For immediate release

KLEPIERRE ANNOUNCES PROPOSED DISPOSAL OF A €2.0 BILLION PORTFOLIO OF RETAIL GALLERIES TO A CONSORTIUM LED BY CARREFOUR

Paris – December 16, 2013

- **Acceleration of Klépierre's portfolio reshaping**
- **Significant deleveraging enhances Klépierre's financial position and paving the way for future growth**

Klépierre today announces it has signed a memorandum of understanding for the proposed disposal of a portfolio of 127 Carrefour-anchored retail galleries to a consortium led by Carrefour and capitalized by institutional investors for €2.01 billion[1].

The portfolio that would be sold to this consortium consists of small to medium-sized retail galleries initially acquired from Carrefour. It includes 57 assets in France (70% of the total transaction value), 63 assets in Spain (19% of total value) and 7 assets in Italy (11% of total value) representing a total area of approximately 476,000 sq.m.

Total consideration for the transaction is expected to be €2.01 billion[1] (€1.67 billion group share). This price is in line with appraised values as of June 30, 2013 in France and Italy and reflects a discount in Spain.

Klépierre would not retain the asset and property management contracts for this portfolio.

[1] Total share, including transfer duties

The proposed transaction would not be subject to equity or debt financing conditions. Klépierre and Carrefour will inform and consult with their respective employee representatives organizations prior to finalizing the deal and expect to sign a binding agreement as soon as the opinion of their respective work councils is obtained. The transaction is subject to approval by antitrust authorities in France and in Spain and to a waiver of municipal pre-emption rights in France.

The proposed transaction is expected to close in the second quarter of 2014.

Laurent Morel, Chairman of Klépierre's Executive Board, commented: **"*Once finalized, the proposed transaction would represent a significant milestone in the strategic realignment of Klépierre as a leading retail property pure player, operating one of the most effective and best performing shopping center platforms across Europe. The reshaping of our portfolio resulting from the planned disposal of these galleries would accelerate our ambition to address the challenges of the evolving retail environment more effectively. This will also allow us to better leverage our retail asset management expertise. Lastly, the proposed transaction, which would have a minimal impact on net current cash-flow, would release significant financial capacity to fund future growth through the development of our quality pipeline and selective opportunistic acquisitions.*"**

Accelerating Klépierre's strategic portfolio reshaping

The transaction would effectively and significantly rebalance Klépierre's shopping centers portfolio in favor of Klépierre's key strategic regions.

- In France, 94%[2] of the post-transaction portfolio would be located in Klépierre's identified core regions (Ile de France, Toulouse-Montpellier, Lyon and Bordeaux).
- In Italy, Klépierre would strengthen its focus on Northern Italy (Lombardy, Emilia-Romagna) and Rome (Latium), which together would then account for approximately 85%[2] of the Italian segment of the portfolio.
- In Spain, two regional malls, located in Madrid (La Gavia) and Tenerife (Meridiano), would account for 80%[2] of the total value of Spanish shopping center assets.

As a result of the transaction, Klépierre would be operating a more cohesive shopping centers portfolio of 129 assets (compared with 256 currently). This in turn would allow Klépierre to intensify its focus on the assets where its expertise is best leveraged and those that offer the most suitable format for flagship retailers.

Significant deleveraging

The transaction is expected to result in net cash proceeds to Klépierre of €1.54 billion (group share). Initially, net proceeds would be applied to repay €1.3 billion of existing credit facilities falling due in 2014 and to fund the restructuring of its current hedging portfolio to optimize Klépierre's financing costs.

The transaction would significantly enhance Klépierre's credit profile, reducing of the Group's LTV below 40%, its cost of debt to below 3.2%, and would bring its ICR to above 3.5x[3], and lengthen its debt maturity to 5.5 years. Proforma, Klépierre's credit would be positioned among the strongest for property companies globally.

[2] Based on Proforma portfolio value, total share, excluding transfer duties
[3] ICR ("Interest Coverage Ratio") after debt repayment and hedging management optimization.

Paving the way for future growth

The transaction would also enable Klépierre to allocate more capital to its €2.3 billion development pipeline of projects concentrated in dynamic and growing regions across Europe, mostly in France and Scandinavia. The Group would also be in a position to seize potential selective acquisition opportunities, such as the acquisition of Icade's 50% stake in the Odysseum shopping center in Montpellier announced earlier in December.

Klépierre expects that the loss of an estimated annual net rental income of €102[4] million on a group share basis would be mostly offset by interest savings from deleveraging and restructuring the hedging portfolio. As a result, Klépierre expects its net current cash flow not to be below €2.0[5] per share for 2014, assuming this transaction is completed as planned.

The transaction would have a limited impact on NAV of minus €0.7[5] per share. Klépierre does not expect to change its dividend policy as a result of the proposed transaction.

Klépierre is advised by Morgan Stanley & Co. International plc, which is acting as exclusive financial advisor as well as White & Case LLP and Bredin Prat & Associés, which are acting as legal advisors in connection with the matters described in this announcement.

[4] Based on 2013 full year estimated annual net rental income

[5] Calculated financial impacts are estimated on the basis of current markets conditions and assume that the transaction closes in the second quarter of 2014.

AGENDA

February 3, 2014 **2013 Full year results** (press release after market close)

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ABOUT KLEPIERRE

A leading shopping center property company in Europe, Klépierre combines development, rental, property and asset management skills.

Its portfolio is valued at 16.2 billion euros on June 30, 2013 and essentially comprises large shopping centers in 13 countries of Continental Europe. Klépierre holds a controlling stake in Steen & Strøm (56.1%), Scandinavia's number one shopping center owner and manager.

Klépierre's largest shareholders are Simon Property Group (28.9%), world leader in the shopping center industry, and BNP Paribas (21.9%).

Klépierre is a French REIT (SIIC) listed on Euronext ParisTM and is included into the SBF 80, EPRA Euro Zone and GPR 250 indexes. Klépierre is also included in several ethical indexes – DJSI World and Europe, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo France 20 and Eurozone 120 – and is a member of both Ethibel Excellence and Ethibel Pioneer investment registers. Klépierre is also ranked as a Green Star by GRESB (Global Real Estate Sustainability Benchmark). These distinctions mark the Group's commitment to a voluntary sustainable development policy.

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

Morgan Stanley is acting as exclusive financial advisor to Klépierre in connection with the matters described in this announcement, will not regard any other person (whether a recipient of this announcement or not) as a client in relation to the matters described in this announcement and will not be responsible to anyone other than Klépierre for providing the protections afforded to clients of Morgan Stanley nor for providing advice to any such other person. Without prejudice to liability for fraud, Morgan Stanley and its affiliates disclaim any liability to any such other person in connection with the matters described in this announcement.

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This press release is available on Klépierre's website: *www.klepierre.com*