

Unibail-Rodamco enters into a partnership to develop a major presence in Germany

Unibail-Rodamco announces that it has signed an agreement with Perella Weinberg Real Estate Fund I (PWREF) to acquire a 51% stake in the holding company owning 90.4% of "mfi AG", Germany's second largest shopping centre operator, investor and developer. In addition, the Group has agreed to acquire from PWREF 50% of Ruhr-Park, one of the largest shopping centres in Germany.

The transaction

The total value of underlying real estate assets within the scope of the transaction amounts to €1.5 Bn, to which should be added an estimated development pipeline of €530 Mn. It encompasses 10 standing and future shopping centres, representing 608,291 m².

The total purchase price paid by Unibail-Rodamco for its equity participation in the transaction amounts to €383 Mn to be paid in 2 installments: €316 Mn upon closing and €67 Mn as of June 30, 2014¹.

The transaction includes:

- The acquisition of a 51% stake in the holding company, which holds 90.4% of "mfi AG", for €297 Mn. The total enterprise value of "mfi AG" amounts to €1.1 Bn, corresponding to a NIY² of 5.5% and an average price/m² of €4,636/m² for the 5 standing assets³;
- The acquisition of a 50% stake in the Ruhr-Park shopping centre, for €86 Mn, representing a 100% asset value of €380 Mn. This reflects a NIY² of 4.8% and an average price/m² of €3,435/m².

The agreement signed with PWREF provides:

- A put option for PWREF on all of its 49% stake from July 1, 2014 until March 31, 2017 at a fixed price of €288 Mn;
- A right of first offer for both shareholders;
- A carried-interest for Unibail-Rodamco at PWREF exit, depending upon value creation over the period.

Unibail-Rodamco and PWREF also agreed to work in partnership for future investments in Germany with the ambition to create a major player in the shopping centre segment:

- Future shopping centre developments to be exclusively performed by jointly controlled "mfi AG";
- "mfi AG" to act as exclusive property manager for future standing assets acquired;
- Future acquisitions of standing shopping centres or development projects to be done by "mfi AG" or directly by Unibail-Rodamco and PW Real Estate funds.

Unibail-Rodamco and PWREF will have joint control⁴ of "mfi AG". Unibail-Rodamco will have the option to gain full control of "mfi AG" between June 30, 2014 and January 1, 2015 through change in governance.

Why Germany ?

Germany has the highest GDP in the Eurozone with a 60 bps per annum growth overperformance since 2005. The German economy benefits from strong fundamentals with low household indebtedness, low unemployment and expected wage growth which are expected to drive consumption growth.

The German market is one of the most sought after markets for retailers and offers one of the lowest shopping centre density in Europe with 130 m² GLA per 1,000 inhabitants compared to 249 m² GLA⁵ per 1,000 inhabitants on average in Europe.

¹ €67 Mn corresponding to the net present value of the € 70 Mn deferred payment to be paid in June 2014

² Annualised contracted rent (including latest indexation) net of expenses, divided by the value of the standing portfolio/assets

³ Includes Paunsdorf (Leipzig), Gropius Passagen (Berlin), Pasing Arcaden (Munich) including Phase 2, Gera Arcaden (Gera) and Hofe am Brühl (Leipzig, to be delivered in September 2012)

⁴ After a 5-month transitory period

About mfi AG and Ruhr-Park

Founded in 1987 and based in Essen, "mfi AG" is a fully integrated operator, investor and developer employing 586 persons. Its portfolio consists of 5 major standing shopping centres, located in key German cities, in addition to 4 development projects. "mfi AG" also provides management, leasing and development services to third party clients for a portfolio of 20 German shopping centres⁵. It owns 351,785 m² of standing assets, has 145,877 m² of future development projects and manages 721,150 m² for third parties⁵. "mfi AG" is a fast growing company with a 14% per annum increase in surfaces owned or managed between 2006 and 2012.

Ruhr-Park is one of the largest shopping centre in Germany⁷ with 110,629 m² and is centrally located in the largest and among the most densely populated area of Germany. This supra regional shopping centre is already managed by "mfi AG". Unibail-Rodamco and PWREF will have joint control⁴ of Ruhr-Park.

In total, the transaction involves 1.3 Mn m². The portfolio includes 2 of the 5 largest shopping centres in Germany, with 7 standing assets or development projects out of 10 being over 40,000 m². 4 out of the 6 standing assets attract between 8 and 14 Mn visits per year.

The transactions are expected to close during the third quarter of 2012, subject to confirmatory due-diligence and customary closing conditions. The "mfi AG" and Ruhr-Park acquisitions are expected to be immediately accretive to the Group's recurring net earnings per share. They will be initially consolidated under the equity method. Unibail-Rodamco will finance the acquisitions from existing bank facilities.

Guillaume Poitrinal, Chairman of the Management Board and CEO of Unibail-Rodamco, said: *"This transaction represents an exceptional opportunity to penetrate one of the largest and most attractive property markets in Europe. The synergies between "mfi AG"'s growing German portfolio and great management skills and Unibail-Rodamco's know-how and international presence should deliver outstanding returns."*

Portfolio

Asset	City	Total GLA (m ²)	Units	Footfall (in Mn)	Expected opening
<u>Standing assets owned</u>					
Paunsdorf	Leipzig	112,757	110	12	
Ruhr-Park Bochum	Bochum	110,629	170	12	
Gropius Passagen	Berlin	93,228	180	14	
Pasing Arcaden 1 & 2 (extension delivered in H1-2013)	Munich	51,532	140	8	
Gera Arcaden	Gera	38,900	92	n/a	
Hofe am Brühl	Leipzig	55,368	130		Sept. 2012
Total standing assets owned		462,414	822		
<u>Assets under development</u>					
Mönchengladbach Arcaden	Mönchengladbach	44,829	110		H2 -2014
Recklinghausen Arcaden (under construction)	Recklinghausen	42,516	130		H1-2014
Osnabrück Arcaden	Osnabrück	30,769	76		H2-2016
Löhertor Arcaden	Fulda	27,763	90		H1-2015
Total assets under development		145,877	406		
Total owned and under-development assets		608,291	1,228		
<u>Assets managed for third parties</u>					
Total 20 third-party managed assets		721,150	1,567		
Total assets		1,329,441	2,795		

⁵ Source: CBRE Global investors – European Shopping Centre View 2011

⁶ Excluding Ruhr-Park

⁷ Source: Shopping Center Report 2011, Institut für Gewerbezentren

A conference call will take place at 6:00 pm on June 14, 2012. The dial-in for the conference call is as follows: +33 1 70 77 09 36

A presentation with further details about this acquisition will be found on the Group's website www.unibail-rodamco.com prior to the conference call.

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About Unibail-Rodamco

Created in 1968, Unibail-Rodamco SE is Europe's leading listed commercial property company, with a presence in 12 EU countries, and a portfolio of assets valued at €25.9 billion on December 31, 2011. As an integrated investor, developer and operator, the Group aims to cover the whole of the real estate value creation chain. With the support of its 1,500 professionals, Unibail-Rodamco applies those skills to highly specialised market segments such as the large shopping centres of major European capital cities, and large offices and convention & exhibition centres in the Paris region.

The Group distinguishes itself through its focus on the highest architectural, city planning and environmental standards. Its long term approach and sustainable vision focuses on the development or redevelopment of outstanding places to shop, work and relax. Its commitment to environmental, economic and social sustainability has been recognised by inclusion in the DJSI (World and Europe), FTSE4Good and STOXX Global ESG Leaders indexes.

The Group is a member of the CAC40, AEX and EuroStoxx 50 indexes. It benefits from an A rating from Standard & Poor's and Fitch Ratings.

For more information, please visit our website: www.unibail-rodamco.com