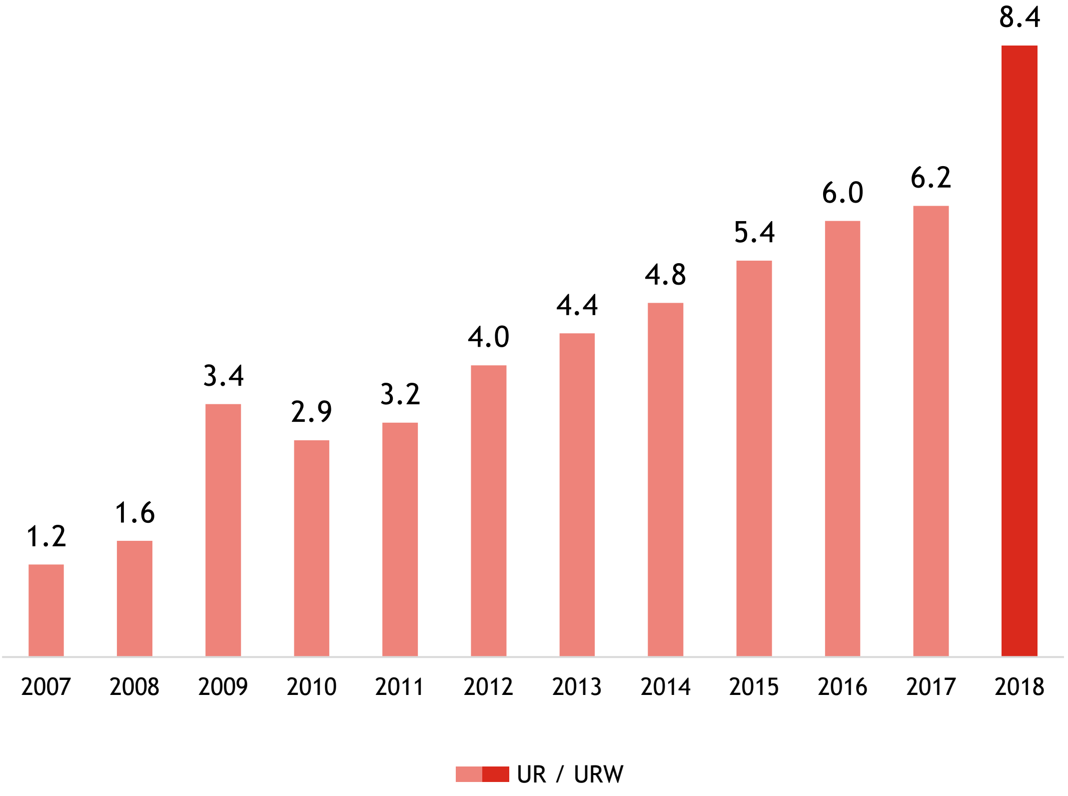
Strong access to funding

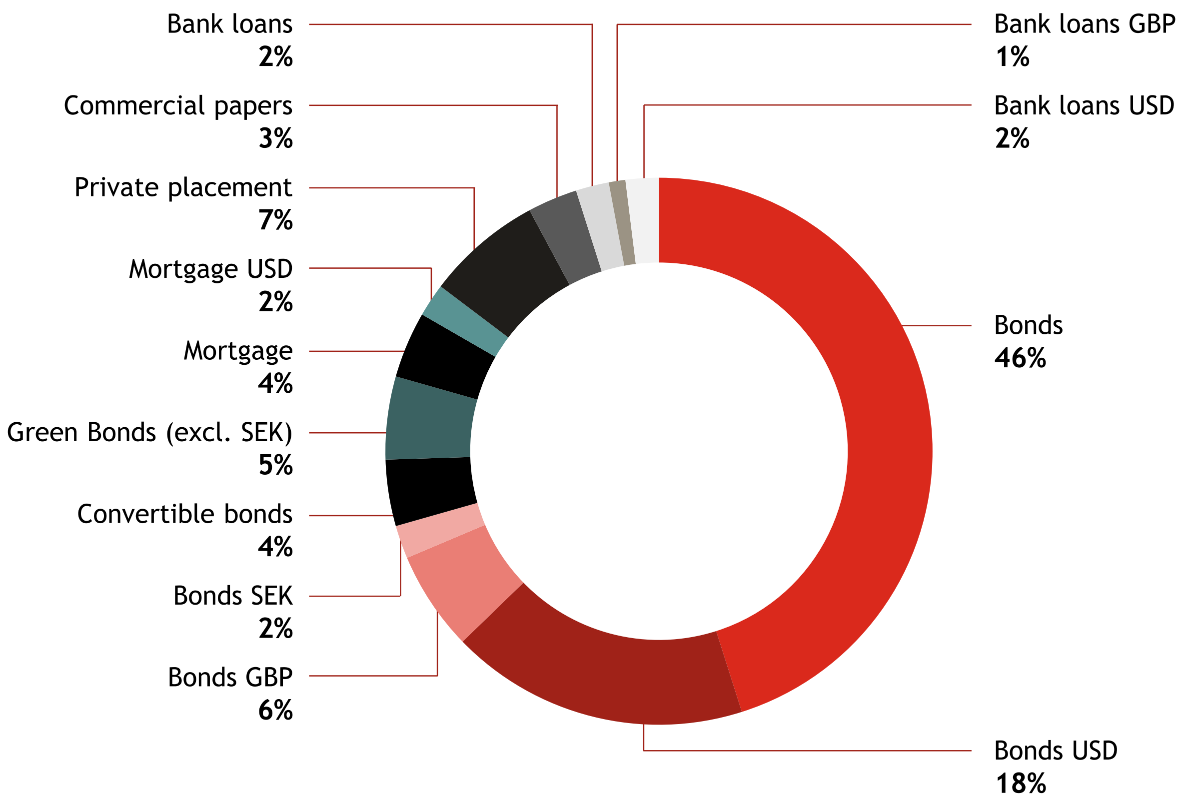


Ample liquidity and diversified sources of funding

Undrawn available credit lines (in € Bn)



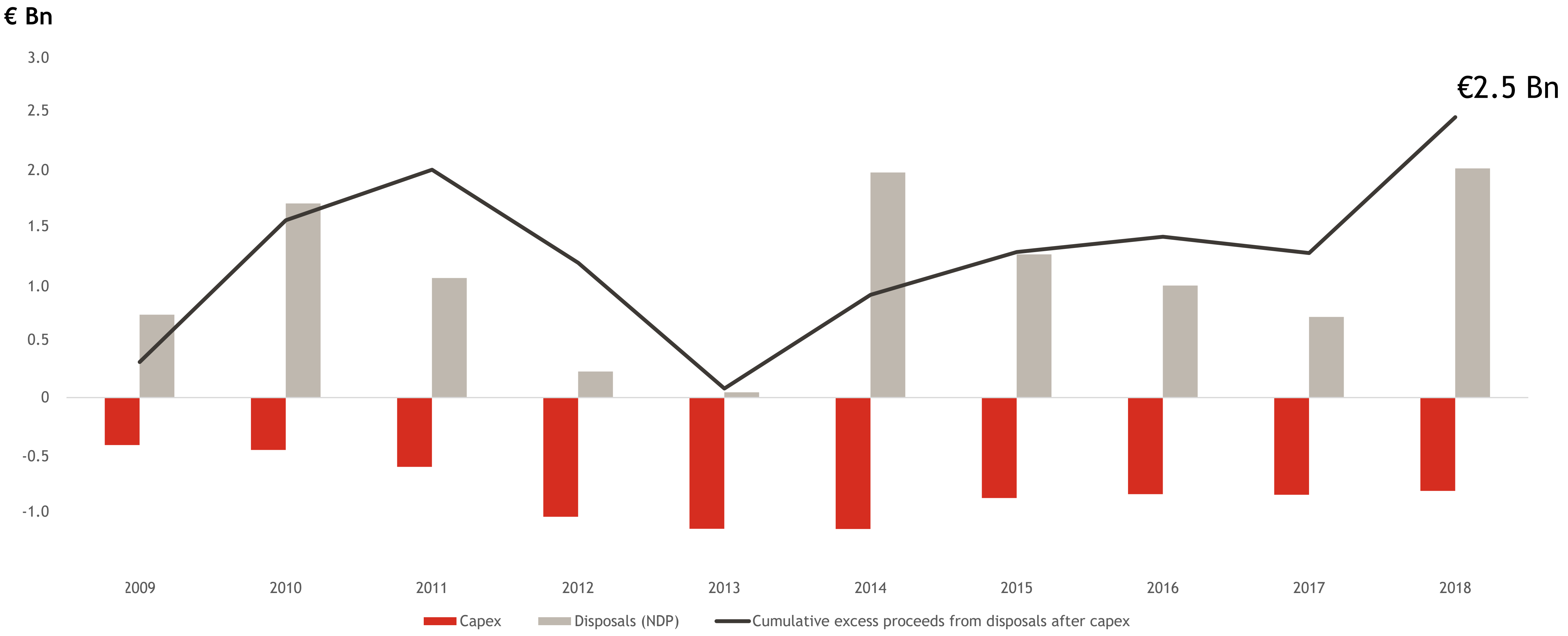
Diverse sources of funding[1]



(1) IFRS Debt. In EUR unless otherwise stated

As at December 31, 2018

Disposals proceeds structurally exceed capex



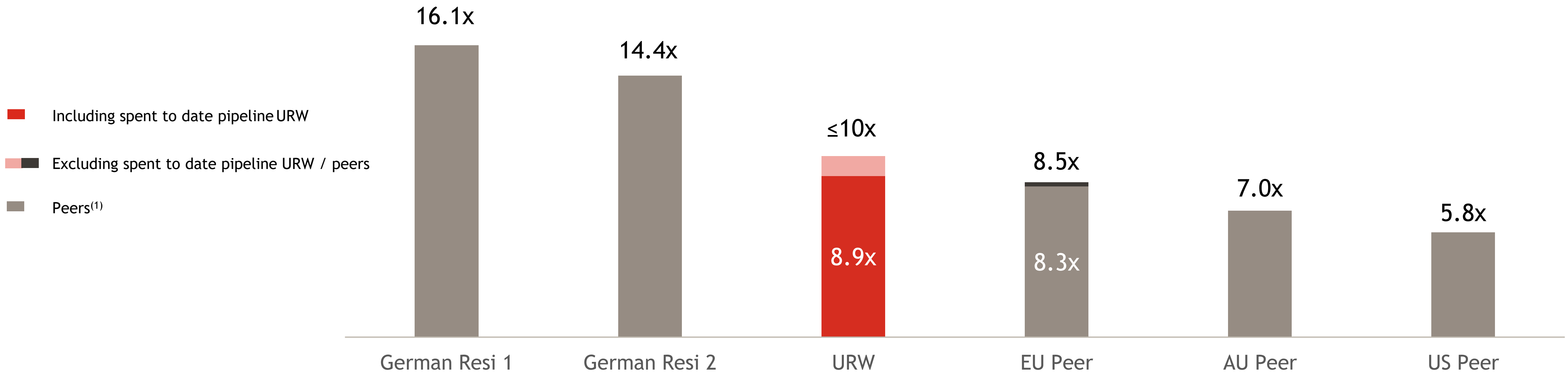
Note: does not include acquisitions and special dividend

URW model to result in leverage reduction

	Net financial debt[1]	LTV[1]	*LTV[1] with +25bps yield expansion[2]*
DECEMBER 2018	€23.2 Bn	37.0%	*38.9%*
− 2019 - 2020 disposals	- €4.0 Bn	32.8%	*34.4%*
+ 2019 - 2020 dev capex	+ €2.2 Bn	35.2%	*36.9%*
› Committed	€1.0 Bn	33.9%	*35.6%*
› Not committed	€1.2 Bn		
IMPLIED	€21.4 Bn	34.8%[3]	*36.5%[3]*

(1) Based on IFRS
(2) Except for the assets under disposal, sold at book value
(3) Assuming 2018 values on standing assets and including development margin on 2019 -2020 projects (based on difference between yield on cost and net initial yield)

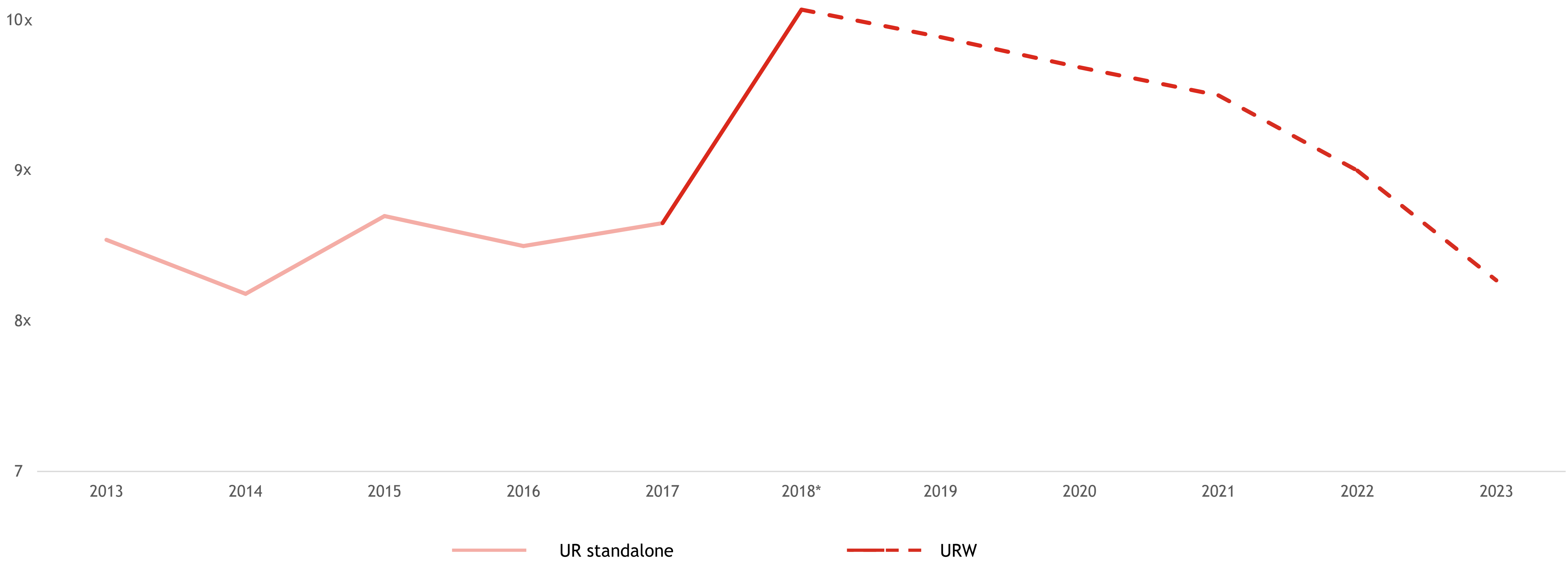
Net Debt/EBITDA differs and depends on business model



		German Resi 1	German Resi 2	URW	EU Peer	AU Peer	US Peer
Exposure to development	Total Pipeline:	€3.5 Bn	n/a	€11.9 Bn	€2.6 Bn	AUD 3.7 Bn[2]	$1.3 Bn
	Spent to date:	n/a	n/a	€2.7 Bn	€0.2 Bn	n/a	n/a
Rating		BBB+	A3/A-	A2[3]/A	A-	A	A2/A

(1) Sources: S&P Global Ratings
(2) 100% share
(3) Moody's rating with a negative outlook

Net Debt/EBITDA to descend to pre-acquisition levels[(1)]



* On a proforma basis

(1) Based on 5YBP 2019-2023, including full year impact of deliveries

5YBP PROCESS

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Clear company focus and objectives

URW focus		Shareholders benefit
Occupancy Cost Ratio Future Minimum Guaranteed Rents	»	**Secured cash flows**
NRI growth MGR uplift / Vacancy rate Reversion (ERV based)	»	**Structural growth**
NRI/GRI ratio ROI	»	**OPEX/CAPEX discipline**
ROI IRR Value creation	»	**Project profitability**

5Y BP deliverable by asset

1. Budget 2019 and Plan 2020-2023

2. Asset description

Floor plans with leasing mix and sales & footfall analysis

3. Marketing Action Plan

Catchment area analysis, objectives for 2019 and digital KPIs

4. Leasing Action Plan

ERV and OCR analysis per unit, leasing action plan, specialty leasing, and parking and other income

5. Development, enhancement, and replacement capex

6. CSR

Environmental performance

VALUATIONS

Demonstrated growth track record

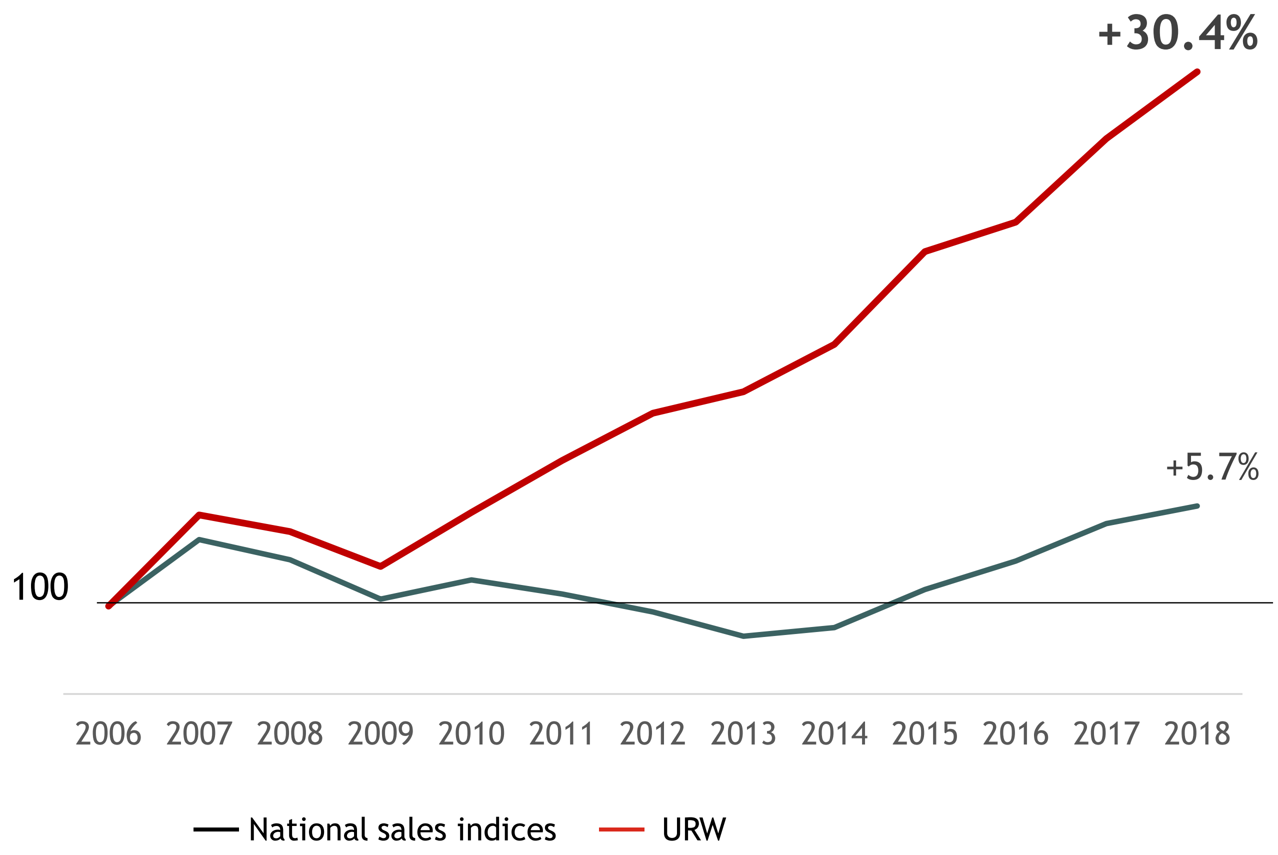
The wealthiest catchment areas

Most attractive assets

Active operating management

Active asset rotation

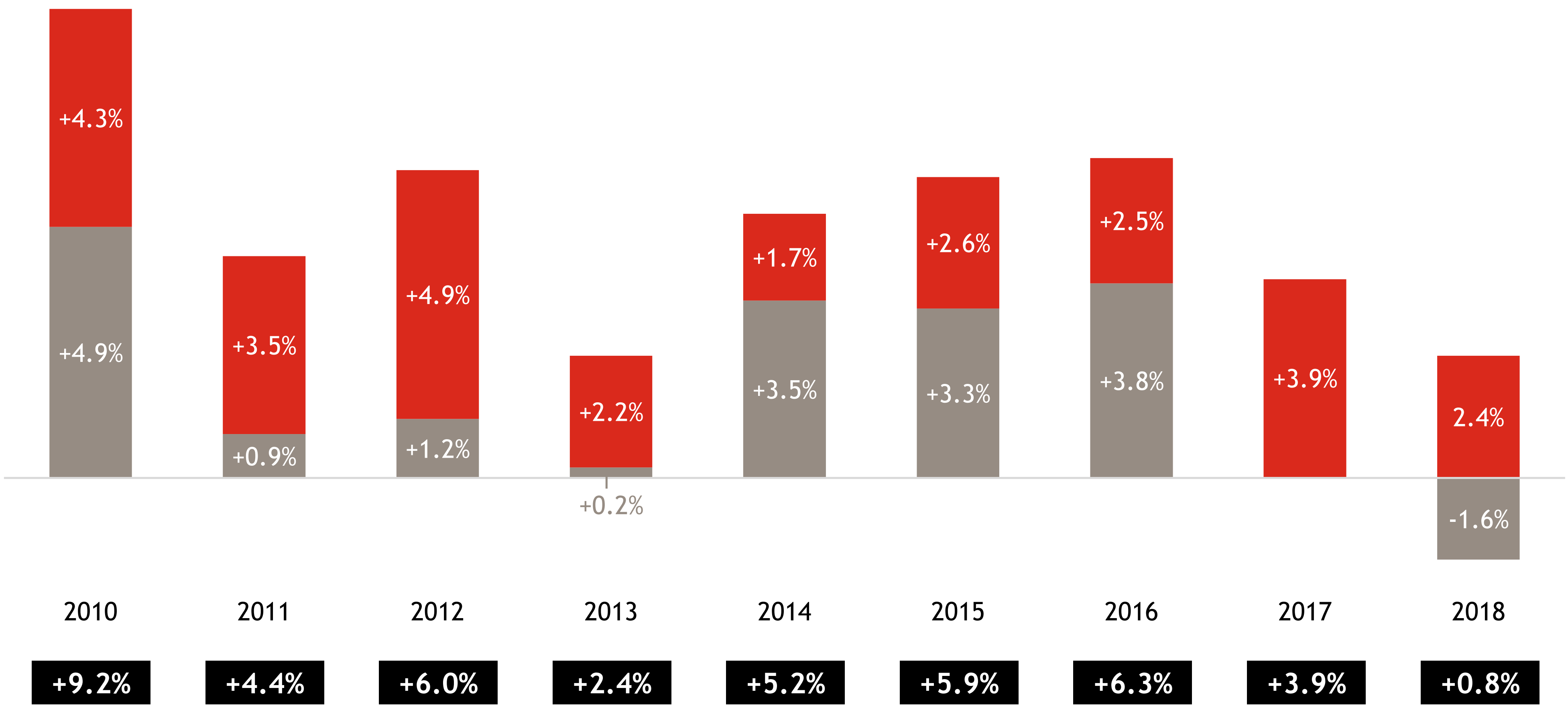
Consistent tenant sales growth outperformance[1]



(1) Cumulative growth. Rebased at 100 in 2006. Continental europe perimeter only.

Rents have historically driven revaluations much more than yields

Ex-UR Retail Portfolio - LfL revaluation (%)



Rent effect
+34.9%

Yield effect
+13.9%

Lfl revaluation
+48.8%

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Real estate asset valuations alone do not capture full value of URW's portfolio

ERV disconnect

Active management

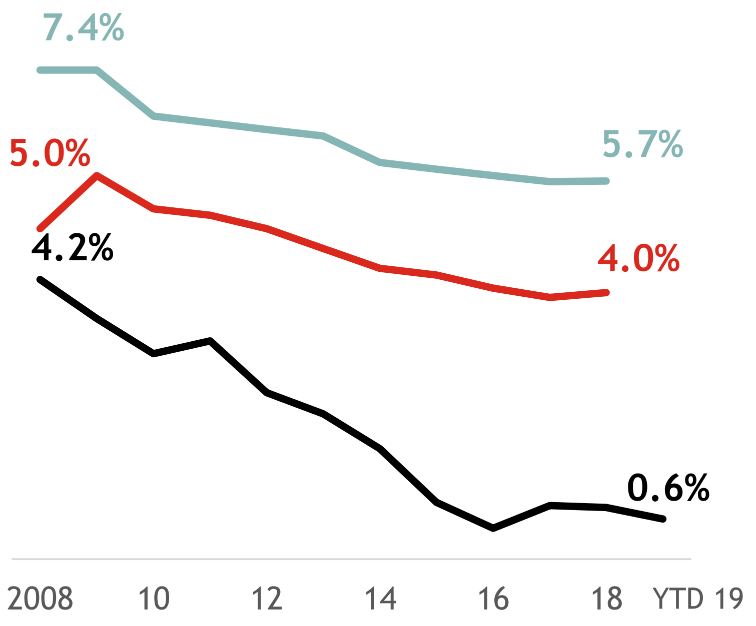
No portfolio premium

Intangibles generating cash flow

Risk premiums remain high and offer significant buffer

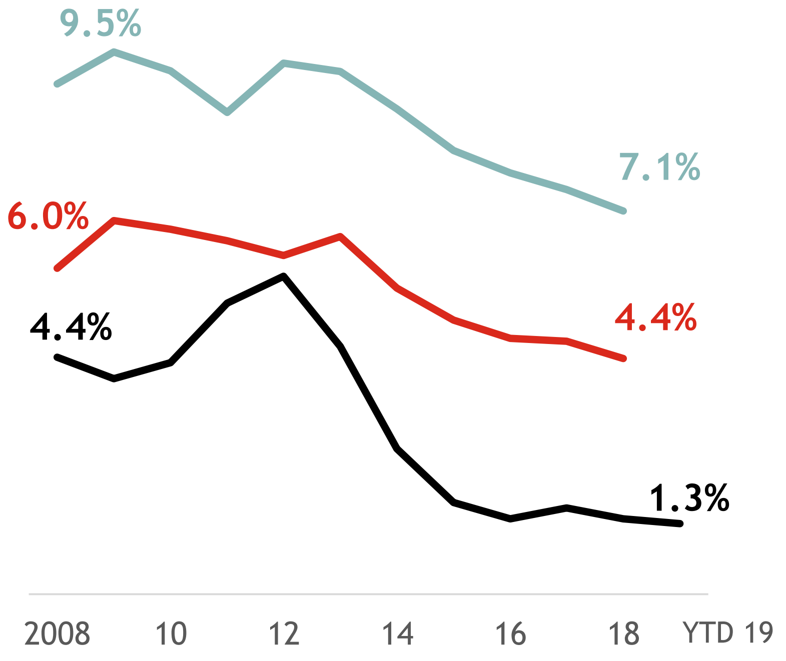
French Portfolio

+340 bps



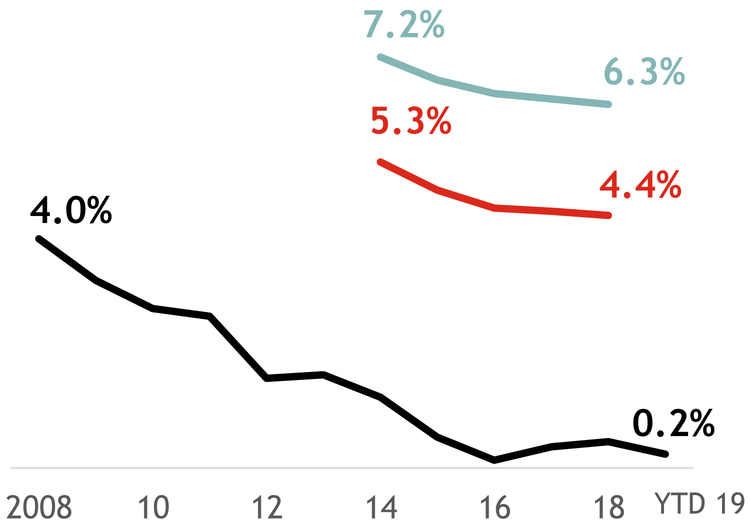
Spanish Shopping Centres

+310 bps



German Shopping Centres

+420 bps



- Appraisers’ Discount Rate (weighted avg.)
- URW NIY[1] (weighted avg.)
- 10-year gov. bond yield (1-year avg.)[2]

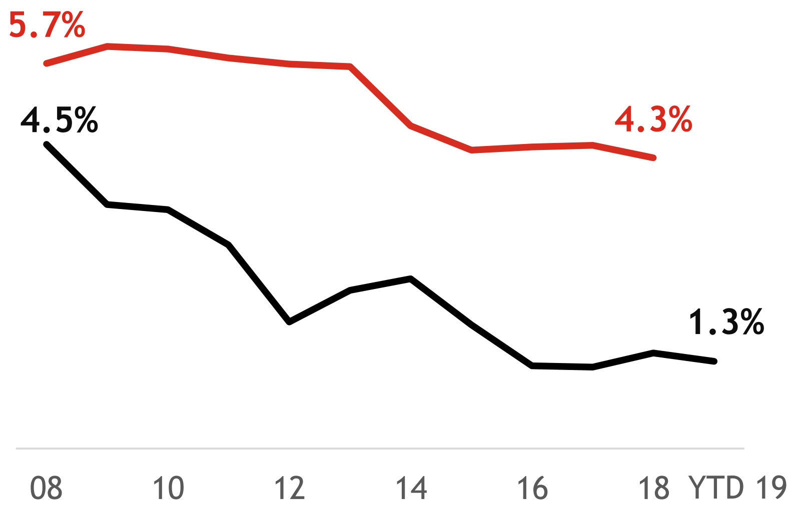
(1) Net Initial Yield (NIY): annualized contracted rent (including indexation) and other incomes for the next 12 months, net of operating expenses, divided by the asset value net of estimated transfer taxes and transaction costs

(2) 1-year average between 06/06/2018 to 06/06/2019

In the US the premiums are tighter

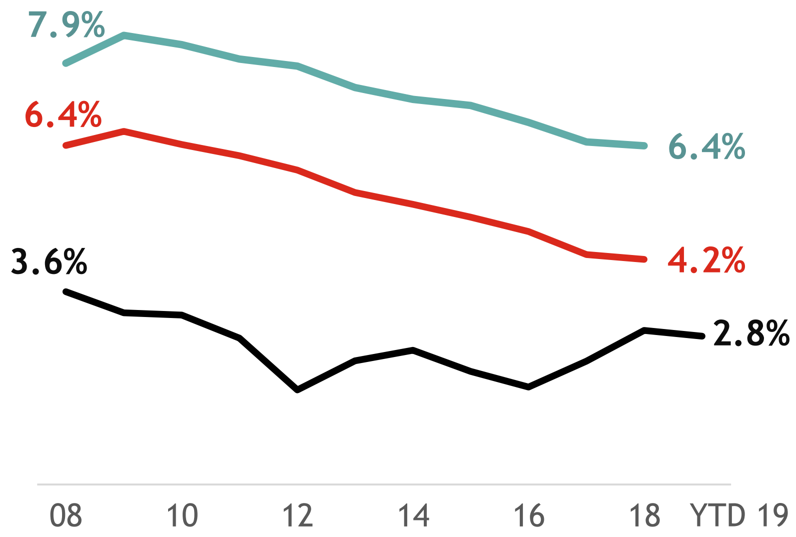
UK Shopping Centres

+300 bps



US Shopping Centres

+140 bps



Appraisers' Discount Rate (weighted avg.)

WFD Estimated Yield[(1)] (weighted avg.)

10-year gov. bond yield (1-year avg.)[(2)]

(1) Estimated Yield in 2018 is the URW NIY, prior years based on published figures by WFD

(2) 1-year average between 06/06/2018 to 06/06/2019

AREPS GUIDANCE

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Adjusted Recurring Earnings per Share (AREPS)

EPRA Recurring Earnings per Share (REPS) − Coupon on Hybrid Securities = Adjusted Recurring Earnings per Share

AREPS medium-term outlook based on asset-by-asset 5Y BP

Key inputs:

- Current economic conditions
- Indexation and rental uplifts assumptions
- Planned disposals
- Timely delivery of pipeline projects
- Taxation and expected cost of debt

BUSINESS PLAN = BOTTOM-UP

NOT TOP-DOWN!

Outlook 2019-2023

Strategic priorities

- **Reduce leverage: €3 Bn** additional disposals
- Review development projects to **optimize capital and returns**
- Join with **capital partners** on select projects
- Continue **integration**
- Roll-out **Westfield brand**
- Improve **cost base**, realize **revenue synergies**

2 phases

Capital consolidation

Solid underlying growth

Renewed AREPS growth

Illustrative impact of 2019 disposals on 2020 AREPS

2018			2019
AREPS	Underlying growth	+€0.50	
	Westfield impact	-€0.50	Guidance mid-point
€12.92	2018 & 2019 disposals	-€0.90	€11.90
	o/w 2019 disposals	*-€0.40*	€12.30
			Guidance excl. assumed 2019 disposals

Illustrative impact of 2019 disposals on 2020 AREPS

2019

2020

Guidance mid-point

€11.90

€12.30

Guidance excl. assumed 2019 disposals

2020 AREPS

=

2019 AREPS excl. 2019 disposals

+ LFL growth

+ Deliveries

€4 Bn disposal target

€1 Bn executed to date in 2019 + Potential additional 2019 disposals = Total 2019 disposals

− Total impact 2019 disposals

NIY	€2 Bn	€3 Bn	€4 Bn
4.5%	(0.51)	(0.76)	(1.01)
5.0%	(0.58)	(0.87)	(1.16)
5.5%	(0.65)	(0.98)	(1.30)

Potential 2020 disposals

− Impact 2020 disposals

NIY	€2 Bn	€1 Bn
4.5%	(0.25)	(0.13)
5.0%	(0.29)	(0.14)
5.5%	(0.33)	(0.16)

Assumptions: €4 Bn disposals in 2019 and 2020. 2019 disposal sensitivity table shows the full year impact of 2019 disposals (executed and potential) on 2020. 2020 disposals assumed mid-year. 1% cost of debt

Meanwhile, portfolio growth continues

LFL growth, indexation & asset management

Les Quatre Temps

Deliveries

La Part-Dieu extension

AREPS CAGR[1]: +5% to +7%

rebased for the impact of disposals

(1) Based on 5YBP 2019-2023

AREPS CAGR[1]: +5% to +7%

Rebased for the impact of disposals

=

Excluding the impact of disposals

=

As if all disposals had occurred in January 2019

(1) Based on 5YBP 2019-2023

THE DIVIDEND IS SUSTAINABLE

Track record of dividend coverage

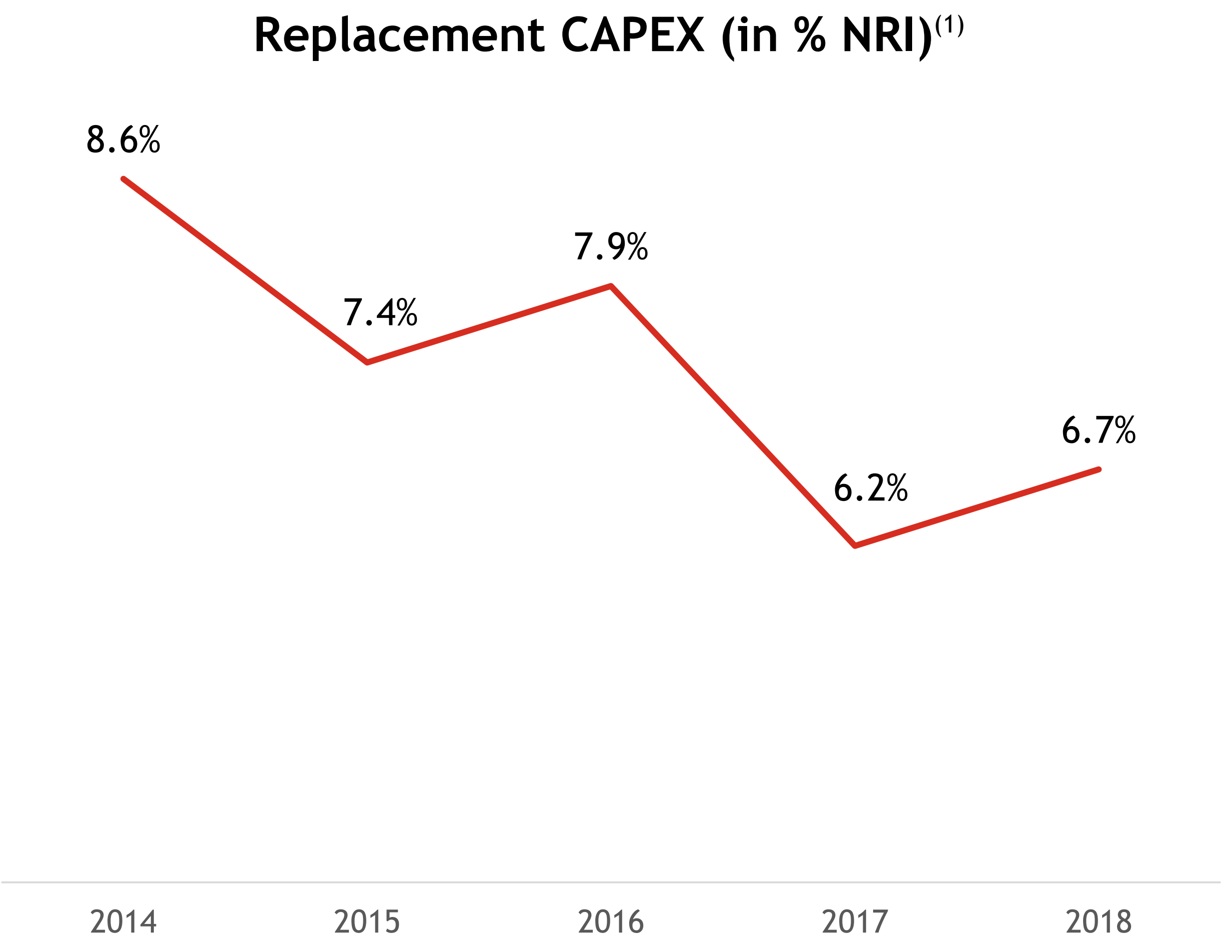
URW's approach:

AREPS − Replacement CAPEX ≥ Dividend

€ Mn	2014	2015[1]	2016	2017	2018[2]
Earnings	1,068	1,030	1,114	1,202	1,833
Dividend	941	957	1,014	1,079	1,493
Replacement CAPEX	107	93	105	103	127
Dividend coverage	**102%**	**98%**	**100%**	**102%**	**114%**

(1) Following €2.3 Bn of disposals (TAC) in 2014
(2) Includes WFD cash retained from 1st half earnings (no H1 dividend was paid by WFD) prior to June 7, 2018

Replacement CAPEX ratio declined as portfolio renewed and upgraded



Average replacement CAPEX (2014-2018)

~7.5% of NRI[1]

2019 replacement CAPEX[2]

~ €200 Mn

Expected run-rate

~ €150 Mn

(1) Ex-UR portfolio, IFRS figures, at 100%

(2) Proportionate, at group share

Minimum dividend of €10.80 per share is sustainable…

FY18 Results

“Going forward,
the Group expects to maintain its dividend

at a minimum of €10.80”

… even if all €4 Bn of disposals had been made on January 1, 2019

	2019
AREPS guidance midpoint	€11.90
− 2019 disposal impact	€0.40
= **AREPS (before impact of 2019 disposals)**	**€12.30**

	4.5% NIY	5.0% NIY	5.5% NIY
− €4 Bn disposals NRI	-€180 Mn	-€200 Mn	-€220 Mn
+ 1% (cost of debt)	+€40 Mn	+€40 Mn	+€40 Mn
= **Total impact**	-€140 Mn	-€160 Mn	-€180 Mn
= **Impact per share[1]**	**€1.01**	**€1.16**	**€1.30**
2019 AREPS (pro-forma for disposals)	**€11.29**	**€11.14**	**€11.00**

Any replacement CAPEX shortfall covered by disposal proceeds

(1) 138.3 Mn shares

Minimum dividend of €10.80 per share is sustainable[1]

FY18 Results

"Going forward,
the Group expects to maintain its dividend

at a minimum of €10.80

and grow it broadly in line with AREPS"

Underlying AREPS CAGR of +5% to +7% covers dividend in all years[1]

(1) Based on 5Y Business Plan 2019-2023

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A COMPELLING PROPOSITION

A compelling proposition…

~8%
dividend yield

38%
discount to NAV(1)

…For the best play in commercial real estate

Westfield Century City

Best portfolio in industry:
Stable and growing NRI


Westfield Hamburg

Developments: value
creation & densification

AREPS ≥ €10.80 ps

Dividend is covered

S&P Global » A
Moody's » A2(2)

Solid balance sheet:
resilient assets
& disposals ongoing

(1) Discount to Dec-18 NAV. 33% discount to NAV excluding €2,039 Mn of goodwill as per the Group's European leverage covenants, as at June 10, 2019
(2) Moody's rating with a negative outlook

THANK YOU

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