



For immediate release

## 2015 FIRST QUARTER REVENUES

Paris – April 29, 2015

**Revenues for the first quarter of 2015 amounted to 320.1 million euros, up 63.8 million euros over the first quarter of 2014, a 25% increase that reflects intense asset rotation in 2014**

- Acquisition through a public exchange offer on Corio, of a 7.0 billion euro pure shopping center portfolio with strategic positions in the Netherlands, France, Italy, Germany, Spain and Turkey.
- Divestment of 2.4 billion euros worth of non-core assets.

**Fast execution on Corio acquisition, merger completed on March 31, 2015**

- New country heads and management reporting lines in place at the end of January, two weeks after acquisition. Klépierre reporting systems are being rolled out; an asset by asset operational review has been conducted and is in line with budget expectations.
- Financial synergies have started to materialize: further optimization of financial structure achieved through successful placement of an 8-year, 750 million euros bond issue with a low coupon (1.0%) combined with a buy-back of 208 million euros of a short maturity bond issued by Corio with a 4.625% coupon.
- At least 20 million euros worth of annual cost synergies in 2015 confirmed.

**Increased confidence in retail environment: robust sales and strong leasing activity**

- Retailer sales<sup>1</sup> up 3.7% on a like-for-like basis during the first quarter of 2015 compared to the same period last year.
- Most countries posted significant increases, with retailers located in Denmark, Iberia, Italy and Turkey in particular, performing above 6.0%.
- A differentiated and attractive retail platform: Primark, Zara, H&M, Mango, and Sportshopen are among the retailers that signed for new large flagship stores.

**Development strategy focused on prime retail assets in the highest growth cities of Continental Europe**

- Acquisition of Plenilunio, a 375 million euros investment with outstanding location in Madrid.
- Significant progress on extensions and developments to open within two years: Val d'Europe (Paris area), Field's (Copenhagen), Prado and Bourse (Marseille), Besançon.

**Full year guidance confirmed: net current cash flow per share of 2.10-2.15 euros, driving further distribution per share increase**

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<sup>1</sup> Retailer sales performance for Q1 2015 compared to Q1 2014 has been restated, i.e., assuming that the Corio acquisition and the disposal of the 126 retail galleries to Carmila occurred on January 1, 2014. Like-for-like excludes the impact of asset sales and acquisitions.

**Laurent Morel, Chairman of the Klépierre Executive Board, stated:** *“The gross rental performance posted in the first quarter of 2015 is very satisfactory. The strategic combination with Corio was completed last quarter, the integration process is moving forward steadily, and we are pleased to confirm that we are ahead of plan to reach the announced objective of 20 million euros of annual cost synergies in 2015. During the past quarter, we pursued our dynamic leasing strategy, with trendy newcomers signing to join our platform and top performing retailers opening new flagship stores, attesting to the growing attractiveness of our assets. We have a number of high quality development projects such as the ambitious renewal of Hoog Catharijne in Utrecht, the extension of Val d’Europe in the Paris area, the launch of the construction of Prado in Marseille. As attested to by the acquisition of Plenilunio in Madrid also, we are determined to move forward with our strategy focused on leading assets in order to offer retailers the best facilities and settings to drive growth.”*

## REVENUES

Gross rents total share amounted to 296.6 million euros for the first quarter of 2015, compared with 233.7 million euros for the same period last year. Shopping center gross rents amounted to 287.4 million euros and 221.9 million euros, respectively.

**Shopping center gross rents were up 30% in the first quarter of 2015 compared to last year, reflecting the acquisition of Corio and the disposal by Klépierre of shopping centers for 2.3 billion euros in 2014.**

Shopping center gross rents total share amounted to 287.4 million euros for the first quarter of 2015, an increase of 65.5 million euros over the same period last year. This increase primarily reflects the impact of the acquisition of Corio completed in the first quarter of 2015, adding 102.4 million euros of rents,<sup>2</sup> and the disposal by Klépierre of non-core shopping centers completed in 2014, translating into the loss of 39.3 million euros in shopping center revenues. It also reflects a gross rental increase on a like-for-like basis and the additional contribution of the developments recently delivered, partly offset by negative foreign exchange effects.

In France-Belgium, which together account for 35% of shopping center gross rents, revenues were unchanged compared to last year. The increase in rents due to the Corio acquisition was more than offset by the impact of disposals completed by Klépierre in France in 2014.<sup>3</sup> On a like-for-like basis<sup>4</sup>, thanks to active re-tenanting, performance was well above indexation, which is close to nil this year. In Belgium, the 8.2% increase posted in gross rents is the outcome of the broad renewal and re-tenanting campaign conducted last year at L’esplanade (Louvain-La Neuve).

In Italy - the second largest region for the Group (17%) – the increase in gross rents over the same period last year was due to the contribution of Corio’s Italian assets and, to a lesser extent, to additional revenues from the extension of Romagna Shopping Valley (Rimini). Like-for-like revenues from the Italian portfolio are trending positively, outperforming indexation.

In Scandinavia (15%), the decrease in gross rents to 43.4 million euros reflects 354 million euros worth of disposals in Sweden last year and a negative foreign exchange impact in Norway and Sweden (-1.9 million euros for the quarter). On a like-for-like basis, all Scandinavian countries posted a solid performance above indexation.

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<sup>2</sup> Gross rents contributed by Corio’s shopping centers are fully consolidated as of January 1, 2015.

<sup>3</sup> The disposal of French retail galleries to Carmila completed in April 2014 represented 19.7 million euros of gross rents (contribution Q1 2014).

<sup>4</sup> Like-for-like: excluding the impact of asset sales and acquisitions, extensions and the foreign exchange impact

The Netherlands and Germany, two new regions for Klépierre, represent respectively 9.4% and 4.8% of shopping centers gross rents. Rental contribution from shopping centers in these countries is unchanged overall.

In Iberia, the increase in rents due to the Corio acquisition did not fully offset the revenue loss following the disposals Klépierre completed in Spain<sup>5</sup> last year. The acquisition of the Plenilunio shopping center will further strengthen the portfolio. In this region, the leading shopping centers once again delivered solid like-for-like growth.

In Eastern Europe,<sup>6</sup> a region that includes Turkey - a new country of presence - all markets posted solid like-for-like growth in revenues in the first quarter as the positive orientation of the market supported active re-tenanting in Klépierre's leading malls.

### **Other rental income and fees unchanged**

With 4.0 million euros of other rental income and 19.5 million euros in fees, overall revenues for the first quarter of 2015 reached 320.1 million euros.

## **RETAILER SALES**

### **Retailer sales<sup>7,8</sup> in Klépierre shopping centers up 3.7% for the first three months of 2015**

On a like-for-like portfolio basis, and restated for the acquisition of Corio and the disposal of retail galleries to Carmila as of January 1, 2014, retailer sales in Klépierre shopping malls rose by 3.7% during the first quarter compared to the same period last year. Excluding extensions that opened in 2014 (Romagna Shopping Valley in Italy and Kristianstadt in Sweden), retailer sales were up 3.4%. All regions posted sustained growth in retailer sales, with Denmark, Italy, Iberia and Turkey recording strong sales growth above 6.0%. In a consumption environment that is improving overall across Klépierre's countries of presence, this performance also reflects active leasing and re-tenanting efforts combined with the ability to select the best performing retailers.

## **LEASING HIGHLIGHTS**

### **Leading and growing anchor retailers continue to choose Klépierre shopping malls to open flagship stores and deploy their latest concepts.**

In February, Zara opened one of its largest stores in Ile-de-France at the **Créteil Soleil** shopping center (Paris area); covering more than 3,240 sq.m. and combining its offer for women, men and children. In March, Primark signed for additional space: the store will be the largest in France, with close to 11,000 sq.m. GLA; additionally, this leading brand plans to move its French headquarters into this location. At **Val d'Europe** an agreement was signed with both H&M and Zara to extend their shops to 3,300 sq.m. and 2,900 sq.m., respectively, for the deployment of their latest extensive concepts. At **Le Millénaire**, Carrefour

<sup>5</sup> The disposal of Spanish retail galleries to Carmila completed in April 2014 represented 9.7 million euros of gross rents (contribution Q1 2014).

<sup>6</sup> This region includes Turkey, a new country of operation for the Group, which contributed 29% of gross rents for this region.

<sup>7</sup> Retailer sales performance for Q1 2015 compared to Q1 2014 has been restated, i.e., assuming that the Corio acquisition and the disposal of the 126 retail galleries to Carmila occurred on January 1, 2014.

<sup>8</sup> Retailer revenues in Klépierre shopping centers. Like-for-like excludes the impact of asset sales and acquisitions. Primark revenues in Créteil-Soleil based on Klépierre estimates. Retailer sales for Iberia "Corio perimeter" are for the first 2 months of 2015. Retailer sales from the Dutch portfolio are not included in these numbers as retailers do not report sales to Klépierre.

is currently extending its store by 3,000 sq.m. to 9,000 sq.m. and a lease with Neones - a fast-growing and innovative fitness chain in France – was signed for 1,300 sq.m. with opening scheduled for September 2015. In **Grand'Place** (Grenoble), Mango inaugurated one of its largest stores in France, covering more than 2,200 sq.m. The TV channel Gulli chose **Saint-Orens** (Toulouse area) to deploy its 4<sup>th</sup> Gulli Parc; the center will also welcome a 1,780 sq.m. Tati store by the end of the year.

At **Torp** (Sweden), Sportshopen, will open a 3,600 sq.m. flagship store in June. Sportshopen is a fast growing sport multi-brand retailer selling technical, design products for all sports enthusiasts from beginners to experts. At **Kupolen**, ICA will establish its new concept over 2,200 sq.m.

In Germany, following a complete restructuring of the basement level at **Boulevard Berlin**, Kaiser's will open a 2,100 sq.m. by September 2015. Kaiser's is one of Berlin's largest and most up-market supermarket chains, recognizable by its distinctive logo.

At **Meridiano** (Tenerife, Spain) which is a new Club Store®, H&M elected to open a new 2-level store of 2,100 sq.m. H&M also signed a new lease with Klépierre in Italy to open a new 2,900 sq.m store in **La Romanina** (Rome). In March, Lefties (Inditex Group) opened two new stores at **Aqua Portimão** (1,020 sq.m.) and at **Espaço Guimarães** (1,610 sq.m.). Footfall increased by close to 7% in both centers in the first month.

#### **Distinctive and trendy retailers are showing strong appetite for prime locations**

In Italy, new or renewed leases signed during the first quarter include Liu Jo in Lonato, Pandora in Vittuone, Wind - a leading telecom operator in Italy - at **Shopville Le Gru** (Torino) and **GrandEmilia** (Modena); Old Wild West – most successful steakhouse brand in Italy - at Shopville Le Gru and **Globo** (Milan), Conbipel and Napapijri (fashion) at GrandEmilia; Tiger (Danish retail concept) at **Campania** (Naples).

New lettings signed during the quarter vindicate **Nový Smichov** status as the preferred center for retailers to enter or expand in the Czech market: Kusmi Tea and Jeff de Bruges opened their first store in the country. The Beauty/Health offer of the center was strengthened with leases signed with Estée Lauder, Korres and The Body Shop. Leasing activity in **La Gavia** (Madrid) and **Meridiano** (Tenerife) are proving retail interest for major shopping centers in Spain: La Gavia welcomed two new distinctive shoe retailers (Sketchers and Elena Hernandez) and a renovated Douglas store which will be joined by Intimissimi (Calzedonia Group) and TimeRoad (jewelry). Kiko signed at Meridiano for its first store in the Canary Islands.

## **INVESTMENTS AND DEVELOPMENT PIPELINE**

The first quarter of 2015 was marked by the completion of the Corio acquisition, following an exchange offer that was launched in the fourth quarter of 2014: 93.6% of Corio shareholders tendered their shares during the public exchange offer closed on January 16, 2015. Klépierre and Corio merged on March 31, 2015.

On March 26, Klépierre completed the acquisition of 100% of **Plenilunio**, a leading 70,000 sq.m. shopping center located in the Madrid area. This acquisition complements Klépierre's existing retail platform in Spain and enhances its portfolio profile. Opened in 2006, Plenilunio welcomes 10.5 million visitors annually and is one of the major shopping centers in the region around Madrid, where Klépierre already owns two of the most prominent shopping malls: La Gavia (Southeast Madrid) and Principe Pio (Madrid center). Plenilunio is expected to contribute around 20 million euros of annualized gross rents as of April 1, 2015.

During the quarter, extension and refurbishment works for the committed projects in the pipeline progressed as scheduled. At **Field's** (Denmark), the works are expected to be completed by the end of June, with the opening of the cinemas and one restaurant planned for the summer of 2015. At **Val d'Europe** (Paris area), H&M signed a lease to expand its store and implement its latest concept in the 17,000 sq.m. extension scheme due to open at the beginning of 2017. **Besançon Pasteur** (France), the new downtown shopping center, is expected to open in the second half of 2015, as construction will be completed in July 2015. H&M, Monoprix, and Mango are among the retailers that will be opening stores in this new scheme. Lastly, in Marseille Klépierre has progressed on two development fronts: at **Centre Bourser**, the façade works are now completed and the center is being refurbished. Completion is expected in the last quarter of 2015. At **Prado**, the new scheme acquired in November 2014 and anchored by Galeries Lafayette, with which a lease has been signed for one third of the total leasable area, the work is progressing on schedule and preleasing has begun.

## DEBT POSITION AND FINANCING UPDATE

As of March 31, 2015, consolidated net debt stood at 9.4 billion euros,<sup>9</sup> an increase of 4.1 billion euros compared to year-end 2014. This change includes 3.5 billion euros from Corio, of which 0.3 billion euros are related to the marking to market of its debt on the acquisition date by Klépierre. In addition, the debt position includes the cash payment of a 179 million euros interim dividend and 412 million euros worth of investments in the first quarter.

On the financing front, Klépierre took advantage of favorable market conditions to continue optimizing its financial structure. On April 8, 2015, Klépierre placed an 8-year 750 million euros bond priced at a 65 bps margin above the swap rate, which translated into a coupon of 1.0%. The same day, a tender offer was launched on a 500 million euros bond issued by Corio N.V. maturing in January 2018 and offering a coupon of 4.625%. The nominal amount tendered stood at 208 million euros, which represented a take-up rate of 41.6%. These successful transactions are materializing some financial cost synergies resulting from the merger with Corio. As of April 22, 2015, following these transactions and the final dividend payment, the level of liquidity (available lines and net cash) stood at 2.0 billion euros. The average debt duration stands at 5.3 years.

## DIVIDEND

On April 14, 2015, Klépierre shareholders approved the payment of a cash dividend of 1.60 euro per share in respect of fiscal year 2014. In connection with the exchange offer on Corio, an interim dividend of 0.91 euro per share was paid on January 12, 2015, representing 179 million euros. The remaining 0.69 euro per share was paid out on April 21, 2015, corresponding to 215 million euros paid out to shareholders. In total, the dividend paid in respect to fiscal year 2014 amounts to 394 million euros and is 100% SIIC related.

## GUIDANCE CONFIRMED

Klépierre confirms that it expects the net current cash flow per share to be 2.10-2.15 euros for fiscal year 2015, without taking into account the straightlining of Corio's debt fair value adjustments (+0.15 to +0.20 euro per share).

Klépierre is confident that cash flow growth will support further distribution per share increase for fiscal year 2015.

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<sup>9</sup> After taking into account the cross currency swaps backing US Private Placements

## REVENUES FOR THE FIRST THREE MONTHS OF 2015

in million euros	TOTAL SHARE		GROUP SHARE	
	3 months 2015	3 months 2014	3 months 2015	3 months 2014
France	97.3	98.8	80.5	79.2
Belgium	4.1	3.7	4.1	3.7
<b>France-Belgium</b>	<b>101.4</b>	<b>102.6</b>	<b>84.6</b>	<b>83.0</b>
<b>Italy</b>	<b>49.2</b>	<b>28.1</b>	<b>48.3</b>	<b>25.5</b>
Norway	14.4	14.7	8.1	8.3
Sweden	17.1	22.5	9.6	12.6
Denmark	12.0	11.6	6.7	6.5
<b>Scandinavia</b>	<b>43.4</b>	<b>48.9</b>	<b>24.4</b>	<b>27.4</b>
<b>Netherlands</b>	<b>27.1</b>	<b>0.0</b>	<b>27.1</b>	<b>0.0</b>
Spain	17.3	18.0	16.7	15.7
Portugal	5.1	3.8	5.1	3.8
<b>Iberia</b>	<b>22.4</b>	<b>21.8</b>	<b>21.9</b>	<b>19.6</b>
<b>Germany</b>	<b>13.7</b>	<b>0.0</b>	<b>13.0</b>	<b>0.0</b>
Poland	8.9	8.5	8.9	8.5
Hungary	5.6	5.2	5.6	5.2
Czech Republic	6.0	5.7	6.0	5.7
Turkey	8.8	0.0	8.1	0.0
Others	0.8	1.0	0.8	0.9
<b>Eastern Europe</b>	<b>30.1</b>	<b>20.5</b>	<b>29.4</b>	<b>20.4</b>
 <b>Shopping centers</b>	 <b>287.4</b>	 <b>221.9</b>	 <b>248.6</b>	 <b>175.9</b>
Other activities	9.2	11.8	9.2	11.8
<b>TOTAL RENTS</b>	<b>296.6</b>	<b>233.7</b>	<b>257.9</b>	<b>187.7</b>
Other rental income	4.0	2.4	3.3	1.8
Fees	19.5	20.2	17.9	16.7
<b>TOTAL REVENUES</b>	<b>320.1</b>	<b>256.3</b>	<b>279.0</b>	<b>206.2</b>

## QUARTERLY CHANGE IN REVENUES (TOTAL SHARE)

in million euros (total share)	2015	2014			
	Q1	Q4	Q3	Q2	Q1
France	97.3	79.9	79.2	83.4	98.8
Belgium	4.1	4.2	3.7	3.8	3.7
<b>France-Belgium</b>	<b>101.4</b>	<b>84.1</b>	<b>82.8</b>	<b>87.2</b>	<b>102.6</b>
<b>Italy</b>	<b>49.2</b>	<b>24.6</b>	<b>23.6</b>	<b>24.0</b>	<b>28.1</b>
Norway	14.4	14.2	15.3	14.5	14.7
Sweden	17.1	16.5	15.5	21.8	22.5
Denmark	12.0	11.9	12.3	11.6	11.6
<b>Scandinavia</b>	<b>43.4</b>	<b>42.6</b>	<b>43.1</b>	<b>47.8</b>	<b>48.9</b>
<b>Netherlands</b>	<b>27.1</b>	-	-	-	-
Spain	17.3	7.8	8.5	10.4	18.0
Portugal	5.1	3.8	3.6	3.7	3.8
<b>Iberia</b>	<b>22.4</b>	<b>11.7</b>	<b>12.1</b>	<b>14.1</b>	<b>21.8</b>
<b>Germany</b>	<b>13.7</b>	-	-	-	-
Poland	8.9	9.1	8.5	8.7	8.5
Hungary	5.6	5.5	5.2	5.2	5.2
Czech Republic	6.0	5.8	5.7	5.9	5.7
Turkey	8.8	-	-	-	-
Others	0.8	0.7	0.9	1.0	1.0
<b>Eastern Europe</b>	<b>30.1</b>	<b>21.2</b>	<b>20.4</b>	<b>20.8</b>	<b>20.5</b>
<b>Total Shopping centers</b>	<b>287.4</b>	<b>184.1</b>	<b>182.1</b>	<b>193.9</b>	<b>221.9</b>
Other activities	9.2	9.6	9.4	9.9	11.8
<b>TOTAL RENTS</b>	<b>296.6</b>	<b>193.6</b>	<b>191.5</b>	<b>203.9</b>	<b>233.7</b>
Other rental income	4.0	1.8	2.8	3.4	2.4
Fees	19.5	15.4	20.9	14.2	20.2
<b>TOTAL REVENUES</b>	<b>320.1</b>	<b>210.8</b>	<b>215.2</b>	<b>221.4</b>	<b>256.3</b>

## CHANGE IN RETAILER<sup>10,11</sup> SALES FOR THE FIRST THREE MONTHS OF 2015

Year-on-year retailer sales change through March 2015 (vs. 2014 restated)	
	Like-for-Like
France	0.8%
Belgium	1.2%
<b>France-Belgium</b>	<b>0.8%</b>
<b>Italy</b>	<b>8.3%</b>
Norway	-1.1%
Sweden	5.7%
Denmark	6.4%
<b>Scandinavia</b>	<b>2.5%</b>
<b>Netherlands</b>	<b>NA</b>
Spain	6.8%
Portugal	5.9%
<b>Iberia</b>	<b>6.5%</b>
<b>Germany</b>	<b>2.7%</b>
Poland	-2.5%
Hungary	7.8%
Czech Republic	5.0%
Turkey	13.6%
<b>Eastern Europe</b>	<b>5.9%</b>
<b>SHOPPING CENTERS</b>	<b>3.7%</b>

<sup>10</sup> Retailer sales performance has been measured for Q1 2015 as compared to Q1 2014 restated, ie assuming that Corio acquisition and the disposal of the 126 retail galleries to Carmila have occurred on January 1, 2014.

<sup>11</sup> Retailer revenues in Klépierre shopping centers. Like-for-like excludes the impact of asset sales and acquisitions. Pimark revenues in Créteil-Soleil based on Klépierre estimates. Retailer sales for Iberia "Corio perimeter" are for the first 2 months of 2015. Retailer sales from the Dutch portfolio are not included in these numbers as retailers do not report sales to Klépierre.



## CONFERENCE CALL WEBCAST - REVENUES FOR THE FIRST THREE MONTHS OF 2015

The Klépierre Executive Board will host a conference call to comment on revenues for the first three months of 2015 on April 29, 2015 at 6:15 pm (CET).

Please visit Klépierre's website [www.klepierre.com](http://www.klepierre.com) to listen to the conference call webcast or flash the QR code below.

A replay will be also available after the call.



## ABOUT KLEPIERRE

A leading shopping center property company in Europe, Klépierre combines development, rental, property, and asset management skills. Its portfolio is valued at 21 billion euros on 31 December 2014, on a proforma basis including the merger with Corio on March 31, 2015. It comprises large shopping centers in 16 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 (18.3%), world leader in the shopping center industry, BNP Paribas (13.5%) and APG (13.5%). Klépierre is a French REIT (SIIC) listed on Euronext Paris<sup>TM</sup> and Euronext Amsterdam and is included in the CAC Next20 and CAC Large 60 indexes, the SBF 80, the EPRA Euro Zone, and the GPR 250 indexes. Klépierre is also included in several ethical indexes - DJSI World and Europe, FTSE4Good, STOXX<sup>®</sup> 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](http://www.klepierre.com)

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## AGENDA

**July 29, 2015**

**2015 Half-year earnings** (press release after market close)

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This press release is available on Klépierre's website: [www.klepierre.com](http://www.klepierre.com)