

This is a translation into English of the statutory auditors' report on the financial statements of the company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Unibail-Rodamco SE

Year ended December 31, 2018

Statutory auditors' report on the financial statements of the parent company only

To the Annual General Meeting of Unibail-Rodamco SE,

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying financial statements of Unibail-Rodamco SE for the year ended December 31, 2018.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the company as at December 31, 2018 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the audit committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the "Statutory Auditors' Responsibilities for the Audit of the Financial Statements" section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from January 1, 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 or in the French Code of ethics (code de déontologie) for statutory auditors.

Emphasis of Matter

We draw your attention to the change of accounting method decided by your company, following the application of ANC regulation n°2018-01, concerning transfer duties, commissions and fees related to acquisitions of tangible, intangible and financial assets set out in Note 1.2 "Change in accounting policy and Basis of measurement" to the financial statements.

Our opinion is not modified in respect of this matter.

Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgement, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Impairment test of investments in subsidiaries

Key Audit Matter

As at December 31, 2018, Unibail-Rodamco SE held €17.7 Bn of investments in subsidiaries.

Following the Westfield acquisition, which took place in June 2018, Unibail-Rodamco SE holds 100% of UR TH BV for a gross amount of €4.1 Bn, Westfield Corporation Limited (WCL) for €2.9 Bn and 40% of WFD Unibail-Rodamco N.V. (a Dutch holding company, which consolidates the US assets) for €1.0 Bn.

Investments in subsidiaries are generally property holding companies and intermediate holding companies, which in turn mostly participate directly or indirectly in companies holding property portfolios.

As described in note 1.2.3. to the financial statements, an impairment is booked when the value in use of an investment in subsidiaries is lower than its net book value.

The value in use of the investments in subsidiaries is highly dependent on the fair value of its underlying property, which is determined based on appraisals prepared by independent appraisers. It therefore requires the use of judgement and estimates from the management. The appraisals take into account property specific information as well as prevailing market yields and market transactions.

Regarding the shares of the subsidiaries holding the Westfield assets, management applied a discounted cash flow methodology to determine the value in use of such investments. This valuation requires from management estimates and assumptions. Significant estimates and assumptions relate to future cash flows, weighted average cost of capital (WACC) and long-term growth rate (LTGR).

The impairment test of the investment in subsidiaries is therefore a key audit matter as the value in use estimate prepared by management includes a variety of internal and external factors, which represent significant estimates that require the use of valuation models and a significant level of management judgment, particularly regarding revenue projections, WACC and LTGR.

Our response

We evaluated the company's controls over the process implemented to determine the value in use of investments in subsidiaries.

We verified the accuracy of the calculation of the value in use, which takes into account percentage of ownership, shareholders' net equity and unrealized capital gains on investment properties and other assets.

As to the unrealized capital gains related to investment properties, we verified the fair values of the underlying assets with the appraisers' reports. Our procedures on the fair values of the underlying assets consisted mainly of:

- meeting the independent external appraisers with our real estate valuation specialists ;

- assessing the reasonableness of data and operational assumptions ;
- benchmarking the market assumptions (yields, market rent...) with relevant market evidence.

With respect to the shares of the subsidiaries holding the Westfield assets, we assessed - with the involvement of our own valuation specialists - the value in use based on the discounted cash flow of the cash generating units in the US and the UK prepared by the management. For this purpose, we initially obtained an understanding of the forecast process through discussions with representatives of the company and then assessed the appropriateness of significant assumptions for the projected cash flows.

We considered management's key assumptions used for cash flow projections, weighted average cost of capital and long-term growth rates.

Additionally, we considered the appropriateness of the disclosures in the financial statements in respect of investments in subsidiaries.

Accounting for financial debt and derivatives

Key Audit Matter

As at December 31, 2018, Unibail-Rodamco SE has borrowings and financial liabilities of €18.4 Bn described in note 15 "Borrowings and financial liabilities" to the financial statements.

Unibail-Rodamco SE uses derivatives, mainly interest rate swaps and caps and cross-currency swaps, to hedge its exposure to movements in interest and currency exchange rates. This portfolio of derivatives is described in note 28.1 "Financial instruments" to the financial statements.

The company's gearing, liquidity, covenant obligations and financing cost profile result from this portfolio of financial debt and derivatives.

During the year, Unibail-Rodamco SE restructured its portfolio of derivatives as described in note 2.1. to the financial statements "Significant events of the year".

Accounting for financial debt and derivatives is considered as a key audit matter due to the significance of the balances to the financial statements as a whole and due to the fact that the accounting of derivatives is complex. Please refer to notes 6, 16 and 24 to the financial statements.

Our response

We obtained and analysed loan contracts on a sample basis to understand the terms and conditions and checked that those characteristics are correctly reflected in the financial statements and we also performed analytical procedures on the financial expenses.

The carrying value of debt was agreed to third party confirmations on a sample basis.

We confirmed a selection of derivatives directly with counterparties and performed procedures to ensure completeness of their disclosures in the off-balance sheet items.

We assessed the hedging position of Unibail-Rodamco SE and analyzed that derivatives were appropriately classified (hedging vs trading). In particular, the audit team, including our specialists, examined the restructuring operations conducted on the derivatives portfolio and assessed the compliance of accounting treatments applied.

Additionally, we considered the appropriateness of the disclosures in the financial statements in respect of financial debt and derivatives.

Specific verifications

We also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents provided to the shareholders with respect to the financial position and the financial statements

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the management board and in the other documents provided to the shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D.441-4 of the French Commercial Code.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code relating to remunerations and benefits received by the members of the management board and of the supervisory board and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a public purchase or exchange offer, provided pursuant to Article L. 225-37-5 of the French Commercial Code, we have verified their compliance with the source documents communicated to us. Based on our work, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on other legal and regulatory requirements

Appointment of the statutory auditors

We were appointed as statutory auditors of Unibail-Rodamco SE by the Annual General Meeting held on April 27, 2011 for Deloitte & Associés and on May 13, 1975 for ERNST & YOUNG Audit.

As at December 31, 2018, Deloitte & Associés was in its 14th consecutive year of mandate given the acquisitions or mergers with firms that have previously taken place, and ERNST & YOUNG Audit in its 44th consecutive year of mandate.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the company or to cease operations.

The audit committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the management board.

Statutory auditors' responsibilities for the audit of the financial statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code, our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgement throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements.
- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation

Report to the audit committee

We submit a report to the audit committee, which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the audit committee includes the risks of material misstatement that, in our professional judgement, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the audit committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code and in the French Code of Ethics (code de déontologie) for statutory auditors. Where appropriate, we discuss with the audit committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, March 26, 2019

The Statutory Auditors

French original signed by

Deloitte & Associés

ERNST & YOUNG Audit

Pascal Colin

Jean-Yves Jégourel