

UNIBAIL-RODAMCO SE
A European Company with Capital of €499,283,380
Registered office: 7, place du Chancelier Adenauer, 75016 Paris
682 024 096 RCS Paris

**ADDITIONAL REPORT OF THE MANAGEMENT BOARD ON THE USE OF THE AUTHORITY
DELEGATED BY THE TWENTY-THIRD RESOLUTION OF THE COMBINED GENERAL
MEETING OF SHAREHOLDERS ON APRIL 25, 2017
(Article R. 225-116 of the Commercial Code)**

To the shareholders,

On March 5, 2018, the Supervisory Board authorized the Management Board (MB) to use once more the delegation granted by the twenty-third resolution of the Combined General Meeting hold on April 25, 2017.

Under this resolution, the shareholders authorized the MB to increase the authorized share capital, on one or more occasions, in a maximum nominal amount not exceeding €2 million, by the issue of shares or negotiable securities giving access to the capital of the Company, and reserved for the members of company savings plans, while cancelling preferential subscription rights.

At its meeting on April 3, 2018, the MB decided to use again this delegation and open a second tranche of capital increase reserved for the participants of the company savings plan of the Group, namely Unibail-Rodamco SE and UES Unibail and UES Viparis companies. The MB set the overall maximum nominal amount of the capital increase capable of being completed at about 0.10% of the fully diluted capital, namely a maximum of 100,000 shares. It is specified that the maximum nominal amount of this capital increase will be charged to the overall upper limit set by the eighteenth resolution of the Combined General Meeting of April 25, 2017 (delegation of authority to increase the share capital by the issuance of ordinary shares and/or securities maintaining pre-emptive subscription rights).

The capital increase completed by the issue of new shares will be subscribed for the benefit of all the participants of the company savings plan of the Group in France through the intermediate mutual fund Unibail Rodamco Relais 2018, which is to be merged into the "Fonds E" Unibail-Rodamco mutual fund approved by the French Financial Markets Authority ("AMF").

The subscription period was set from April 4, 2018 to April 18, 2018, inclusive.

The subscription price of one share was fixed at €150.92, corresponding to the average opening price of Unibail-Rodamco SE shares over the 20 trading days preceding April 3, 2018 including a 20% discount (or €188.65 before the discount of 20% applied to shares subscribed through the mutual fund).

The new shares will be entitled to dividends distributed in connection with the 2018 fiscal year. As a consequence, they will not be entitled to the payment of the final dividend due to 2017 fiscal year to occur on May 30, 2018. They will be listed and admitted to trading on Euronext Paris and on Euronext Amsterdam at issuance and will be subject to all applicable bylaw provisions.

The dilution calculations, set out below, have been carried out on the basis of the statutory financial statements as at December 31, 2017. The amount of the Company's equity capital on December 31, 2017 was 9,106,658 K€.

For your information, an additional report of the statutory auditors is submitted to you, which provide that the statutory auditors have verified the compliance of the decision taken by the MB with the delegation of authority that was granted to the MB at the last Combined General Meeting.

I The impact of the capital increase on the situation of a shareholder owning 1% of the capital

<u>The impact of the capital increase on the situation of a shareholder owning 1% of the capital</u>				
	The shareholder's stake (non-diluted basis)	The shareholder's stake (diluted basis)	Total no. of shares (non-diluted basis)*	Total no. of shares (diluted basis)**
Before the issue of the new shares derived from the capital increase reserved for employees	1.00%	1.00%	99,856,676	99,910,659
After the issue of the new shares derived from the capital increase reserved for employees	1.00%	1.00%	99,956,676	100,010,659

*Number of shares on December 31, 2017

** Number of shares on December 31, 2017 based on the Net Asset Valuation calculation

II. Impact of the capital increase on the situation of shareholders and owners of securities giving access to the share capital (Equity capital per share)

As of December 31, 2017	Net equity (K€)	Number of shares	Net equity per share (€)
Before the issue of the new shares resulting from the capital increase reserved for employees	9,106,658	99,856,676	91.20
Capital increased reserved for employees	15,092	100,000	150.92
After the issue of the new shares resulting from the capital increase reserved for employees	9,121,750	99,956,676	91.26
Capital increased related to securities giving access to the share capital (Stock-options, Performance Shares, ORA and ORNANE)*	4,257	71,891	59.23
After dilution effects	9,126,007	100,028,567	91.23

* These calculations do not include the net share-settled bonds convertible into new and/or exchangeable for existing shares issued in September 2014 and April 2015 and the stock-options, that are not in the money nor exercisable as at December 31, 2017.

III. The theoretical impact of the capital increase on the stock market value of the shares

The theoretical impact of the capital increase on the stock market value of Unibail-Rodamco shares based on their value on the preceding twenty trading days

	Non-diluted basis	Diluted basis*
Theoretical price before the issue of the shares resulting from the capital increase reserved for employees	€188.65	€188.59
Theoretical price after the issue of the shares resulting from the capital increase reserved for employees	€188.61	€188.55

* These calculations do not include the net share-settled bonds convertible into new and/or exchangeable for existing shares issued in September 2014 and April 2015 and the stock-options that are not in the money nor exercisable as at December 31, 2017.



Astrid FANOSYAN
Member of the Management Board
Chief Resources Officer