

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, OR JAPAN OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE SUBJECT TO LEGAL RESTRICTIONS.

THIS PRESS RELEASE IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF URW IN ANY JURISDICTION



UNIBAIL-RODAMCO-WESTFIELD

Paris, Amsterdam, September 16, 2020

Press release

Unibail-Rodamco-Westfield (“URW”), the premier global developer and operator of Flagship destinations, announces a €9.0+ Bn “RESET” plan to strengthen its balance sheet and increase financial flexibility to execute its long-term strategy, and provides update on footfall, tenant sales and rent collection

Key highlights of the “RESET” plan and its five strategic priorities are:

- **RESTORE** financial strength through a €9.0+ Bn deleveraging plan consisting of:
 - A fully underwritten €3.5 Bn capital raise to be used to immediately reduce leverage;
 - Limiting cash dividends through scrip and/or a lower payout ratio, resulting in €1.0 Bn cash savings over the next two years⁽¹⁾;
 - A further €0.8 Bn reduction in development and non-essential operating capex; and
 - €4.0 Bn⁽²⁾ of disposals expected to be completed by year-end 2021.

This plan is designed to enable the Group to preserve the Group’s strong investment grade credit rating, with an expected rating of A-⁽³⁾ / Baa1⁽⁴⁾, and maintain a sustainable capital structure with an LTV⁽⁵⁾ below 40% and net debt / EBITDA⁽⁶⁾ below 9x.
- **EXECUTE** the €4.0 Bn asset disposal programme (European assets, c.50% retail/50% offices & others) by year-end 2021
 - Acceleration of the previously announced disposal plan by outright sales of non-strategic assets across all asset classes, on the back of the Group’s proven track record (€4.8 Bn disposals completed since June 2018 at a 5% premium to book value, including the disposal of five French retail assets in the middle of the COVID-19 crisis in line with the prior unaffected appraisal);
 - A €6.0+ Bn⁽⁷⁾ identified pool of assets;
 - €1.0 Bn of disposals are well advanced; and
 - JV stakes in most liquid and mature assets to reduce capital obligations and leverage.
- **STREAMLINE** operations and footprint to enhance agility and optimize use of resources
 - Further reduce capex by c.€800 Mn, of which c.€600 Mn of development capex and c.€200 Mn of non-essential operating capex. The development pipeline has been reduced by €2.2 Bn compared to FY-2019, and by a further c.€0.6 Bn compared to H1-2020;
 - Downsize the US Regional mall footprint in the near-term; and
 - Simplify structure and reduce gross admin expenses further.

1 Estimated on the basis of dividend paid in 2020. The Group expects to communicate its dividend policy ahead of the shareholders’ meeting to approve the capital raise

2 Consistent with the Group’s H1-2020 announcement

3 With a negative outlook (rating unchanged) by S&P

4 With a stable outlook (previously A3, negative outlook) by Moody’s

5 IFRS data

6 IFRS data. Recurring EBITDA is calculated as total recurring operating result and other income minus general expenses, excluding depreciation and amortisation. Net debt/EBITDA was 10x in 2019 and 12x in H1-2020

7 Total pool of assets identified for potential disposal, Group share

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, OR JAPAN OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE SUBJECT TO LEGAL RESTRICTIONS.

THIS PRESS RELEASE IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF URW IN ANY JURISDICTION



UNIBAIL-RODAMCO-WESTFIELD

- **EMBRACE** a changing environment
 - Strengthen the appeal of URW's portfolio as structural dynamic changes in retail are increasing:
 - Accelerate its Flagship destination strategy;
 - Capture the mixed-use potential embedded within the portfolio, leveraging URW's multi-disciplinary platform and third-party capital; and
 - Capitalise on a highly diversified and flexible pipeline.
- **THRIVE** by harnessing URW's powerful portfolio to grow new revenue streams
 - Increase appeal and audience of URW's Flagship destinations;
 - Monetize the value proposition and Flagship destination audience by developing digital and omni-channel services;
 - Generate new non-rent based revenues of €150 Mn per year by 2025; and
 - Develop additional revenues by developing "asset light" and "capital light" partnerships building on the Westfield brand.

Commenting on the announcement, Christophe Cuvillier, Group Chief Executive Officer, said: *"URW's immediate priority, as announced on July 29, is to deleverage, primarily through asset disposals. However, given the uncertainties around the duration of the COVID-19 pandemic and the recovery, we have decided, as a matter of prudent management, to substantially strengthen our balance sheet, in order to maintain a robust investment grade credit rating and to ensure flexibility in a world that is unpredictable and requires agility. Our €9+ Bn "RESET" plan is designed to allow URW to fully embrace the changing retail environment through our Flagship destination strategy and capitalise on our unmatched portfolio quality's mixed-use potential. On the operational front, we see continued improvement in footfall and tenant sales, and are making steady progress in our tenant negotiations. As the environment remains challenging, we believe today's announcement, including the fully underwritten capital raise, is an important step to ensure URW is best positioned for the future."*

€3.5 Bn fully underwritten capital raise

The Supervisory Boards of URW have today authorised the principle of a €3.5 Bn capital raise, which, in conjunction with the other strategic initiatives, is designed to bolster the financial profile of the Group and best position URW to execute on its long-term strategy, while:

- strengthening its balance sheet;
- maintaining a strong investment grade credit rating; and
- securing uninterrupted access to debt markets.

The proceeds of the capital raise would be used to immediately reduce leverage. Pro forma for the capital raise, LTV would decrease to 35.7%⁽⁸⁾ from 41.5% as at June 2020. Pro forma for both the capital raise and the full €4 Bn disposal programme, LTV would stand at 30.9%⁽⁹⁾. The capital raise will provide the Group with more headroom

⁸ June 30, 2020, valuations
⁹ June 30, 2020, valuations

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, OR JAPAN OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE SUBJECT TO LEGAL RESTRICTIONS.

THIS PRESS RELEASE IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF URW IN ANY JURISDICTION



UNIBAIL-RODAMCO-WESTFIELD

under its bank covenants should its retail asset values fall significantly, which the Group doesn't expect given the superior quality of its portfolio.

The capital raise is subject to approval by URW's shareholders and is expected to maintain existing shareholders' subscription rights unless otherwise proposed to the Extraordinary General Meeting ("EGM") of URW SE, to be convened, and expected to be held in Q4 2020. A notice for this EGM is expected to be published separately in due time.

Upon approval of the capital raise by the EGM, and subject to market conditions and necessary regulatory approvals being received, final terms and conditions, including the subscription price, are expected to be determined and announced in Q4 2020, and the transaction to close by year-end. The prospectus to be issued by URW in connection with the capital raise will be subject to the visa of the the French Autorité des marchés financiers (the "AMF") and the approval of the Dutch Autoriteit Financiële Markten (the "AFM").

URW has entered into a standby underwriting commitment with BofA Securities, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, J.P. Morgan and Société Générale, acting as Joint Global Coordinators, pursuant to which they have undertaken to fully underwrite the €3.5 Bn capital raise, subject to the satisfaction of customary conditions precedent. Eastdil Secured, Kempen, Lazard and Rothschild & Co are acting as independent advisers to the Group.

Update on operational KPIs

URW has reopened all of its shopping centres globally, though indoor operations in five centres in Los Angeles County continue to be suspended (which represent 4% of the shopping centre portfolio by value).

Footfall and sales

The footfall recovery is encouraging, with most Continental European regions as of now trending in the range of 80 – 90% of last year's footfall, demonstrating the appeal of URW's Flagship destinations. While the UK is in the 60 – 70% range, it shows good week-on-week development as people are returning to offices following the lockdown and summer holidays. Footfall in the US centres lags behind that in Europe, as, for a number of shopping centres in Los Angeles, indoor operations remain restricted. In addition, mobility in the major US cities in which the Group's shopping centres operate is well below that of most Continental European cities.

Tenant sales in Continental Europe were -26% in June, -16% in July, and -12% in August⁽¹⁰⁾, showing a more rapid recovery than footfall, as the last shopping centres reopened during June, most remaining restrictions were lifted, and higher conversion rates and average baskets were recorded. In Europe, tenant sales were -33% and -21% in June and July, respectively, and -16% in August⁽¹⁰⁾.

In France (representing 27% of URW's retail portfolio), the preliminary August figures show tenant sales are -5%, a strong improvement from -29% in June and -15% in July, with 44% of French tenants reporting August sales above 2019.

¹⁰ August is preliminary data as at September 15, 2020, subject to change

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, OR JAPAN OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE SUBJECT TO LEGAL RESTRICTIONS.

THIS PRESS RELEASE IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF URW IN ANY JURISDICTION



UNIBAIL-RODAMCO-WESTFIELD

	June ⁽¹¹⁾		July ⁽¹¹⁾		August (Preliminary) ⁽¹¹⁾	
	Sales	Footfall	Sales	Footfall	Sales	Footfall
France	-29%	-36%	-15%	-24%	-5%	-16%
Central Europe	-25%	-34%	-14%	-28%	-13%	-27%
Spain	-35%	-42%	-26%	-35%	-23%	-30%
Nordics	-20%	-25%	-14%	-17%	-17%	-21%
Austria	-14%	-17%	-10%	-16%	-16%	-17%
Germany	-18%	-24%	-15%	-21%	-16%	-22%
The Netherlands	NA	-23%	NA	-19%	NA	-23%
Continental Europe	-26%	-33%	-16%	-25%	-12%	-22%
UK	-70%	-72%	-47%	-57%	-34%	-47%
Europe	-33%	-37%	-21%	-29%	-16%	-25%

Lease negotiation and rent collection

The tenant negotiations, which started after the reopening of centres, are making solid progress. These negotiations are conducted on a case-by-case basis. They recognise the issues the Group's tenants faced due to administrative closures or trading restrictions and the need to provide relief, are generally limited to the period of closure and based on the principle of a fair sharing of the burden, and entail concessions by tenants in exchange for such relief. They are not about permanently changing lease structures or changing the basis for rent calculations. As at September 14, the Group estimates it is 61% through the process, up from 25% as at July 24.

The rent collection continues to progress. The July collection rate stands at 72%, up from 50% as at July 24, driven by Continental Europe (81%). Collection for August amounted to 70% (Continental Europe: 81%). Collection is partly driven by the tenant negotiations, as some tenants await the outcome of the negotiations to release rent payments. However, potential rent relief is always linked to payment in full of the outstanding amounts agreed upon. In certain cases where no agreement has been reached, the Group has drawn on security deposits or initiated legal action to enforce lease agreements.

Unibail-Rodamco-Westfield investor and analyst events

Investor and analyst conference

- 09:00 AM CET, Thursday September 17, 2020

The conference will be accessible via live video webcast on URW's website (<https://www.urw.com/>) and the supporting presentation will be accessible at <https://www.urw.com/investors>.

Dial-in details:

¹¹ Excluding Carrousel du Louvre and all deliveries (La Part Dieu, Les Ateliers Gaité, CNIT (from August), Garbera, Gropius Passagen, Westfield Mall of the Netherlands and SC Ursynow) and assets not managed by the Group (Zlote Tarasy). August is preliminary data as at September 15, 2020, subject to change

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, OR JAPAN OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE SUBJECT TO LEGAL RESTRICTIONS.

THIS PRESS RELEASE IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF URW IN ANY JURISDICTION



UNIBAIL-RODAMCO-WESTFIELD

- France: +33 172727403
- United Kingdom: +44 2071943759
- Australia: +61 291011926
- Netherlands: +31 207095119
- Code: 43493074#

This announcement has been authorised by the Group Chief Executive Officer.

For further information, please contact:

Investor Relations

Samuel Warwood

Maarten Otte

+33 1 76 77 58 02

Maarten.otte@urw.com

Media Relations

Tiphaine Bannelier-Sudérie

+33 1 76 77 57 94

Tiphaine.Bannelier-Suderie@urw.com

About Unibail-Rodamco-Westfield

Unibail-Rodamco-Westfield is the premier global developer and operator of Flagship Destinations, with a portfolio valued at €60.4 Bn as at June 30, 2020, of which 86% in retail, 7% in offices, 5% in convention & exhibition venues and 2% in services. Currently, the Group owns and operates 89 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 two 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 3,400 professionals and an unparalleled track-record and know-how, Unibail-Rodamco-Westfield is ideally positioned to generate superior value and develop world-class projects. As at June 30, 2020, the Group had a development pipeline of €6.2 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 Depository Interests. The Group benefits from an A- rating from Standard & Poor's and from an A3 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](https://twitter.com/urw_group), LinkedIn [@Unibail-Rodamco-Westfield](https://www.linkedin.com/company/unibail-rodamco-westfield) and Instagram [@urw_group](https://www.instagram.com/urw_group)

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, OR JAPAN OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE SUBJECT TO LEGAL RESTRICTIONS.

THIS PRESS RELEASE IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF URW IN ANY JURISDICTION



UNIBAIL-RODAMCO-WESTFIELD

DISCLAIMERS

This press release includes indications on the objectives, perspectives and development strategies of Unibail-Rodamco-Westfield and its consolidated subsidiaries ("URW") as well as forward-looking statements. Those indications may be identified by the use of the future or conditional tense or by forward-looking terminology, including the terms "considers", "anticipates", "thinks", "targets", "expects", "intends", "must", "aims", "estimates", "believes", "wishes", "may", or in each case, their negative or other variations or comparable terminology. These forward-looking statements are not historical facts and shall not be interpreted as guarantees that the facts and data stated will occur. Those forward-looking statements are based on data, assumptions and objectives that URW believes to be reasonable. They may evolve or change due to the uncertainties related to the economic, financial, competitive and regulatory environment. In addition, the occurrence of certain risks listed in the section 6.2 "Main risk factors" of the 2019 Universal Registration Document of URW, as updated by the 2020 Half-Year Financial Report of URW, may have an impact on the activities, the prospects and the financial results of URW and its capacity to meet its objectives. The information mentioned in this press release includes statements regarding URW's intentions, expectations and objectives in relation to, inter alia, the market, the strategy, the growth, the results, the financial situation and the cash position of URW. Forward-looking statements mentioned in this press release are provided on the date of this press release. Subject to all relevant laws or regulations, URW undertakes no obligation to publish any revisions to any forward-looking statements included in this press release in order to reflect any change in its objectives or in the events, conditions or circumstances after the date of this press release. URW operates in a rapidly-changing and competitive environment; it cannot anticipate all the risks, uncertainties or other factors that may affect its activity, their potential impact on its activity or to what extent the occurrence of a risk or a combination of risks may cause results and developments to differ materially from those expressed or implied by the forward-looking statements, being reminded that forward-looking statements are not guarantees of future performance.

This press release and the information contained herein do not constitute an offer to sell or purchase, or the solicitation of an offer to sell or purchase, securities of URW in any jurisdiction.

No communication or information relating to the contemplated capital raise may be distributed to the public in any jurisdiction (other than France and the Netherlands) in which registration or approval is required. No action has been (or will be) undertaken in any jurisdiction outside of France and the Netherlands where such steps would be required. The subscription for or purchase of securities of URW may be subject to legal or statutory restrictions in certain jurisdictions. Neither URW nor the Joint Global Coordinators assume any responsibility for any violation of such restrictions by any person. The distribution of this press release in certain jurisdictions may be restricted by law.

This press release is not a prospectus within the meaning of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Any purchase of securities in the capital increase should be made solely on the basis of the information contained in the prospectus to be issued by URW in connection with the capital increase.

The capital increase will be open to the public in France and the Netherlands only, and in Australia for CDI holders. With respect to each member State of the European Economic Area, other than France and the Netherlands, and to the United Kingdom (the "**Relevant States**" and each, a "**Relevant State**"), no action has been undertaken or will be undertaken to make an offer to the public of securities requiring a publication of a prospectus in any Relevant State. As a result, the securities of URW may only be offered in the Relevant States to persons who are "qualified investors"

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, OR JAPAN OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE SUBJECT TO LEGAL RESTRICTIONS.

THIS PRESS RELEASE IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF URW IN ANY JURISDICTION



UNIBAIL-RODAMCO-WESTFIELD

within the meaning of Article 2(e) of the Prospectus Regulation. For the purposes of this paragraph, "securities offered to the public" in a given Relevant State means any communication, in any form and by any means, of sufficient information about the terms and conditions of the offer and the securities so as to enable an investor to make a decision to buy or subscribe for the securities. The above selling restrictions are in addition to any other selling restrictions which may be applicable in the Relevant States.

This press release is addressed and directed only (i) to persons located outside the United Kingdom, (ii) to investment professionals as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), (iii) to high net worth companies, and other persons to whom it may lawfully be communicated, falling within by Article 49(2) (a) to (d) of the Order (the persons mentioned in paragraphs (i), (ii) and (iii) all deemed relevant persons (the "Relevant Persons")). The capital raise will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such rights may be addressed and/or concluded only with Relevant Persons. All persons other than Relevant Persons must abstain from using or relying on this document and all information contained therein.

This press release is not a prospectus which has been approved by the Financial Conduct Authority or any other United Kingdom regulatory authority for the purposes of Section 85 of the Financial Services and Markets Act 2000.

This press release does not constitute an offer or invitation to sell or purchase, or a solicitation of any offer to purchase or subscribe for, any securities of URW in the United States of America. The securities of URW may not be offered, subscribed or sold in the United States of America absent registration under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or an applicable exemption from, or in a transaction not subject to, the registration requirements thereof. The securities of URW have not been and will not be registered under the U.S. Securities Act, and URW does not intend to conduct a public offering of its securities in the United States of America.

The distribution of this press release in certain countries may be prohibited under applicable law.

This press release may not be published, transmitted or distributed, directly or indirectly, and does not constitute an offer of securities, in the United- States (including in the territories and dependencies and in any State of the United States) or in Japan.

BofA Securities, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Goldman Sachs International, J.P. Morgan, Société Générale, as Joint Global Coordinators, are acting on behalf of URW and no one else in connection with the capital raise and will not regard any other person as their client nor be responsible to any other person for providing the protections afforded to any of their clients nor for providing advice in relation to the capital raise, the contents of this press release or any transaction, arrangement or other matter referred to herein.

None of the Joint Global Coordinators or any of their affiliates or any of their respective directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for or makes any representation or warranty, express or implied, as to the truth, accuracy or completeness of the information in this press release (or whether any information has been omitted from the press release) or any other information relating to URW, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made

NOT FOR PUBLICATION, DISTRIBUTION OR RELEASE, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, OR JAPAN OR ANY OTHER JURISDICTION WHERE SUCH PUBLICATION, DISTRIBUTION OR RELEASE WOULD BE SUBJECT TO LEGAL RESTRICTIONS.

THIS PRESS RELEASE IS FOR INFORMATION PURPOSES ONLY AND DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OF URW IN ANY JURISDICTION



UNIBAIL-RODAMCO-WESTFIELD

available or for any loss howsoever arising from any use of this press release or its contents or otherwise arising in connection therewith.