# 9 months revenues at 793.2 M€
# Q3 Shopping center rents up by 4.4%

Paris – October 22nd, 2012

- **9 months total rents at 729.4 million euros are up by 3.2% on a current portfolio basis (+2.0% like-for-like)**
- **9 months rental income from shopping centers continued to show solid performance with a 4.1% increase (+1.7% like-for-like)**
- **Further assets disposals with 648.8 million euros worth of asset sales completed or under sale and purchase promissory agreements year-to-date**
- **Successful issuance of a 500 million euros 7-year bond at attractive terms, extending the Group's debt maturity profile**
- **Klépierre on track to meet its 2012 targets**

## 9 MONTHS CONSOLIDATED RENTS: +3.2%

- Klépierre's consolidated rents reached 243.4 million euros for Q3 2012, up by 3.1% on a current portfolio basis, which brings consolidated rents to 729.4 million euros for the 9 months ending September 30th, 2012, an increase of 3.2%. Like-for-like, changes are +1.7 and 2.0%, respectively.

  - Q3 rents for the **Shopping center segment** (93.4% of consolidated rents) reached 227.9 million euros (+4.4%) bringing 9 months rents to 681.2 million euros, an increase of 4.1% on a current portfolio basis. This solid performance reflects, among other items, the addition of new spaces, which include:
    - The Roques-sur-Garonne regional shopping mall, acquired in November 2011, located in Toulouse, a powerful urban area in France.
    - A retail park located in Montebello (Lombardy, Italy) acquired in 2011 and located in the immediate vicinity of a shopping mall owned by Klépierre.
    - Two shopping malls opened for business in April 2011: Le Millénaire, a 56 000 sq.m. facility located just outside Paris, and Aqua Portimão, in Algarve, a popular tourist destination in Portugal.
    - St.Lazare Paris, the new Saint-Lazare train station retail space opened in late March 2012, in the heart of the French capital.

      On the other hand, rents were impacted by several asset disposals completed in 2011 and 2012.

    On a like-for-like basis, rents rose by 1.7% for the 9 months. This increase is driven by France, Belgium, Scandinavia, Italy and Czech Republic representing altogether 82.9% of shopping center segment rents, whilst other countries such as Spain, Portugal, Hungary and Poland posted negative figures with an overall macroeconomic situation hiding good performances in selected shopping centers. 3rd quarter rents posted an increase of 1.9% on a like-for-like basis, reflecting a similar trend as for the first six months of the year (+1.6%).

  - 9 months rents provided by the **Retail property segment** (4.5% of consolidated rents) were up 3.3% on a current portfolio basis and reached 33.0 million euros. On a like-for-like basis, 9 months rents were up 1.7%, reflecting significant index-linked adjustments. The 3rd quarter rents were impacted by lower variable rents.

  - 9 months rents from the **Office property segment** (2.1% of consolidated rents) came to 15.3 million euros. The decline in rents as compared to last year reflects the disposal of several offices completed in 2011 and 2012 (including the Séreinis building in July 2012), and the renovation of the Equilis building (Issy-les-Moulineaux) since October 2011, re-let to Safran effective September 1st 2012. This building is under a sale and purchase promissory agreement since October 19th, 2012.

    On a like-for-like basis, 9 months rents were up 14.9% as compared to the same period last year.

- Fee income stand at 63.7 million euros for the 9 months (+5.5%).

Overall, Q3 revenues came to 263.6 million euros, an increase of 2.7% and reached 793.2 million euros for the first nine months of 2012, up by 3.4% year-on-year on a current basis.

## RETAIL TENANTS' SALES UP

Sales for retail tenants in Klépierre shopping centers are up 1.3% over the first nine months of 2012 compared to the first nine months of 2011. On a constant basis (ie. excluding new spaces: extensions or new centers) sales are virtually flat (+0.1%). The overall trend remained similar as during the previous quarters of 2012 with regions delivering mixed performances: on a current portfolio basis, sales in France-Belgium, Scandinavia and Central Europe posting increases above 2.5% which more than compensate declining sales in Iberia (7.7% of consolidated rents). In Italy, Q" sales are up by 1.9%, limiting the slowdown in sales over the first nine months of the year to 1.4% (for the first six months of 2012 sales were down by 3.1%).

St.Lazare Paris, which has been opened for six months at the end of the quarter, continues to be a commercial success for retailers located in the retail space. Most of them posted higher than expected revenues and their space at St.Lazare often ranks amongst their top performers in France.

## ACTIVE SHOPPING CENTER MANAGEMENT

Klépierre signed 501 new leases this quarter which brings the total number of leases signed for the first nine months of 2012 to 1,687 representing 5.2 million euros in additional annual rents. Both relets and renewed leases show high levels of reversion, especially in France (+17.4%).

Klépierre's leasing activity was particularly strong with international retailers pursuing their expansion across Europe. During the 3rd quarter of 2012, two Klépierre French shopping centers welcomed Kiko and Sephora opened its first store in a Danish shopping center at Field's (Copenhagen). The latter will also be part of the retailers of the new Emporia shopping center. After Hema, Apple inaugurated its Val d'Europe (Greater Paris Area) store in October 13, 2012. The Group also signed a lease with Primark which will welcome its first clients at Meridiano in Tenerife in early 2014.

Financial occupancy remains high (96.6%) and late payment rate is maintained at a low level (1.9%).

## ASSET DISPOSAL PROGRAM CONTINUES TO RUN AHEAD OF SCHEDULE

Year-to-date, 648.8 million euros of disposals have been completed or are under sale and purchase promissory agreements – c. 65% of the disposals value is related to shopping centers located in France and 35% to Parisian office buildings. These sales were completed for prices in line or above with the latest appraised values, including the sales agreed in the 3rd quarter of 2012.

Other assets in the portfolio are currently the subject of due diligence processes.

Overall, the Group is ahead of schedule with more than a half of its 1 billion euros 2012-2013 disposals target already completed or under sale and purchase promissory agreement.

## DEVELOPMENTS – 148 M€ INVESTED IN Q3, ESSENTIALLY IN FRANCE AND SCANDINAVIA

During the 3rd quarter of 2012, Klépierre invested 148.2 million euros which brings total investments for the first nine months of 2012 to 354.9 million euros. Most of the investments are related to development projects located in France and Scandinavia, such as:

- The Emporia shopping center, which will greet its first customers in a few days (October 25th) in a new urban center in southern Malmö (Sweden) and is 91% pre-let. With its unique location, Emporia will soon be one of the leading shopping centers in Scandinavia. Total floor area reaches 93 000 sq.m. It provides a good mix of brands previously not available to customers in South of Sweden such as Hollister (the first Malmö location), Hamleys (the first location in Sweden for the London-based toy retailer), a number of Scandinavia's leading retailers such as H&M, Lindex, KappAhl, Cubus, Gina Tricot and new local concepts.

- Extensions-renovations projects in France: Claye-Souilly, in the Greater Paris Area (to open in November 2012), Bègles Rives d'Arçins (Bordeaux), Jaude (Clermont-Ferrand).

- Vinterbro: An extension-renovation project underway in Norway.

## FURTHER OPTIMISATION OF THE DEBT FINANCING MIX

During the 3rd quarter Klépierre continued to work on optimizing its financial structure and ensuring an adequate level of liquidity. In September, favorable debt market conditions provided the Group with an opportunity to raise a 7-year 500 million euro bond with a 2.75% coupon.

Year-to-date, Klépierre raised close to 1 billion euros in the euro debt capital markets, which enabled to extend its debt maturity and further diversify its financing resources with 50.5% of the Group's consolidated debt sourced from capital markets as at September 30th 2012.
Consolidated net debt totals 7,592 million euros, stable as compared to end of June 2012 (minus 60 million euros when excluding currency impact related to Scandinavian currencies). This amount does not include 276.8 million euros of sale proceeds from assets under promissory agreement.
For the 3rd quarter of 2012, the cost of outstanding debt is reduced to 3.9% due to a fall in market rates and attractive refinancing levels. At the end of the 3rd quarter, the level of liquidity (available lines and net cash) totals 1.8 billion euros.

## ON TRACK TO DELIVER ON 2012 TARGETS

Despite a challenging economic environment this quarter, Klépierre's revenues demonstrated their resilience, and the Group continued to take market opportunities to enhance its financial flexibility. Klépierre is confident on delivering its 2012 targets:

- Rents expected to grow by 3 to 4% on a current portfolio basis and by 2% to 2.5% on a constant portfolio basis year-on-year;
- Net current cash-flow per share expected to improve slightly (excluding the rise in the number of shares following the 2012 scrip dividend).

**Laurent Morel, Chairman of the Klépierre Executive Board, noted:** *"In a challenging environment, Klépierre delivered robust revenues in its core markets. Such performance reflects our constant efforts to develop, manage and promote retail platforms to attract prominent global brands and retailers. Six months after its opening, the continuous success of St.Lazare Paris shows that we have been able to help developing new ways of shopping for time-constrained travelers and commuters. Illustrating our capacity to build new assets, we are just about to inaugurate Emporia, a premium shopping center in Malmö, Sweden, combining a unique location with a very powerful and attractive retail mix."*

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**REVENUES HIGHLIGHTS FOR THE PERIOD ENDED SEPTEMBER 30, 2012 (TOTAL SHARE)**

| | Current portfolio basis | | | |
|---|---|---|---|---|
| M€, total share | 9 months 2012 | 9 months 2011 | Change | Change like-for-like [1] |
| Shopping centers | 681,2 | 654,4 | +4,1% | +1,7% |
| Retail | 33,0 | 32,0 | +3,3% | +1,7% |
| Offices | 15,3 | 20,7 | -26,3% | +14,9% |
| TOTAL RENTS | 729,4 | 707,0 | +3,2% | +2,0% |
| FEES | 63,7 | 60,4 | +5,5% | |
| TOTAL REVENUES | 793,2 | 767,4 | +3,4% | |

| | Current portfolio basis | | | |
|---|---|---|---|---|
| M€, total share | Q3 2012 | Q3 2011 | Change | Change like-for-like [1] |
| Shopping centers | 227,9 | 218,3 | +4,4% | +1,9% |
| Retail | 11,1 | 10,8 | +2,4% | +0,8% |
| Offices | 4,3 | 6,9 | -37,0% | -7,1% |
| TOTAL RENTS | 243,4 | 236,0 | +3,1% | +1,7% |
| FEES | 20,2 | 20,7 | -2,4% | |
| TOTAL REVENUES | 263,6 | 256,8 | +2,7% | |

[1] Excluding new spaces (new centers and extensions) opened since January 1st 2011, disposals completed since January 1st 2011 and currency impact.

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|---|---|---|
| **AGENDA** | ***01/31/2013*** | ***2012 Annual earnings*** *(press release after market close)* |
| | ***04/11/2013*** | ***2012 General meeting of shareholders*** |


| **KLÉPIERRE** | **DDB FINANCIAL** |
|---|---|
| Vanessa FRICANO / vanessa.fricano@klepierre.com<br>Tel: + 33 1 40 67 52 24<br>Julien ROUCH / julien.rouch@klepierre.com<br>Tel: + 33 1 40 67 53 08 | Isabelle LAURENT (Media) / isabelle.laurent@ddbfinancial.fr<br>Tel: +33 1 53 32 61 51 |


***About Klépierre***

*A player of the first rank in retail real estate in Europe, Klépierre combines development, rental, property and asset management skills. Its portfolio is valued at 16.4 billion euros on June 30, 2012 and comprises* ***265 shopping centers in 13 countries of Continental Europe*** *(92.9%), retail properties via its listed subsidiary Klémurs (3.8%) and offices buildings in Paris (3.2%). Klépierre holds a controlling stake in* ***Steen & Strøm*** *(56.1%), Scandinavia's number one shopping center owner and manager.*
*Klépierre's largest shareholder is the Simon Property Group (28.9%), world leader in the shopping center industry, along with BNP Paribas (22.5%), the number one bank in the Euro zone.*
*Klépierre is a French REIT (SIIC) listed on Euronext Paris™ and is included into the SBF 80, EPRA Euro Zone and GPR 250 indexes. Klépierre is also included in several ethical indexes - DJSI World, FTSE4Good, ASPI Euro Zone – and is a member of both Ethibel Excellence and Ethibel Pioneer investment registers. This distinction marks the Group's commitment to a voluntary sustainable development policy.*

*For more information, visit our website: www.klepierre.com*