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France's Unibail-Rodamco valued at \$72B following Westfield acquisition

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Westfield Century City. Image courtesy of Westfield

By STAFF REPORTS

Australian shopping mall owner Westfield has been purchased by French property group Unibail-Rodamco for \$24.7 billion.

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Westfield was established by Sir Frank Lowy AC, an Australian businessman, in the 1960s with his business partner John Saunders. Westfield counts shopping centers in the United States, United Kingdom, Australia and New Zealand and is developing a retail destination in Milan.

"The transaction announced today is the culmination of the strategy journey Westfield has been on since its 2014 restructure," said Sir Frank, chairman of the Westfield board of directors, in a statement.

"We see this transaction as highly compelling for Westfield's securityholders and Unibail-Rodamco's shareholders alike," he said. "Unibail-Roadamco's track record makes it the natural home for the legacy of Westfield's brand and business.

"We look forward to seeing Westfield continue to grow as part of the world's premier owner of flagship shopping destinations."

Growing malls

In 2014, Westfield was divided into a U.S. and European group, which runs under the same name, and a division dedicated to Australia and New Zealand called Scentre Group, listed on the Australian Stock Exchange.

Despite owning 35 shopping malls valued at \$24 billion in the U.S. and U.K., including New York's Westfield World Trade Center ([see story](#)), Westfield has felt the pressures of Amazon and ecommerce.

On Dec. 12, it was announced that France's Unibail-Rodamco would purchase Westfield for \$24.7 billion. With the addition of Westfield, Unibail-Rodamco now has a shopping mall portfolio of 104 properties valued at \$72 billion.

As of June 2017, Unibail-Rodamco, Europe's real estate developer, operates 71 shopping centers across Europe as well as Parisian office buildings and convention centers.

In total, Unibail-Rodamco's portfolio is valued at \$49.8 billion.



Rendering of Westfield World Trade Center's interior

Under the agreement to buy Westfield, Unibail-Rodamco will pay shareholders about \$7.55 per security in a mix of cash and shares. The share price is an 18 percent increase to Monday's closing price.

"We are delighted to announce this transaction today," said Christophe Cuvillier, chairman of the management board and CEO of Unibail-Rodamco, in a statement. "All of us at Unibail-Rodamco have immense respect for what the Lowy family and the Westfield team have accomplished with the Westfield brand and the company's iconic collection of world-class shopping destinations.

"The acquisition of Westfield is a natural extension of Unibail-Rodamco's strategy of concentration, differentiation and innovation," he said. "It adds a number of new attractive retail markets in London and the wealthiest catchment areas in the United States. It provides a unique platform of superior quality shopping destinations supported by experienced professionals for both Unibail-Rodamco and Westfield.

"We believe that this transaction represents a compelling opportunity for both companies to realize benefits not available to each company on a standalone basis, and creates a strong and attractive platform for future growth," Mr. Cuvillier said. "We look forward to welcoming Westfield's securityholders as shareholders in the new group and continuing to create significant value for our existing and new shareholders."

Going forward Sir Frank and his family will own a 2.5 percent stake in Unibail-Rodamco and will retain its substantial shareholding. The family's 2.5 percent investment into Unibail-Rodamco is worth about \$1 billion.

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