

Capital gain tax information

This memo has been prepared for French individual tax residents who held shares of Unibail-Rodamco SE (**UR SE**) in an ordinary securities account before the implementation of the Westfield transaction (the **Transaction**) or invested after the Transaction was implemented.

If you held shares in a plan d'épargne en actions (PEA) (shares savings scheme), please refer to the “Memo to the attention of the Unibail-Rodamco SE shareholders holding their shares in a PEA before the implementation of the Westfield Transaction on June 7, 2018”.

The shares of UR SE and the class A shares of WFD Unibail-Rodamco N.V. (**WFD-UR**) are now stapled (the **Stapled Shares**). The UR SE shares and WFD-UR shares were stapled immediately after UR SE distributed one WFD-UR share in respect to each of its outstanding UR SE shares.

Although the Stapled Shares are traded under a single quotation line (ticker URW), for French tax purposes the Stapled Shares are traded as separate shares.

For capital gain purposes, you need to apportion the tax basis of each component of the Stapled Shares and the proceeds on sale of each component of the Stapled Shares. This apportionment should be done on a reasonable basis.

One possible method of apportionment is the shareholders' equity attributable to UR SE and WFD-UR respectively¹.

The purpose of the this memo is to:

- Present how to compute gains realized upon the sale of the Stapled Shares whether you acquired your shares before or after the completion of the Transaction,
- Provide a possible apportionment ratio between the underlying UR SE share and WFD-UR share.

This memo will be updated after the publication of the group financial statements for the period ending on June 30, 2018.

<p><i>This memo does not constitute tax advice or a tax opinion. The particular situation of each shareholder differs based on such shareholder's particular circumstances, and we recommend that, in any case, you contact your own tax advisor. This memo does not include a complete description of the tax consequences of the receipt of the WFD-UR shares and the ownership and sale of the Stapled Shares. In this respect, we invite you to refer to the Prospectus dated March 28, 2018 and its supplement dated May 15, 2018 for a more detailed description of the tax consequences of the receipt of the WFD-UR shares and the ownership and sale of the Stapled Shares.</i></p>
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¹ This apportionment method has been confirmed by the French tax authorities in a letter dated May 14, 2018

1. Summary

Summary table	Fraction of the Stapled Share relating to the UR SE share	Fraction of the Stapled Share relating to the WFD-UR share
You held UR SE shares prior to the Transaction		
Capital gains computation	Sale price apportioned to the UR SE share less the tax basis of the UR SE share	Sale price apportioned to the WFD-UR share less the tax basis of the WFD-UR share
Sale price apportionment	93.235% of the sale price of a Stapled Share Ratio to be updated after the publication of the group financial statements for the period ending on June 30, 2018	6.765% of the sale price of a Stapled Share Ratio to be updated after the publication of the group financial statements for the period ending on June 30, 2018
Tax basis apportionment	Tax basis of the UR shares is not impacted by the Transaction i.e. same as before the Transaction (generally equal to the acquisition cost)	Tax basis of the WFD-UR equals to zero
You purchased Stapled Shares after the Transaction		
Capital gains computation	Sale price apportioned to the UR SE share less the tax basis of the UR SE share	Sale price apportioned to the WFD-UR share less the tax basis of the WFD-UR share
Sale price apportionment	93.235% of the sale price of a Stapled Share Ratio to be updated after the publication of the group financial statements for the period ending on June 30, 2018	6.765% of the sale price of a Stapled Share Ratio be updated after the publication of the group financial statements for the period ending on June 30, 2018
Tax basis apportionment	93.235% of the acquisition price of a Stapled Share Ratio to be updated after the publication of the group financial statements for the period ending on June 30, 2018	6.765% of the acquisition price of a Stapled Share Ratio to be updated after the publication of the group financial statements for the period ending on June 30, 2018

2. You held UR SE shares before the Transaction – How will capital gains on the Stapled Shares be computed?

For capital gains purposes, you will be treated as selling the underlying UR SE shares and WFD-UR shares separately.

2.1. How to compute capital gains?

For each Stapled Share sold, capital gains will be generally computed in the following manner:

- UR SE share

The capital gain will be equal to the difference between the sale price apportioned to the UR SE share and the tax basis of the UR SE share.

- WFD-UR share

The capital gain will be equal to the difference between the sale price apportioned to the WFD-UR share and the tax basis of the WFD-UR share, which is zero euro.

2.2. How to apportion the sale price of the Stapled Share between the UR SE share and the WFD-UR share?

The sale price may be apportioned between the UR SE share and the WFD-UR share on the basis of the shareholders' equity ratio of the two companies available on the date of the sale.

This possible apportionment method has been confirmed by the French tax authorities² and the first apportionment ratio is the following:

- **93.235%** of the sale price of the Stapled Share for the UR SE share.
- **6.765%** of the sale price of the Stapled Share for the WFD share.

The apportionment ratio will be updated after the publication of the group half-year and full-year financial statements. The next ratio will be communicated after the publication of the financial statements for the period ending on June 30, 2018.

2.3. What is the tax basis of your UR SE share and your WFD-UR share?

The tax basis of your UR SE share remains unchanged and equal the tax basis of the UR SE share immediately before the Transaction (generally acquisition cost).

The tax basis of the WFD-UR share you received pursuant to the Transaction is null, i.e. equal to zero euro.

² Letter dated May 14, 2018 from the Direction de la Législation Fiscale

2.4. What is the tax treatment of the capital gain arising from the sale of the Stapled Share?

2.4.1. If you have not elected to be taxed at progressive rates

Capital gains realized upon the sale of either the UR SE share or the WFD-UR share are subject to income tax at a flat rate (12.8%) and to social levies (at a global rate of 17.2%).

2.4.2. If you have elected to be taxed at progressive rates

Capital gains, either realized upon the sale of the UR SE share or the WFD-UR share are subject to income tax at progressive rates and to social levies (at a rate of 17.2%).

Capital gains realized upon the sale of the WFD-UR share may not benefit from the “holding-period deduction” (*abattement pour durée de détention*) described in the following paragraph.

Capital gains realized upon the sale of the UR SE share may benefit from the “holding-period deduction” if³ you held your UR SE share before January 1, 2018. The rate of the “holding-period deduction” is 50% if, on the date of the sale of the Stapled Share, you have held the UR SE share for at least two years and less than eight years; or 65% if you have held the UR SE share for at least eight years.

³ Assuming other conditions for the holding-period deduction are met

3. You purchased Stapled Shares after the Transaction – How will capital gains on the Stapled Shares be computed?

For capital gains purposes, you will be treated as selling the underlying UR SE shares and WFD-UR shares separately.

3.1. How to compute capital gains?

For each Stapled Share sold, capital gains will be generally computed in the following manner:

- UR SE share
The capital gain will be equal to the difference between the sale price apportioned to the UR SE share and the tax basis of the UR SE share.
- WFD-UR share
The capital gain will be equal to the difference between the sale price apportioned to the WFD-UR share and the tax basis of the WFD-UR share.

3.2. How to apportion the sale price of the Stapled Share between the UR SE share and the WFD-UR share?

The sale price may be apportioned between the UR SE share and the WFD-UR share on the basis of the shareholders' equity of UR SE and WFD-UR available on the date of the sale. This possible apportionment method has been confirmed by the French tax authorities⁴ and the first apportionment ratio is the following:

- **93.235%** of the sale price of the Stapled Share for the UR SE share.
- **6.765%** of the sale price of the Stapled Share for the WFD UR share.

The apportionment ratio will be updated after the publication of the group half-year and full-year financial statements. The next ratio will be communicated after the publication of the financial statements for the period ending on June 30, 2018.

3.3. What is the tax basis of your UR SE share and your WFD-UR share?

The acquisition price of your Staple Share may be apportioned between the UR SE share and the WFD-UR share on the basis of the shareholders' equity ratio of UR SE and WFD-UR available on the date of the acquisition.

In respect of a Stapled Share purchased since June 7, 2018, the acquisition price may be apportioned as follows:

- **93.235%** of the acquisition price of the Stapled Share for the UR SE share,
- **6.765%** of the acquisition price of the Stapled Share for the WFD UR share.

⁴ Letter dated May 14, 2018 from the Direction de la Législation Fiscale

This possible apportionment method has been confirmed by the French tax authorities ⁵.

The apportionment ratio will be updated after the publication of the group half-year and full-year financial statements. The next ratio will be communicated after the publication of the financial statements for the period ending on June 30, 2018.

3.4. What is the tax treatment of the capital gains arising from the sale of the Stapled Shares?

3.4.1. If you have not elected to be taxed at progressive rates

Capital gains realized upon the sale of either the UR SE share or the WFD-UR share are subject to income tax at a flat rate (12.8%) and to social levies (at a rate of 17.2%).

3.4.2. If you have elected to be taxed at progressive rates

Capital gains realized upon the sale of the UR SE share or the WFD-UR share are subject to income tax at the progressive rates and to social levies (at a rate of 17.2%).

Capital gains realized upon the sale of the UR SE share or the WFD-UR share may not benefit from the "holding-period deduction".

3.4.3. What are the practical tax consequences of computing capital gains separately with respect to the sale of the UR SE share and the sale of the WFD-UR share?

As of the date of this memo, the tax treatment of capital gains arising from the UR SE shares and the WFD-UR shares is identical. As a consequence, the method described above should result in the same consequences that would have arisen if you had computed your capital gain by subtracting from the Stapled Share's sale price the Stapled Share's acquisition price.

⁵ Letter dated May 14, 2018 from the Direction de la Législation Fiscale