Financial report

2015

KLEPIERRE

With retail facilities in 57 metropolitan areas spanning 16 countries, and privileged access to 150 million consumers, Klépierre is Continental Europe's specialist in shopping center properties.

Its property portfolio was valued at 22 billion euros as of December 31, 2015. For leading retailers, Klépierre offers an unrivaled platform of shopping centers, which draws more than 1.2 billion visitors each year.

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Opposite
Grand Littoral, Marseille (France)

Below and below right
Nave de Vero, Venise (Italy)

Cover
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Above
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1. Business for the year

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1.1. Shopping center operational business overview

1.1.1. Economic environment

According to the OECD[1], the economic outlook has generally improved in Europe since the beginning of 2015. In the Eurozone, GDP growth should finally reach 1.5% in 2015 (versus 1.4% forecast last May), and is projected to continue this pace into 2016 and 2017 on the back of sustained monetary stimulus, a broadly neutral fiscal stance, cheaper oil prices, and lower unemployment levels. In this context, inflation should edge up to just under 1.5% percent by the end of 2017. These positive trends are expected in most countries where Klépierre operates, except in part of Norway. In Spain, the robust economic recovery should also continue into 2016 and 2017, though at a gradually slowing pace.

According to the IMF[2] – which revised downwards its growth forecasts in January 2016 – a number of factors will weigh on the global economic outlook: a generalized slowdown in emerging market economies, China's rebalancing, lower commodity prices, and the gradual exit from extraordinarily accommodative monetary conditions in the United States.

Expected GDP changes - OECD (November 2015)

		2016E	2017E
France-Belgium	France	1.3%	1.6%
	Belgium	1.5%	1.6%
Italy		1.4%	1.4%
Scandinavia	Norway	1.1%	1.9%
	Sweden	3.1%	3.0%
	Denmark	1.8%	1.9%
Iberia	Spain	2.7%	2.5%
	Portugal	1.6%	1.5%
CEE and Turkey	Poland	3.4%	3.5%
	Hungary	2.4%	3.1%
	Czech Rep.	2.3%	2.4%
	Turkey	3.4%	4.1%
Netherlands		2.5%	2.7%
Germany		1.8%	2.0%

1.1.2. Change in retailer sales

Retailer sales[3] in Klépierre shopping malls rose by 4.4% throughout the year 2015 compared to 2014. Excluding extensions and new centers opened[4], activity maintained a certain momentum (+3.8%), as private consumption has generally shown positive trends since the beginning of 2015. Performance is mainly driven by Iberia, CEE and Turkey – both posting retailer sales growth rates above 7% – Italy (+5.8%) and, to a lesser extent, Scandinavia (+3.0%). Retailer sales in France were up by 2.1%.

Year-on-year retail sales change through December 2015

	Like-for-like	Like-for-like excluding extensions
France	2.1%	2.1%
Belgium	1.7%	1.7%
France-Belgium	2.0%	2.0%
Italy	5.8%	5.3%
Norway	-0.8%	-0.8%
Sweden	7.9%	5.7%
Denmark	3.7%	3.7%
Scandinavia	3.0%	2.2%
Spain	7.0%	7.0%
Portugal	7.1%	7.1%
Iberia	7.0%	7.0%
Poland	-1.9%	-1.9%
Hungary	11.5%	11.5%
Czech Republic	7.6%	7.6%
Turkey	15.3%	15.3%
CEE and Turkey	7.3%	7.3%
Netherlands	N/A	N/A
Germany	14.8%	1.4%
SHOPPING CENTERS	**4.4%**	**3.8%**

1.1.3. Gross rental income

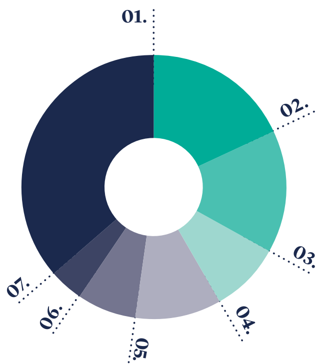
In million euros (total share)	12/31/2015	12/31/2014	Change current
France-Belgium	418.7	364.7	14.8%
Italy	201.1	102.2	96.7%
Scandinavia	177.0	182.7	-3.1%
Iberia	107.2	59.8	79.4%
CEE and Turkey	119.3	83.0	43.6%
Netherlands	94.1	-	-
Germany	56.5	-	-
TOTAL SHOPPING CENTERS	**1,173.8**	**792.4**	**48.1%**

Shopping center gross rental income total share amounted to 1,173.8 million euros for the full year 2015, compared with 792.4 million euros for 2014. This 48.1% increase primarily reflects the acquisition of Corio combined with the disposals completed since January 1, 2014.

(1) OECD (November 2015).
(2) World Economic Outlook Update, January 2016.
(3) Retailer sales performance has been restated, i.e., assuming that the Corio and the Plenilunio acquisitions occurred on January 1, 2014. Change excludes the impact of asset sales, acquisitions and new centers opened since January 1, 2014. Retailer sales from the Dutch portfolio are not included in these numbers as retailers do not report sales to Klépierre.
(4) Romagna Shopping Valley in Italy, Centrum Galerie and Boulevard Berlin in Germany, Galleria Boulevard in Sweden, Passages Pasteur in France (opened in November 2015) and Nave de Vero in Italy (opened in April 2014).

1.1.4. Net rental income

**Shopping center breakdown in net rental income by region
Period ended December 31, 2015 (total share)**



01. France-Belgium **36.6 %**
02. Italy **17.9 %**
03. Scandinavia **15.1 %**
04. Iberia **8.8 %**
05. CEE and Turkey **10.3 %**
06. Netherlands **7.3 %**
07. Germany **4.1 %**

In million euros (total share)	12/31/2015	12/31/2014	Change current	Change like-for-like pro forma	Index-linked rental adjustments
France-Belgium	378.3	330.8	14.4%	3.0%	-0.2%
Italy	184.9	91.6	101.9%	3.3%	0.1%
Scandinavia	156.6	162.1	-3.4%	4.8%	1.2%
Iberia	90.6	50.7	78.9%	4.2%	0.0%
CEE and Turkey	106.1	71.8	47.7%	4.4%	1.0%
Netherlands	76.0	-	NA	-0.8%	1.0%
Germany	42.4	-	NA	0.0%	0.0%
TOTAL SHOPPING CENTERS	**1,035.0**	**706.9**	**46.4%**	**3.4%**	**0.4%**

Shopping center net rental income amounted to 1,035.0 million euros, up 328.1 million euros compared to 2014 and including:
— 360.6 million euros in additional net rental income from former Corio assets[1] consolidated since January 1, 2015 and the contribution of Plenilunio (Madrid), acquired in March 2015;
— a 53.0 million euro decrease due to asset disposals[2], in particular 126 retail galleries sold to Carmila in April 2014;
— a 25.4 million euro increase reflecting net rental income growth on a like-for-like basis;
— a 4.9 million euro decrease linked to foreign exchange rate impacts.

On a like-for-like basis and pro forma Corio[3], shopping center net rental income was up by 3.4%, a 300 basis point outperformance over index-linked rental adjustments (+0.4%). All regions except for Germany and the Netherlands posted growth rates above 3.0%.

Foreign exchange impact on like-for-like pro forma net rental income over 12 months

	Constant forex	Current forex
Norway	3.5%	-3.4%
Sweden	4.4%	1.5%
Denmark	7.0%	7.0%
Scandinavia	**4.8%**	**1.3%**
Poland	2.8%	3.9%
Hungary	5.8%	6.2%
Czech Republic	3.6%	4.3%
Turkey	3.4%	5.5%
CEE and Turkey	**4.4%**	**5.6%**
SHOPPING CENTERS	**3.4%**	**2.9%**

1.1.5. Contribution of assets consolidated under the equity method

The assets consolidated under the equity method are:
— France: Espace Coty (Le Havre), Le Millénaire (Paris), Passages (Paris), Maisonément (Paris region), Centre Mayol (Toulon);
— Italy: Porta di Roma (Rome), Il Corti Venete (Verona), Il Leone di Lonato (Lonato), Il Destriero (Vittuone), Udine (Città Fiera);
— Norway: Oslo City (Oslo), Økernsenteret (Oslo), Metro Senter (Oslo region), Nordbyen (Larvik) and Åsane Storsenter (Bergen);
— Portugal: Aqua Portimão (Portimão) ;
— Turkey: Akmerkez (Istanbul).

[1] Including a 28.4 million euro contribution from the portfolio of 9 convenience shopping centers sold to Wereldhave on August 26, 2015.
[2] For more information on disposals completed in 2015, please refer to the section "Investments, development and disposals" of this report.
[3] Assuming Corio had been fully consolidated as of January 1, 2014 but excluding the contribution from new spaces (acquisitions, new centers and extensions), spaces under restructuring, disposals completed since January 2014, and foreign exchange impacts.

The tables below present the contributions in terms of revenues, cash-flows and net results split by countries. These contributions gather investments in jointly-controlled companies and investments in companies under significant influence.

Gross rental income		
In million euros (total share)	**12/31/2015**	**12/31/2014**
France	25.6	22.5
Italy	37.6	12.3
Norway (*)	14.6	16.5
Iberia	2.7	2.5
Turkey	16.5	0.0
Total EAIs	**97.1**	**53.9**

Cash-flow		
In million euros (total share)	**12/31/2015**	**12/31/2014**
France	17.4	14.4
Italy	21.9	9.2
Norway (*)	12.8	16.6
Iberia	-2.4	-1.3
Turkey	12.6	0.0
Total EAIs	**62.4**	**38.9**

Net rental income		
In million euros (total share)	**12/31/2015**	**12/31/2014**
France	19.7	17.1
Italy	32.7	10.9
Norway (*)	12.8	13.9
Iberia	2.0	2.2
Turkey	12.7	0.0
Total EAIs	**80.0**	**44.0**

Net result		
In million euros (total share)	**12/31/2015**	**12/31/2014**
France	-13.1	-2.8
Italy	15.1	3.5
Norway (*)	7.1	8.9
Iberia	-0.1	-1.4
Turkey	10.0	0.0
Total EAIs	**19.1**	**8.3**

The main balance sheet items can be broken down as follows:

	2015				2014			
Total share	**Appraisals ** (duties excluded)**	**External Net debt**	**Loans and advances**	**Equity method securities in Balance sheet at Fair Value**	**Appraisals (duties excluded)**	**Net External debt**	**Internal Debt**	**Equity method securities at FV**
France	431	-10	-81	362	387	-3	-99	279
Italy	582	-42	-186	311	188	-36	0	136
Norway (*)	582	10	0	584	281	5	0	270
Iberia	39	0	-62	-23	37	0	-61	-21
Turkey	216	6	0	222	0	0	0	0
Total EAIs	**1,849**	**-34**	**-330**	**1,456**	**894**	**-35**	**-160**	**664**

(*) To get groups share interets all Norwegian data have to be multiply at 56,1%
(**) Property value as calculated by experts

1.1.6. Shopping center business summary

	Volume of leases renewed and relet (€M)	Reversion (%)	Reversion (€M)	OCR[1]	EPRA Vacancy rate	Late payment rate[2]
France-Belgium	30.3	16.2%	4.9	12.5%	3.0%	2.0%
Italy	24.1	9.5%	2.3	11.2%	2.1%	2.0%
Scandinavia	23.0	5.8%	1.3	11.0%	4.5%	0.4%
Iberia[3]	9.6	8.9%	0.9	13.7%	6.3%	0.7%
CEE and Turkey[3]	18.5	15.9%	2.9	12.6%	5.2%	2.1%
Netherlands	1.2	7.5%	0.1	-	3.3%	3.3%
Germany	0.8	2.7%	0.0	12.6%	8.0%	4.7%
TOTAL	**107.5**	**11.6%**	**12.5**	**12.0%**	**3.8%**	**1.7%**

Scope includes assets consolidated under the equity method.
[1] Occupancy cost ratio. Data not provided for the Netherlands as retailers do not report sales to Klépierre.
[2] Rate 12-month rolling.
[3] Data including temporary rental discounts.

Property management in 2015 led to the signature of 1,862 leases, translating into additional annual minimum guaranteed rents of 28,0 million euros. These signatures included 1,530 leases that were renewed or relet, representing 12,5 million euros worth of additional annual minimum guaranteed rents, i.e., an 11.6% reversion rate.

At the Group level, the shopping center vacancy rate (EPRA format) decreased by 60 basis points and the late payment rate was down by 60 basis points compared to June 30, 2015, highlighting the positive outcome of re-tenanting campaigns and the improvement in rent collection across the portfolio.

1.1.7. Lease expiry schedule as of December 31, 2015

Country/Area	< 2016	2016	2017	2018	2019	2020	2021	2022	2023	2024+	TOTAL	Average lease length left
France	13.1%	7.1%	7.8%	6.5%	8.5%	9.7%	11.4%	12.1%	9.9%	13.9%	100.0%	4,5
Belgium	0.8%	10.3%	1.9%	1.5%	10.5%	1.2%	1.2%	3.5%	61.2%	8.1%	100.0%	6,3
France-Belgium	**12.7%**	**7.2%**	**7.6%**	**6.3%**	**8.6%**	**9.4%**	**11.0%**	**11.8%**	**11.7%**	**13.6%**	**100.0%**	**4,6**
Italy	**3.7%**	**10.0%**	**12.2%**	**10.3%**	**14.1%**	**11.8%**	**9.9%**	**9.5%**	**4.5%**	**13.9%**	**100.0%**	**4,6**
Denmark												
Norway	2.6%	18.4%	18.0%	23.4%	15.6%	11.1%	3.4%	1.1%	2.3%	4.2%	100.0%	2,9
Sweden	4.6%	14.9%	22.5%	19.5%	16.6%	9.5%	1.8%	5.0%	1.5%	4.0%	100.0%	2,9
Scandinavia	**3.5%**	**16.8%**	**20.1%**	**21.6%**	**16.0%**	**10.4%**	**2.7%**	**2.9%**	**1.9%**	**4.1%**	**100.0%**	**2,9**
Spain	1.5%	9.9%	4.5%	7.8%	11.0%	8.8%	8.6%	4.4%	5.5%	37.9%	100.0%	7,4
Portugal	0.8%	17.3%	13.3%	7.2%	8.4%	10.9%	12.3%	1.4%	3.1%	25.3%	100.0%	5,0
Iberia	**1.4%**	**11.6%**	**6.5%**	**7.7%**	**10.4%**	**9.3%**	**9.4%**	**3.7%**	**5.0%**	**35.1%**	**100.0%**	**6,9**
Poland	0.1%	9.4%	33.1%	6.6%	7.4%	23.7%	3.9%	2.0%	1.0%	12.9%	100.0%	5,0
Hungary	2.2%	13.5%	17.5%	23.7%	12.2%	21.2%	4.3%		0.5%	4.9%	100.0%	3,9
Czech Republic	0.1%	24.5%	27.8%	18.1%	8.9%	9.4%	3.5%	3.4%	0.2%	3.9%	100.0%	2,5
Turkey	2.4%	15.1%	19.0%	21.9%	10.3%	12.3%	1.3%	3.7%	7.4%	6.7%	100.0%	3,5
CEE and Turkey	**1.2%**	**15.3%**	**24.9%**	**16.9%**	**9.4%**	**16.3%**	**3.0%**	**2.6%**	**2.8%**	**7.6%**	**100.0%**	**3,8**
Netherlands	**0.5%**	**13.3%**	**25.9%**	**10.2%**	**15.7%**	**11.4%**	**5.1%**	**8.0%**	**2.5%**	**7.5%**	**100.0%**	**3,5**
Germany	**0.2%**	**1.8%**	**6.2%**	**20.0%**	**10.2%**	**1.5%**	**7.8%**	**26.7%**	**5.3%**	**20.4%**	**100.0%**	**6,7**
TOTAL	**6.4%**	**10.1%**	**12.2%**	**10.8%**	**11.3%**	**10.4%**	**8.6%**	**9.2%**	**6.9%**	**14.2%**	**100.0%**	**4,6**

For Denmark leases are open-ended.

1.2. Business activity by region

1.2.1. France-Belgium (35.4% of net rental income)

In million euros (total share)	Net rental income current			Net rental income pro forma like-for-like			EPRA Vacancy rate	
	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
France	364.3	317.7	14.7%	361.6	351.5	2.9%	3.1%	3.4%
Belgium	14.0	13.0	7.3%	14.0	13.0	7.3%	0.5%	0.9%
France-Belgium	**378.3**	**330.8**	**14.4%**	**375.6**	**364.5**	**3.0%**	**3.0%**	**3.3%**

France

According to INSEE (the French National Statistics Agency), the 2015 GDP growth rate is expected to reach 1.1%, a level which is still under the Eurozone average but the highest in 4 years. At the country level, retailer sales increased slightly over the first 11 months of the year (+0.4% according to CNCC[1] and +1.4% according to IFLS[2]). Over the same period, retailer sales rose 2.4% in Klépierre malls. The yearly trend was positive until October (+3.0%) but was followed by a slowdown in November (-3.3%; CNCC: -5.9%) and December (-0.0%) due to the Paris terrorist attacks and mild temperatures that were unfavorable for winter ready to-wear collections. For 2015 as a whole, sales grew by 2.1%, mainly driven by the outcome of significant re-tenanting campaigns aimed at (i) providing large international retailers adapted spaces for them to widen and refurbish their existing stores while deploying their latest concepts and (ii) accelerating the expansion of category-killer brands.

On a like-for-like and pro forma basis[3], net rental income was up by 2.9%, outperforming by 310 basis points index-linked rental adjustments (-0.2%), reflecting the positive contribution of leasing actions implemented in 2014 and 2015.

The change in net rental income on a current basis is attributable to the combined impact of the sale of 56 retail galleries in April 2014 and the addition of 12 shopping centers from the acquisition of Corio. On November 18, 2015, Klépierre opened Les Passages Pasteur, a new 11,200 sq.m. downtown shopping center positioned as a Clubstore®. H&M (2,780 sq.m.), Mango, Bershka and Monoprix count among the new brands present in the new retail heart of Besançon.

As a whole, 285 leases were signed, with relet or renewed leases recording a 16.0% reversion rate. The vacancy rate is down by 30 basis points versus June 30, 2015. The year 2015 was marked by a series of landmark deals concluded with leading international retailers in connection with large-scale re-tenanting campaigns implemented in both Klépierre and former Corio centers. Building on the success it has met with since opening in June 2014, Primark signed for additional space at Créteil Soleil (Paris area). In the third quarter of 2016, this store will be the largest in France, covering close to 11,000 sq.m. In the same center, Bershka and Pull & Bear inaugurated brand new stores and Zara deployed its full offer in an expanded and fully renovated store. Covering 3,240 sq.m., this store is currently its largest one in Ile-de-France. The clothing chain inaugurated a brand new 2,900 sq.m. store at Val d'Europe (Paris

[1] Conseil National des Centres Commerciaux
[2] Institut Français du Libre Service
[3] Excluding 56 retail galleries sold to Carmila on April 16, 2014, shopping centers sold by Corio in 2014 (Quai d'Ivry, La Mayenne, Cherbourg, Espace du Palais and La Grande Porte) and assuming that Corio acquisition was completed on January 1st, 2014.

region) in November. At the same center, Kiabi opened a 2,000 sq.m. department store. Mango inaugurated one of its biggest stores in the country, over 2,200 sq.m., at Grand'Place (Grenoble), and implemented its new concept at Lattes (Montpellier region). Uniqlo signed a lease to open its very first store in the Southwest of France at Blagnac (Toulouse). JD Sports opened at Mondeville (Caen) in May. Galeries Lafayette leased space at both Nailloux Outlet Village (Toulouse region) and Cholet Marques Avenue (Nantes region). In Saint-Orens (Toulouse), Gulli unveiled its new concept, Gulli Park (1,450 sq.m.), and Tati now operates over 1,800 sq.m. The latter will pursue its expansion in the Toulouse region by opening a 2,200 sq.m. store at Roques in March 2016. C&A inaugurated its new concept over 2,820 sq.m. at Villiers-en-Bière (Greater Paris Area) in December. After having taken additional space to reach 3,300 sq.m. at Val d'Europe as part of the extension scheme due to open in the first half of 2017, H&M will deploy its full concept (women, men, children and home) over 3,200 sq.m. at Centre Saint-Jacques (Metz) in the fourth quarter of 2016.

Leasing teams were also active in refreshing the food and restaurant offer. At Val d'Europe, the food court welcomed Exki, Factory & Co, and 2 exclusive concepts for a shopping center setting - Indiana Café and Big Fernand. Exki also opened a new restaurant at Passages (Paris region), which was joined by Veng Hour and Kusmi Tea. Other leases signed include Vapiano at Créteil-Soleil, Starbucks at Bègles Rives d'Arcins, and Burger King, which pursued its expansion with leases signed at Le Millénaire (Paris), Odysseum (Montpellier), and Toulon Mayol (Marseille region). At Le Millénaire, Carrefour opened its 3,000 sq.m. extension in June, to reach more than 9,000 sq.m.

On November 27, 28 and 29, Klépierre organized the XXL Days across 40 centers in France and Belgium, aimed at fueling traffic and retailer sales. Deployed under a single marketing banner and strong media coverage, and with 85% of the retailers proposing discounts up to 70%, this operation was a real success, with a 510 bps outperformance in footfall[(1)] in Klépierre centers versus a panel of 240 French shopping centers and a 12% increase in retailer sales versus the same days in 2014.

Belgium

Belgian GDP is expected to post a 1.4% increase in 2015[(2)]. L'esplanade in Louvain-la-Neuve (Brussels area) continues to post strong operating performances with retailer sales (+1.7%) and net rental income growth (+7.3%) fueled by an ongoing re-tenanting and renewal campaign.

1.2.2. Italy (17.3% of net rental income)

In million euros (total share)	Net rental income current			Net rental income pro forma like-for-like			EPRA Vacancy rate	
	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
Italy	184.9	91.6	101.9%	156.6	151.7	3.3%	2.1%	2.6%

With GDP growth of 0.9% expected in 2015[(3)], the Italian economy's recovery is expected to strengthen in 2016 and 2017. Low inflation, employment growth, and tax cuts are set to support real disposable income and thus private consumption.

Backed by this more favorable environment, retailer sales in Klépierre malls posted a 5.8% increase over the year[(4)]. All retail segments were on the rise, in particular household goods (boosted by electronics – after the drops seen in the last few years) and fashion (the main segment in terms of sales, which already supported growth in 2014). Dominant assets (such as Porta di Roma in Rome: +5.3%, Le Gru in Turin: +6.0%, Campania in Naples: +14.4%) confirmed their leadership again. Among the other shopping centers, Il Destriero (Vittuone: +8.8%) benefited from the proximity of Expo 2015 and Varese (+9.8%) attracted Swiss customers following the appreciation of the Swiss franc versus the euro. Excluded from the like-for-like scope, Nave de Vero (opened in April 2014 in Venice) recorded retailer sales up by 27% over the period from May 2015 to December 2015 compared to the same period of 2014.

On a current basis, net rental income doubled compared with 2014 thanks to the addition of 10 shopping centers following the Corio acquisition and the full-year contribution of the Romagna Shopping Valley (Rimini region) extension-refurbishment that opened in November 2014. These additions have more than offset the impact of the sale of 7 retail galleries to Carmila completed in April 2014. The Italian portfolio recorded a 320 basis point outperformance in net rental income like-for-like versus index-linked rental adjustments (+0.1%). Rental growth was driven by an overall increase in variable rents in all centers, with Campania posting the highest growth rate, an improvement in rent collection, and an overall decrease in vacancy.

Leasing activity was sustained throughout the year, with a total of 277 leases signed in 2015. The reversion rate recorded on lease renewals and relets reached 9.5%. Vacancy was reduced by 50 basis points versus the level as of June 30, 2015. Both international and Italian retailers continue to expand across the Klépierre portfolio, opening new stores and implementing their latest concepts or enhancing existing ones. Inditex inaugurated a larger Pull & Bear store in Porta di Roma and a new Stradivarius store at GrandEmilia (Modena). Zara is currently expanding its premises at Porta di Roma to open a new 3,300 sq.m. store in the second quarter of 2016. H&M opened a 2,700 sq.m. store at La Romanina in November. OVS (fashion) opened its 17th department store in the Italian portfolio, covering 1,000 sq.m., at Montebello (Pavia). Other major signatures include M.A.C. Cosmetics (Estée Lauder Group) at Milanofiori (Milan), Pandora (jewelry) at Il Destriero (Vittuone), and Vans at Campania. Liu Jo signed for a new shop at Il Leone di Lonato (Lonato), which will strengthen and upgrade the center's fashion offer, and it has just inaugurated its new concept for men at Porta di Roma and Nave de Vero. Nespresso chose Romagna Shopping Valley to open a high quality pop-up store.

(1) Change in footfall between November 28-29, 2014 and November 27-28, 2015 in the 40 Klépierre participating centers versus change in a panel of 240 French shopping centers for the same period.
(2) Source: National Bank of Belgium.
(3) Source: European Commission.
(4) +5.3% excluding Romagna Shopping Valley.

1.2.3. Scandinavia (14.7% of net rental income)

In million euros (total share)	Net rental income current			Net rental income like-for-like			EPRA Vacancy rate	
	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
Norway	51.1	53.4	-4.2%	51.5	49.8	3.5%	2.8%	3.0%
Sweden	60.8	67.1	-9.5%	56.8	54.5	4.4%	3.7%	2.1%
Denmark	44.7	41.6	7.6%	43.7	40.8	7.0%	8.3%	8.5%
Scandinavia	**156.6**	**162.1**	**-3.4%**	**152.1**	**145.1**	**4.8%**	**4.5%**	**4.1%**

Norway

In 2015, GDP growth is expected to reach 1.2%[1] in a context of lower oil prices impacting consumer confidence, with a more significant effect on cities located on the Western coast. Unemployment is expected to rise slightly but will remain under 4.5%. The country nevertheless still enjoys one of the highest GDPs per capita in Europe. Against this backdrop and despite the increasing competition from two malls, Klépierre shopping centers posted a slight decrease in sales over the year (-0.8%) despite shopping centers located in Oslo region posting increasing retailer sales: Metro Senter (+13.4%), Vinterbro (+6.2%), and Gulskogen (+4.5%). On November 27, all Norwegian centers welcomed Black Friday events: sales were up 162% compared to an average day.

On a like-for-like basis, net rental income is up by 3.5%, outperforming index-linked adjustments (+2.0%). The negative change on a current portfolio basis mainly reflects the depreciation of the Norwegian krone versus the euro (-7% over 2015).

On December 31, 2015, Klépierre acquired Oslo City, downtown Oslo's dominant shopping center, located on the city's main transportation hub and featuring the highest footfall and sales per sq.m. in Norway. Through this investment, Klépierre further increases its leadership position in Scandinavia and reinforces its presence in one of the most dynamic and wealthiest capital cities in Europe[2].

International brands pursue their development across the country. Among the 202 leases signed in 2015, M.A.C. (Estée Lauder Group) chose Amanda Storsenter (Haugesund) to open a new store. Superdry (fashion) inaugurated its store at Gulskogen (Drammen) and Wagner (Danish menswear) chose Metro Senter to pursue its expansion in the country. Burger King will open a restaurant at Lillestrøm Torv (Oslo region) in March. The reversion rate on renewals and relets is 4.4%. Vacancy is down by 20 basis points versus the level recorded as of June 30, 2015.

Sweden

Sweden is expected to post a 3.0% increase in GDP[3] in 2015, helped by a rise in exports. Domestic demand remains the main driver, however. Medium-term, employment growth and steadily rising disposable income, combined with low interest rates, should provide continued support for private consumption.

In this favorable context, retailer sales were very dynamic throughout the year in each and every shopping center. Like-for-like growth in sales reached 7.9%, fueled by sound performances recorded at Emporia (Malmö), which continues, 3 years after its opening, to post strong rises in rental income, footfall and market share. The first edition of the Black Friday was a tremendous success in this center with footfall up by 171% compared to an average day.

On a like-for-like basis, net rental income was up by 4.4%, while average index-linked adjustments were at 0% for the year. Solid performances were recorded in large malls, at Emporia (Malmö) in particular. Growth was driven by positive effects of re-tenanting campaigns and an increase in variable rents. On a current portfolio basis, the significant decrease in net rental income is due to the sale of five shopping centers effective July 1, 2014 and the depreciation of the Swedish krone versus the euro.

162 leases were signed in 2015, with a 10.1% reversion rate on renewals and relets. International retailers continue to expand in the country through the Klépierre portfolio. At Emporia, Victoria's Secret opened its first store in a Scandinavian shopping center in April and was followed by Tesla in December, which inaugurated its first store in the Klépierre portfolio. Thomas Sabo chose Emporia to open its third exclusive store in the country. At Kupolen (Borlänge), ICA (supermarket) rebuilt and completely refurbished its premises, creating additional stores which allowed the arrival of Rituals (Dutch cosmetics) and Pizza Hut. Cubus (mens, womens and childrens apparel) chose this center to open a 750 sq.m. store. At Torp (Uddevalla), Sportshopen opened a 3,600 sq.m. department store in June. At Allum (Partille), the fashion offer was upgraded with the opening Volt. Wagner – a Danish menswear retailer already present in Klépierre's three Danish centers – chose Marieberg (Örebro) to open its first store in Sweden.

Denmark

The Danish economy should post 1.8% GDP growth[4] in 2015, helped by improved consumer confidence, recovering house prices, and low interest rates.

Retailer sales in Klépierre malls were up 3.7% over the year, increasing in the three shopping centers owned by the Group. Black Friday events organized on November 27 were a great success across the country, with footfall up 150% compared to an average Friday.

Net rental income was up by 7.0% on a like-for-like basis, outperforming index-linked rental adjustments by 520 bps. This performance was mainly driven by Field's, which has continued to post increasing sales and footfall since 2014, strengthening its leading position in the Copenhagen region. The Nordisk Film Biografer flagship cinema, which opened in August, helped to enhance the appeal of Field's for retailers. New international brands joining the center this year include Victoria's Secret (first store in a Danish shopping center), JD Sport (first store in Scandinavia), Tiger of Sweden, Brun & Stengade and Room 1006 in the Hi'Street fashion area. New food operators also joined the center: LOFT (gourmet chef restaurant, exclusive to Field's) and Dalle Valle (large restaurant and bar) have posted impressive levels of sales since their opening. The change in net rental income on a current portfolio basis includes the impact of a non-recurring property tax refund in the first half of 2014.

[1] Source OECD.
[2] Please refer to press releases published on December 14, 2015 and January 4, 2016 available on Klépierre website: www.klepierre.com.
[3] Source: European Commission.
[4] Source: European Commission.

1.2.4. Iberia (8.5% of net rental income)

In million euros (total share)	Net rental income current			Net rental income pro forma like-for-like			EPRA Vacancy rate	
	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
Spain	72.3	36.6	97.3%	57.4	55.1	4.1%	5.3%	5.7%
Portugal	18.3	14.0	30.6%	18.3	17.5	4.7%	9.7%	16.4%
Iberia	**90.6**	**50.7**	**78.9%**	**75.7**	**72.6**	**4.2%**	**6.3%**	**8.4%**

Spain

GDP is forecast to expand by 3.1% in 2015. Growth is expected to remain robust for 2016 and 2017, driven by sound domestic demand due to strong job creation, lower interest rates, cheaper energy prices, and enhanced confidence[1].

For the year 2015 as a whole, retailer sales in Klépierre malls posted a 7.0% increase, significantly higher than the retail sales index at the country level (+3.3% according to INE[2]). Performance was essentially fueled by leading assets: La Gavia (Madrid: +6.2%), Plenilunio (Madrid: +12.8%), and Meridiano (Tenerife: +15.7%).

Net rental income on a like-for-like basis was up by 4.1%, outperforming average index-linked rental adjustments by 410 basis points. As for retailer sales, the increase is driven by sound performances posted by the largest malls and an improvement in rent collection. The change in net rental income on a current basis reflects the impact of the sale of 63 retail galleries in 2014[3] and of the sale of Vega Plaza (Molina de Segura) in 2015, the addition of 9 centers to the portfolio following the Corio acquisition and the one of Plenilunio (Madrid). The addition of Plenilunio was one of the key transactions of the year in the European commercial real estate investment market. The mall, in addition to strong growth in retailer sales posted through 2015, continues to drag more customers (footfall was up 7.1% this year) and posted reversion rates above 20%[4].

Spain is increasingly attracting international brands, backed by a solid economic recovery. 187 leases were signed in 2015 with an average reversion rate of 11.4%. The vacancy rate is down by 40 basis points versus June 30, 2015. Fashion retailers were particularly dynamic. Bata (Italian shoe retailer) reinforced its presence in the country by implementing its new concept AW LAB for the first time in Madrid, at Plenilunio and La Gavia. These two centers were also chosen by Original Marine (Italian fashion retailer for kids) to open its first two Spanish stores. At La Gavia, Intimissimi (Calzedonia Group) opened a new store and Pandora and Douglas upgraded their premises by implementing their latest concepts. At Plenilunio, Mango opened one of its largest department stores in the Madrid region with its full concept. Meridiano (Tenerife) benefited from its brand new interior design under the Clubstore® umbrella in July, which followed the arrival of Primark in February 2014. Both have been instrumental in attracting new international retailers to the Canaries Islands, such as H&M (opening over 2,100 sq.m. scheduled for the end of March 2016) and Kiko. Calzedonia signed a lease to expand and renovate its current store. Mercadona, a successful Spanish supermarket operator, opened a brand new 3,000 sq.m. supermarket in Sexta Avenida (Madrid) in July and has already had a positive effect on footfall. In the Food and restaurant segment, the American chain Taco Bell reinforced its presence in Spain, opening in la Gavia in June 2015. New Spanish food concepts are also active: The Good Burger (TGB) is spreading around Spain through a strong franchise network and opened a new restaurant in December 2015 in Principe Pio (Madrid).

Portugal

The economic recovery consolidated over the course of 2015, with GDP expected to be up 1.7%, helped primarily by domestic demand and a slight increase in the employment level[1].

Retailer sales were up 7.1% in 2015 with positive performances recorded in all centers. The three largest shopping centers posted strong growth rates in sales: Aqua Portimão (+13.7%), Espaço Guimarães (+10.9%), and Parque Nascente (+3.8%).

On a current basis, net rental income growth is due to the Corio acquisition. On a pro forma like-for-like basis, it is up by 4.7%, with no contribution from indexation thanks to a significant improvement in rent collection.

Retailers are also developing their network in Portugal. Leases were renewed with improved financial terms. The vacancy rate was divided almost by two compared with the level at June 30, 2015 (16.4%), mainly thanks to the large-scale ongoing re-tenanting campaign at Espaço Guimarães. Lefties (Inditex Group) opened here a new store (1,610 sq.m.) after the one inaugurated at Aqua Portimão (Algarve, 1,020 sq.m.). The latter welcomed the 3 Calzedonia Group stores (Calzedonia, Intimissimi and Tezenis), Desigual, and Deichmann (shoes). Salsa expanded its current store while unveiling its new digital concept store.

(1) Source: European Commission
(2) Instituto Nacional de Estadistica (Spanish Statistical Office)
(3) 63 retail galleries sold to Carmila.
(4) Please refer to the press releases published on March 16, 2015 available on Klépierre website: www.klepierre.com

1.2.5. CEE and Turkey (9.9% of net rental income)

In million euros (total share)	Net rental income current			Net rental income pro forma like-for-like			EPRA Vacancy rate	
	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
Poland	32.9	31.6	3.9%	32.9	32.0	2.8%	1.8%	4.7%
Hungary	17.9	16.5	8.3%	16.2	15.3	5.8%	8.0%	11.0%
Czech Republic	23.9	23.0	4.3%	23.9	23.1	3.6%	1.1%	0.6%
Turkey	29.6	-	NA	30.5	29.5	3.4%	8.6%	6.4%
Others	1.8	0.7	NA	2.0	1.2	NA	NA	NA
CEE and Turkey	**106.1**	**71.8**	**47.7%**	**105.5**	**101.1**	**4.4%**	**5.2%**	**5.6%**

Poland

Polish GDP growth is forecast to reach 3.5% in 2015 and is expected to stay on the same strong trend in 2016 and 2017 thanks to sound private consumption, falling unemployment, and higher exports[1]. Retailer sales contracted by 1.9% throughout the year, mainly due to strong competition in Lublin. The two other main shopping centers continued to show positive trends (Sadyba Best Mall: +4.0% and Poznan Plaza: +0.7%).

Like-for-like net rental income is up 2.8%, outperforming index-linked rental adjustments by 250 basis points. On a current basis, the change is attributable to forex effects. On December 15, 2015, Krakow Plaza (30,520 sq.m.) was disposed of.

Retailers are currently focusing on optimizing their operations in the country, favoring well-established shopping centers. A successful renewal campaign is currently being pursued at Poznan Plaza, where leasing teams renewed or relet 40% of the center's GLA (11,000 sq.m.), representing a total of 57 leases in one calendar year with a positive reversion of 4.9%: leases were signed with Douglas, Zara, Sephora, Samsonite, and Swarovski, and the Piotr I Pawel supermarket completely refurbished its premises. At Sadyba Best Mall (Warsaw), leases were signed with Samsonite, Sephora, and Swarovski. New Balance opened two new stores (Lublin Plaza and Poznan Plaza). Okaïdi (kids fashion) inaugurated two stores, in Sadyba Best Mall and Lublin Plaza. New Look (young fashion) decided to open its first store in Poznan at Poznan Plaza. In all, 137 leases were signed in 2015, translating into a 14.8% reversion rate on renewals and relets. Vacancy was significantly reduced (-290 basis points over 6 months).

Hungary

In 2015, Hungarian GDP is expected to post 2.9% growth, driven by higher household expenditure, which was helped by low inflation and high nominal wage growth and better performances in the labor market. In this context, sales were up by 11.5% in Klépierre malls. The implementation of the Sunday closing regulation (since mid-March) had only a limited impact on retailer sales. In Budapest, Corvin (+14.6%) and Duna Plaza (+14.0%) continued to post the highest increases in sales.

Each of the country's centers recorded net rental income growth that more than offset the impact of disposals completed in 2015 (Zala, Csepel and Szeged in March and Kaposvar and Szolnok in November) and October 2014 (Kanizsa). On a like-for-like basis, net rental income was up 5.8%, driven by a significant decrease in both vacancy and late-payment rates and cost streamlining efforts.
Leases were signed with iStyle (Apple premium reseller) at Corvin, with Pepco (a new fashion brand in Hungary) at Debrecen Plaza, Nyír Plaza and Duna Plaza; and with KFC at Győr Plaza and Miskolc Plaza. The fashion offer was strengthened at Corvin with the signing of leases with LPP Group brands for a total of 4,200 sq.m. (Reserved, Cropptown, House and Sinsay). Starbucks inaugurated its new store at Corvin in December. Vacancy has been reduced by 3,700 sq.m. over the last 12 months.

Czech Republic

The strong 4.3% GDP growth forecast for 2015 – partly due to the drawing of funds available under European Union funding – should come back to a more sustainable level in 2016 (+2.3%)[1] and will still be helped by strong internal demand and a sound positive contribution from net exports. Retailer sales continued to post increases (+7.6%) at the three shopping centers owned by Klépierre (Nový Smìchov: +4.9%, Plzeň Plaza: +13.2%, Novo Plaza: +14.8%).

Net rental income was up 3.6% thanks to the sound performances of the country's three centers, once again outperforming index-linked rental adjustments, driven by very successful re-tenanting – 54 lettings or relettings, translating into a 48.8% reversion rate – and cost streamlining campaigns.

New leases signed in 2015 confirm Nový Smìchov's (Prague) status as the preferred center for retailers entering or expanding in the Czech market, highlighting strong demand for prime locations. Kusmi Tea and Jeff de Bruges opened their first stores in the country. Starbucks also inaugurated a store in July and Desigual opened one in November. The center's Beauty/Health offer was strengthened by leases signed with Estée Lauder, Korres, and The Body Shop. Pandora opened a new store at Plzeň Plaza in October.

[1] Source: European Commission.

Turkey

GDP growth is projected to increase from 3.4% in 2015 to above 4% in 2017, as political uncertainties are expected to fade and employment continues to rise[1] while inflation remains high (+8.8% over the year). Klépierre malls recorded strong retailer sales performances throughout the year in local currency (+15.6%), especially Tarsu (+26.3%) and Teraspark (+20.3%), thanks to significant re-tenanting campaigns. Anatolium also posted robust figures (+18.1%), helped by strong performances from Turkish brands such as Koçtaş (the leading DIY retailer in Turkey), Koton, and LC Waïkiki (fashion).

Net rental income is up by 3.4% on a like-for-like pro forma basis (excluding Akmerkez[2]).

Significant re-tenanting actions were completed during the year: a total of 112 leases were renewed or relet with a 13% upside. In Akmerkez (Istanbul), whose full refurbishment is now completed, a lease was signed with the Beymen Group – one of the largest retailers in the country – to open a 6,600 sq.m. department store offering luxury brands under the new and exclusive Beymen Phoenix concept. L'Occitane (cosmetics) opened a renovated store in October and Intimissimi will open its first store in the center in February 2016. In Anatolium (Bursa), FLO (one of the leading shoe retailers in Turkey) agreed to expand its premises to reach 1,300 sq.m. Deichmann (a German shoe retailer) opened a larger store in March and Koçtaş inaugurated a 14,000 sq.m. store in April.

1.2.6. Netherlands (7.1% of net rental income)

In million euros (total share)	Net rental income current			Net rental income pro forma like-for-like			EPRA Vacancy rate	
	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
Netherlands	76.0	-	NA	25.4	25.7	-0.8%	3.3%	5.6%

In the Netherlands, GDP is expected to grow by 2.5% in 2015, driven by a surge in investment, helped in turn by a recovering housing market[3]. Consumer confidence reached its highest level since 2008, supporting household consumption, which has grown steadily in recent quarters. Footfall increased in Klépierre malls by 1.0% (and especially in Hoog Catharijne: +3.4% despite the current refurbishment and extension works) and outperformed the index at the national level (-1.1%).

On a like-for-like pro forma basis[4], net rental income is slightly down (-0.8%) due to the loss in rental income on vacant premises that were let before December 31, 2015.

In July 15, 2015, Klépierre acquired Markthal (Rotterdam), an 11,200 sq.m. retail scheme featuring a fresh food hall and a unique array of gourmet restaurants in an impressive architectural gesture. In August 2015, Klépierre sold to Wereldhave a portfolio of 9 convenience and district shopping centers for a total consideration of 730 million euros (excluding duties)[5]. These 9 assets contributed 28.4 million euros to net rental income in 2015.

Notable leasing transactions include H&M, which almost doubled its size at Hoog Catharijne by inaugurating a 3,500 sq.m. store in late August; the Bestseller group, which opened the first Only & Sons store (men fashion) in the Netherlands at Alexandrium (Rotterdam); and Kiko, which opened its third store in the country here.

(1) Source: OECD.
(2) Consolidated under the equity method.
(3) Source: European Commission.
(4) Assuming that the Corio acquisition was completed on January 1, 2014. Excluding Markthal (Rotterdam), acquired on July 15, 2015, the portfolio of 9 convenience shopping centers sold on August 26, 2015, and Hoog Catharijne (Utrecht), currently under redevelopment.
(5) Please refer to press releases published on June 24, 2015 and August 26, 2015 available on Klépierre website: www.klepierre.com

1.2.7. Germany (4.0% of net rental income)

In million euros (total share)	Net rental income current			Net rental income pro forma like-for-like			EPRA Vacancy rate	
	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
Germany	42.4	-	NA	41.1	41.1	0.0%	8.0%	8.2%

EPRA Vacancy rate as of June 30, 2015 has been restated to include Centrum Galerie (Dresden) and Boulevard Berlin whose restructurings were completed in H2 2015.

2015 GDP is forecast to grow by 1.6%, a level which is expected to improve thanks to a robust labor market, favorable financing conditions, and additional public spending[1].

Retailer sales at Klépierre malls (+14.8%) were fueled by the good performance of Centrum Galerie in Dresden following the completion of its refurbishment and the opening of Primark and, to a lesser extent, by the arrival of a new supermarket operator at Boulevard Berlin. On a like-for-like basis (excluding Boulevard Berlin and Centrum Galerie), retailer sales were up 1.4%.

Net rental income was stable on a like-for-like pro forma basis[2].

Current re-tenanting actions led to the signing of significant leases across the portfolio, driving a strong increase in revenues and footfall. Following a complete restructuring of the basement level, Kaiser's opened a 2,100 sq.m. supermarket in September 2015 at Boulevard Berlin. The latter welcomed a San Francisco Coffee Company shop close to its main entrance, which was joined by a Kusmi Tea shop and a Superdry store. DM (drugstore) opened a larger, renovated store with its latest concept.

1.2.8. Other activities (3.1% of net rental income)

This segment refers to standalone retail units located in France and mostly in the vicinity of shopping center areas (ex-Klémurs assets).

In million euros (total share)	Net rental income current			Net rental income like-for-like			EPRA Vacancy rate	
	12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change	12/31/2015	06/30/2015
Other activities	33.0	38.4	-13.9%	30.6	31.2	-2.1%	2.6%	2.2%

Net rental income on a like-for-like basis was down by 2.1% due to a slight increase in the vacancy rate. On a current basis, the decrease is also attributable to the disposals completed since January 1, 2014 (please refer to the section "Investments, developments and disposals" in the present document).

[1] Source: European Commission.
[2] Assuming that the Corio acquisition was completed on January 1, 2014.

1.3. Investments, developments and disposals

1.3.1. Investments made in 2015

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 that closed on January 16, 2015. Klépierre and Corio merged on March 31, 2015. Corio's property portfolio valuation was 7 billion euros (total share, excluding duties) as of December 31, 2014.

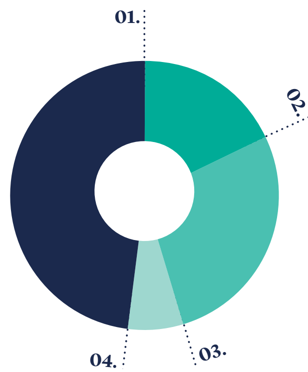
A total of 948 million euros was invested throughout 2015:
— 375 million euros were dedicated to the acquisition of 100% of Plenilunio, completed on March 26. This acquisition complements Klépierre's existing retail platform in Spain and enhances its portfolio profile. Opened in 2006, Plenilunio welcomed 11.3 million visitors in 2015 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)[1].
— 336 million euros were devoted to the acquisition of Oslo City, completed on December 31. This center is downtown Oslo's leading shopping center, located in the city's main transportation hub (Oslo's central station) and featuring the highest footfall and sales per sq.m. in Norway. Through this investment, Klépierre further increases its leadership position in Scandinavia and reinforces its presence in one of the most dynamic and wealthiest capital cities in Europe[2].
— Other investments were allocated to projects in the Group's committed development pipeline: Marseille Bourse and Val d'Europe extension-refurbishments, Prado construction in France and Hoog Catharijne extension-redevelopment in the Netherlands (see "Development pipeline" section).

1.3.2. Development pipeline

The Group's development pipeline represents 3.6 billion euros worth of investments, including 0.7 billion euros worth of committed projects[3] with an average expected yield of 7.1%, 1.3 billion euros worth of controlled projects[4], and 1.6 billion euros of identified projects[5]. In group share, the total pipeline represents 3.1 billion euros: 0.5 billion euros committed, 1.1 billion euros controlled, and 1.4 billion euros identified.

The Group focuses its development capabilities on France, Belgium, Scandinavia, Italy, and the Netherlands:
— 79% of committed and controlled projects are extension-refurbishment schemes aimed both at capitalizing on shopping destinations that have demonstrated their leadership and at accelerating the retail offer transformation;
— 21% of committed and controlled projects are greenfield projects located in some of the most dynamic cities of Europe and integrated into large urban development programs supported by efficient transportation network plans and residential and office building projects.

Shopping center committed and controlled development pipeline breakdown by region (total share)



Work on committed projects is progressing well:
— Hoog Catharijne (Utrecht, Netherlands): the second phase of the extension-refurbishment of this leading shopping hub – built over Utrecht's train station, which welcomes 90 million passengers a year – will be delivered between end of 2017 and first half of 2018. On completion, Hoog Catharijne will be the largest mall of the country, offering flagship stores for the renowned and powerful international brands operating in a new generation state-of-the-art scheme.
— Val d'Europe (Paris region): this shopping mall has experienced one of the strongest retailer sales and footfall growths in France since its opening in 2000. The 17,000 sq.m. extension, which will be added to this 100,000 sq.m. retail scheme, has already attracted international retailers such as Primark, Uniqlo, H&M, Nike, Rituals and Kusmi Tea, which are expected to inaugurate their stores in the first half 2017.
— Prado (Marseille, France): in the second half of 2017, this 23,000 sq.m. new development designed by Benoy and located in the most affluent districts of Marseille, will gather 50 stores and a 9,400 sqm. Galeries Lafayette flagship store.
— Centre Bourse (Marseille, France), whose new façades unveiled in June 2015 won the first Versailles architectural prize, will open its extension-refurbishment under the Clubstore® umbrella in September 2016.

(1) Please refer to press release published on March 16, 2015 available on Klépierre website: www.klepierre.com.
(2) Please refer to press releases published on December 14, 2015 and January 4, 2016 available on Klépierre website: www.klepierre.com.
(3) Projects that are in the process of completion, for which Klépierre controls the land and has obtained the necessary administrative approvals and permits.
(4) Projects that are in the process of advanced review, for which Klépierre has control over the land (acquisition made or under offer, contingent on obtaining the necessary administrative approvals and permits).
(5) Projects that are in the process of being put together and negotiated.

Development project	Country	City	Type	Klépierre equity interest	Estimated cost[(1)] €M	Cost to date €M	Floor area (sq.m.)	Expected opening date
Centre Bourse[(2)]	France	Marseille	extension-refurbishment	50.0%	18	14	5,448	H2 2016
Val d'Europe	France	Paris region	extension	55.0%	94	53	17,000	H1 2017
Hoog Catharijne Phase 2	Netherlands	Utrecht	extension-refurbishment	100.0%	288	140	42,100	2017-2018
Other projects (incl. Prado)					267	59	61,051	
TOTAL COMMITTED PROJECTS					**668**	**265**	**125,599**	
Créteil Soleil Phase 1	France	Paris region	extension-refurbishment	80.0%	76	3	10,200	H2 2018
Bègles Rives d'Arcins	France	Bordeaux	extension	52.0%	24	4	11,500	2017-2020
Grand Portet	France	Toulouse region	extension-refurbishment	83.0%	65	8	8,000	H2 2019
Grand Littoral extension	France	Marseille	extension	100.0%	30	0	12,000	H1 2019
Grenoble Grand Place	France	Grenoble	extension	100.0%	39	0	15,600	H2 2018
Montpellier Odysseum	France	Montpellier	extension	100.0%	31	6	8,400	H2 2018
Allum	Sweden	Allum	redevelopment	56.1%	75	5	20,000	H2 2019
Gran Reno	Italy	Bologna	extension	100.0%	122	1	15,900	H1 2019
L'esplanade	Belgium	Brussels region	extension	100.0%	131	16	20,650	H2 2020
Hoog Catharijne Phase 3	Netherlands	Utrecht	extension refurbishment	100.0%	187	32	23,700	2018-2020
Vitrolles	France	Marseille region	extension	83.0%	80	0	18,050	H2 2019
Viva	Denmark	Odense	new development	56.1%	175	39	48,500	H2 2020
Givors	France	Lyon region	extension	83.0%	80	8	16,000	H2 2020
Arcades	France	Paris region	extension	53.6%	91	0	18,000	H2 2020
Økernsenteret[(3)]	Norway	Oslo	redevelopment	28.1%	89	4	54,468	H2 2020
Other projects					52	12	33,289	
TOTAL CONTROLLED PROJECTS					**1,347**	**138**	**334,257**	
TOTAL IDENTIFIED PROJECTS					**1,561**	**24**	**277,400**	
TOTAL					**3,576**	**427**	**737,256**	

(1) Estimated cost price before financial costs.
(2) For this project estimated cost and cost to date are reported for Klépierre share of equity. Floor area is the total area of the project.
(3) Asset consolidated under equity method. For this project estimated cost and cost to date are reported for Klépierre share of equity. Floor area is the total area of the project.

1.3.3. Disposals completed since January 1, 2015

Since January 1, 2015, the Group completed a total of around 850 million euros (excluding duties) worth of disposals, in line with its asset rotation strategy, whose aim is to reinforce the retail portfolio's exposure to prime shopping destinations located in the most dynamic regions and cities of Continental Europe.

Sales were completed across the whole portfolio, specifically:
— 9 convenience and district shopping centers, mostly located in cities outside the affluent Randstad region in the Netherlands, for a total consideration of 730 million euros[1];
— Retail galleries in Hungary (5 assets), Poland (1 asset), and Spain (1 asset);
— 2 portfolios of Buffalo Grill restaurants in France (31 restaurants as a whole).

Assets	GLA (sq.m.)	Sale price (€M, excl. duties)	Date
Hovlandsbanen (Norway) (50% land-call in Nordbyen disposal)	0		3/2/2015
Zala, Csepel and Szeged (Hungary)	37,688		3/31/2015
Vega Plaza (Murcia, Spain)	10,428		4/10/2015
Cremona Due (Italy) (1 shop : Poste)	92		5/11/2015
Portfolio of 9 convenience shopping centers (Netherlands)	236,973		8/26/2015
Kaposvar and Szolnok (Hungary)	16,856		11/4/2015
Krakow (Poland)	30,520		12/15/2015
TOTAL SHOPPING CENTERS		**760.3**	
Portfolio Galaxy (13 Buffalo Grill restaurants) (France)	7,618		2/18/2015
Franconville (Portfolio of 3 assets) (France)	2,052		3/16/2015
Boras (storage, office) (Sweden)	13,475		9/1/2015
Balaruc (Norauto) (France)	483		9/29/2015
Portfolio Perial (18 Buffalo Grill restaurants) (France)	9,456		10/15/2015
Berck (Twinner) (France)	943		12/16/2015
TOTAL OTHER ACTIVITIES		**83.6**	
TOTAL DISPOSALS		**843.9**	

[1] Please refer to press releases published on June 24, 2015 and August 26, 2015 available on Klépierre website: www.klepierre.com.

1.4. Consolidated earnings and cash-flow

1.4.1. Consolidated earnings

In millions euros	12/31/2015	12/31/2014
Gross rental income	**1,208.4**	**833.0**
Rental & building expenses	-140.3	-87.8
Net rental income	**1,068.0**	**745.2**
Management and administrative income	86.8	70.8
Other operating income	13.9	15.8
Payroll expenses	-149.2	-109.1
Survey & research costs	-2.8	-4.0
Other general expenses	-77.4	-47.6
EBITDA	**939.4**	**671.1**
D&A on investment property & PPE	-461.3	-397.4
Provisions	-0.3	-3.6
Proceeds of sales	14.1	846.9
Goodwill depreciation	-704.5	0.0
Results of operations	**-212.8**	**1,117.0**
Net cost of debt	-217.0	-269.5
Change in the fair value of financial instruments	-30.6	-17.3
Share in earnings for equity method investees	19.1	8.3
Pre-tax current income	**-441.3**	**838.5**
Corporate income tax	3.6	-30.4
Net income	**-437.7**	**808.1**
Non-controlling interests	-62.1	-168.0
NET INCOME (GROUP SHARE)	**-499.8**	**640.0**

Excluding the non-recurring accounting technical impact of the 704.5 million euro impairment and write-off of Corio's goodwill (see below), the consolidated net income group share would have been a profit of 204.7 million euros.

The merger of Corio with Klépierre on January 8, 2015 significantly impacts the comparison with last year.

Net rental income for the year came to 1,068.0 million euros, an increase of 322.8 million euros compared with the year ended December 31 2014. For further explanations please refer to the "Shopping center operational business overview" and "Business per region" sections of the present document.

Management and administrative income (fees) from service businesses totaled 86.8 million euros. They are mainly composed of development fees (12.7 million euros) and management fees (74.1 million euros). The Corio contribution was partly neutralized by a decrease related to disposals, mainly in France and Sweden, as well as the termination, effective June 30 2015, of a management contract for 13 Danish shopping centers owned by the pension fund Danica.

Other operating income of 13.9 million euros primarily includes gains on work reinvoiced to tenants and various indemnities.

Payroll expenses and other general expenses totaled 226.6 million euros, versus 156.7 million euros for last year, mainly driven by the Corio integration, which represented nearly 50% of the initial Klépierre cost base. They also include one off costs in connection with the Corio integration and the implementation of synergy plans generating their first results in 2015 (15 million euro impact) but expected to deliver additional cost savings to a broader extent in 2016 (28 million euro expected impact) and in 2017 (35 million euro expected impact).

EBITDA for 2015 was 939.4 million euros.

Depreciation and impairment allowance on property & PPE was 461.3 million euros for the period and included:
— 391.0 million euros of depreciation on investment properties,
— 53.2 million euros of investment property impairment allowance, a decrease of 75.1 million euros versus last year,
— 17.1 million euros of depreciation and impairment allowance on intangible assets and equipment (versus 12.4 million euros for the year ended December 31, 2014).

Net proceeds from the sale of assets reached 14.1 million euros, compared with 846.9 million euros for the same period last year. This item mainly included capital gains on the disposal of retail galleries to Carmila on April 16, 2014. In 2015, a 9 district and convenience shopping center portfolio located in the Netherlands was sold to Wereldhave for a total consideration of 730 million euros (excluding duties). Other assets disposed of included several retail galleries shopping centers in Hungary (5 centers), Spain (1 center), and Poland (1 center), and other retail assets located in France.

A part of the goodwill related to the Corio acquisition was allocated to the 9 Dutch shopping centers disposed, for an amount of 110 million euros that was consequently written off. In addition, as a result of the implementation of IAS 36, an impairment test was performed on this goodwill as of December 31, 2015 and resulted in a 595 million euro impairment. As a consequence, a total of 704.5 million euro impairment was recorded for the year.

The residual goodwill in the financial statements amounts to 658 million euros and can be split as follows:
— 265 million euros relating to optimization of deferred taxes;
— 175 million euros relating to the additional value of management activities (including cost synergies);
— 218 million euros relating to an increase in the valuation of Corio assets recorded since the acquisition date.

Including this non-recurring effect, results of operation were -212.8 million euros.

The net cost of debt amounted to 217 million euros. The debt restructuring (bond buyback and hedging adjustments) set up in 2015 has allowed the Group to refinance itself at lower rates for longer durations.

Klépierre's financial policy and structure are described in more detail in the "Financial policy" section.

Further to the acquisition and according to IFRS rules, Corio's debt has been reappraised at market value in the consolidated financial statements. As a consequence, the net cost of debt for the year ended 2015 includes a 72.5 million euro positive restatement. This amount has been eliminated from the net current cash flow (see "Change in Net current cash flow" section).

The share of earnings for equity investees reached 19.1 million euros including, in particular, the contribution of Porta di Roma (Rome, Italy) and Akmerkez (Istanbul, Turkey), both former Corio assets.

Corporate income tax for the period was a tax credit of 3.6 million euros:
— Tax payable was 32.8 million euros, taking into account the effect of Corio first consolidation. This amount includes the 3% tax dividend in France, which is significantly lower than last year. Moreover, tax payable in respect of 2014 included a non-recurring charge related to capital gain taxation on the disposals completed in Spain and Italy.
— The deferred tax was a tax credit of 36.4 million euros. Fiscal year 2015 recorded a non-recurring item in connection with a tax rate decrease in Italy.

Consolidated net income

Total share, consolidated net income was -437.7 million euros, as a non-recurring technical effect of 704.5 million euros impairment and write-off relating to the Corio acquisition is impacting this income. The minority share of net income (non-controlling interests) for the period was 62.1 million euros mainly coming from the shopping center segments in France and Scandinavia bringing group share consolidated net income to -499.8 million euros. Excluding the non-recurring technical accounting impact related to Corio, the consolidated net income group share would have been a profit of 204.7 million euros.

1.4.2. Change in net current cash-flow

In millions euros	12/31/2015	12/31/2014	Δ	(%)
Total share				
Gross Rental income	1,208.4	833.0	375.4	45.1%
Rental & building expenses	-140.3	-87.8	-52.6	59.9%
Net rental income	**1,068.0**	**745.2**	**322.8**	**43.3%**
Management and other income	100.7	86.5	14.2	16.4%
G&A expenses	-229.4	-160.7	-68.6	42.7%
EBITDA	**939.4**	**671.1**	**268.3**	**40.0%**
Adjustments to calculate operating cash-flow exclude :				
Employee benefits, stock-options expenses and non-current operating expenses	22.7	9.9	12.8	128.9%
Acquisition costs on share deals and non-controlling joint venture interests	4.5	4.6	0.0	-0.9%
Operating cash-flow	**966.6**	**685.6**	**281.1**	**41.0%**
Net cost of debt	-217.0	-269.5	52.6	-19.5%
Adjustments to calculate net current cash-flow before taxes exclude:				
Corio's debt mark to market amortization	-72.5		-72.5	
Financial instruments close-out costs	75.8	82.0	-6.3	-7.6%
Net current cash-flow before taxes	**752.9**	**498.0**	**254.9**	**51.2%**
Share in equity method investees	62.4	38.9	23.4	60.2%
Current tax expenses	-32.8	-16.5	-16.3	98.2%
Net current cash-flow (total share)	**782.5**	**520.4**	**262.1**	**50.4%**
Group share				
Net current cash-flow (Group share)	**663.1**	**406.5**	**256.5**	**63.1%**
Number of shares[1]	306,803,561	195,912,339		
Per share				
NET CURRENT CASH-FLOW PER SHARE (€)	**2.16**	**2.07**	**0.09**	**4.2%**

[1] Average number of shares, excluding treasury shares. Further to the Corio acquisition, the average number of shares takes into account the creation of 96 589 672 new shares on January 8, 2015, 10 976 874 new shares on January 15, 2015 and 7 319 177 new shares in March 2015.

Net current cash flow for the period came to 782.5 million euros. Group share, it amounted to 663.1 million euros. On a per share basis, net current cash flow is up 4.2% to 2.16 euros, exceeding February 2015 target of 2.10-2.15 euros per share.

The cost structure for the period is impacted by the acquisition of Corio. In order to correct these non-recurring effects, a total amount of 20 million euros has been offset from the Net current cash flow.

EPRA Earnings are presented in the section entitled "EPRA Key performance indicators" of the present document.

1.5. Parent company earnings and distribution

Summary earnings statement for the parent company Klépierre SA

In million of euros	12/31/2015	12/31/2014
Operating revenues	34.9	7.7
Operating expenses	-48.0	-21.1
Operating income	**-13.1**	**-13.4**
Share income from subsidiaries	75.4	776.6
Net financial income	29.2	-32.9
Net income from ordinary operations before tax	**91.5**	**730.3**
Non-recurring income	-202.4	-8.6
Corporate income tax	0.1	-3.8
NET INCOME	**-110.9**	**717.9**

Excluding a non-recurring accounting technical impact due to the merger of Corio into Klépierre (see below), net income would have been a profit of 74.1 million euros.

As a reminder, share income from subsidiaries in 2014 was mainly due to the non-recurring income relating to the disposal of 56 retail galleries in France to Carmila. 2015 Net financial income includes an exceptional dividend (40 million euros) received from subsidiaries involved in the same transaction.

Following the merger of Corio into Klépierre, an intangible asset (technical merger loss) of 748 million euros was recorded in the balance sheet as of March 31, 2015. According to French GAAP requirements, this intangible asset is subject to impairment testing. The Group performed such tests as of December 31, 2015 based on values in use for equity interests. These values correspond:

— For property company shares, to their restated value computed with the similar methodology as in NAV calculation (including deferred taxes optimization);

— For management companies, to the value stated by external appraisals.

As a result, an impairment of 185 million euros has been booked as a non-recurring loss.

The Supervisory Board will recommend that the shareholders present or represented at the shareholders meeting on April 19, 2016 approve the payment of a cash dividend in respect of fiscal year 2015 of 1.70 euro per share versus 1.60 euro in respect of fiscal year 2014 (+6.3% per share). This amount reflects a payout of 81% of the net current cash flow group share and will come from the SIIC related activity of Klépierre for 0.5 euro. Proposed pay date is April 26, 2016 (ex-date: April 22, 2016).

1.6. Property portfolio valuation

1.6.1. Methodology

On December 31 and June 30 of each year, Klépierre adjusts the value of its net assets per share (NAV). The valuation method used entails adding unrealized capital gains to the book value of consolidated shareholders' equity. These unrealized gains reflect the difference between independently appraised market values and book values recorded in the consolidated financial statements.

Klépierre entrusts the task of appraising its real estate assets to various appraisers. For the period ended December 31, 2015, these appraisals were carried out by the following appraisers:

Appraisers	Portfolios	Number of assets	Valuation[1]	%	June report	December report
JLL 30%	France	43	3,844	17.0%	summarized	detailed + summarized
	Belgium	2	352	1.6%	summarized	detailed + summarized
	Italy	20	1,995	8.8%	summarized	detailed + summarized
	Greece	3	20	0.1%	summarized	detailed + summarized
	Turkey	4	671	3.0%	summarized	detailed + summarized
CUSHMAN & WAKEFIELD 41%	France	22	3,594	15.9%	summarized	detailed + summarized
	Norway	11	1,326	5.9%	summarized	detailed + summarized
	Sweden	5	1,280	5.7%	summarized	detailed + summarized
	Denmark	3	970	4.3%	summarized	detailed + summarized
	Italy	1	589	2.6%	summarized	detailed + summarized
	Poland	6	439	1.9%	summarized	detailed + summarized
	Hungary	9	211	0.9%	summarized	detailed + summarized
	Czech Republic and Slovakia	4	439	1.9%	summarized	detailed + summarized
	Netherlands	4	161	0.7%	summarized	detailed + summarized
	Turkey	3	166	0.7%	summarized	detailed + summarized
CBRE 21%	France	11	1,232	5.4%	summarized	detailed + summarized
	Italy	12	1,402	6.2%	summarized	detailed + summarized
	Spain	16	1,469	6.5%	summarized	detailed + summarized
	Portugal	8	368	1.6%	summarized	detailed + summarized
	Netherlands	1	319	1.4%	summarized	detailed + summarized
BNPP Real Estate 7%	France (retail properties)	266	464	2.0%	summarized	detailed + summarized
	Germany	5	1,018	4.5%	summarized	detailed + summarized
SAVILLS 1%	Italy (Fund K2)	4	301	1.3%	summarized	detailed + summarized

(1) Values in million of euros including transfer duties.

These appraisal assignments were conducted in accordance with the Code of Compliance for SIICs, as well as with the Real Estate Appraisal Guidelines (Charte de l'Expertise en Évaluation Immobilière), the recommendations of the COB/CNCC working group chaired by Mr. Barthès de Ruyther, and the standards set forth by the RICS and the IVSC.

Appraisal of Klépierre management service activity

The appraisal as of December 31, 2015 was performed by Accuracy on behalf of Klépierre and is based on the Discounted Cash-Flow (DCF) method. This method, which is used in every country where the Klépierre Group conducts management service activity, consists of three stages. The first stage consists of cash-flows that may be generated in the future by activity strictly interpreted (i.e., before consideration of explicit or implicit financing costs), estimated on the basis of the specific business plans developed in each country where the Group conducts management service activity for itself and for third parties. The cash-flows include synergies already achieved or anticipated following the merger with Corio on March 31, 2015. In the second stage, forecast cash-flows and the probable value of the management activity portfolio at the end of the forecast period (terminal value) are discounted at an appropriate rate. This discount rate is determined on the basis of the Capital Asset Pricing Model (CAPM) and is the sum of the following three components: the risk-free interest rate, a general market risk premium (forecast average market risk premium multiplied by the beta coefficient for the business portfolio), and a specific market risk premium (which takes account of the proportion of specific risk not already included in flows). In the third and final stage, the value of shareholders' equity is obtained by deducting its net debt on the valuation date from the value of its business portfolio.

This estimate of management service activities is used to determine the Klépierre Group's NAV through the unrealized capital gain calculated in comparison with the net book value of such activities in the consolidated financial statements. This same estimate and the underlying estimates for each of the countries involved are also used in impairment tests for the goodwill recognized for such activity in the Group's consolidated balance sheet.

1.6.2. Results of appraisals

1.6.2.1. Property portfolio valuation

The value of the combined portfolio, including former Corio assets which are included in property portfolio valuations since June 30, 2015, was 22.1 billion euros total share and 18.8 billion euros group share (excluding transfer duties). In total share, shopping centers accounted for 98.0% of the portfolio and other activities for 2.0%. On a group share basis, these percentages are 97.7% and 2.3%, respectively. Projects under development (Investment properties under construction) represent 2.0% of the Group's property portfolio. Such projects are taken into account at fair value, whenever a reliable value can be established, based on internal assessment. Projects that are not appraised are carried at their cost price.

Investments in assets consolidated under the equity method are included based on the fair value of the shares and taking into account receivables and facilities granted by the Group. As of December 31, 2015 these shopping center assets were valued at 1,863 million euros (1,590 million euros group share).

In order to offer more insight into the evolution of the combined portfolio, the like-for-like increase over 12 months has been computed on a pro forma basis including Corio's assets as at December 31, 2014.

Valuation of the property portfolio, total share (excluding duties)

In million euros	12/31/2015	In % of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2015	Current portfolio basis	Like-for-like[1] change	12/31/2014	Current portfolio basis	Like-for-like[1] pro forma change
France	8,032	36.3%	7,814	2.8%	2.1%	6,216	29.2%	3.7%
Belgium	371	1.7%	366	1.4%	1.4%	323	14.9%	15.8%
France- Belgium	**8,403**	**38.0%**	**8,180**	**2.7%**	**2.1%**	**6,539**	**28.5%**	**4.2%**
Italy	**3,606**	**16.3%**	**3,504**	**2.9%**	**2.8%**	**1,514**	**138.1%**	**7.7%**
Norway	1,510	6.8%	1,209	24.9%	7.4%	1,179	28.0%	9.5%
Sweden	1,389	6.3%	1,279	8.6%	7.7%	1,214	14.4%	11.6%
Denmark	1,057	4.8%	1,024	3.2%	1.4%	1,020	3.6%	1.6%
Scandinavia	**3,955**	**17.9%**	**3,512**	**12.6%**	**5.7%**	**3,413**	**15.9%**	**7.9%**
Spain	1,461	6.6%	1,400	4.4%	3.4%	495	194.9%	9.4%
Portugal	324	1.5%	311	4.1%	4.1%	251	29.2%	4.2%
Iberia	**1,785**	**8.1%**	**1,711**	**4.4%**	**3.6%**	**746**	**139.3%**	**8.2%**
Poland	439	2.0%	428	2.5%	4.9%	434	1.2%	3.8%
Hungary	216	1.0%	227	-4.6%	-1.2%	265	-18.5%	-13.7%
Czech Republic	424	1.9%	388	9.5%	9.9%	358	18.6%	19.0%
Turkey	617	2.8%	584	5.6%	-5.1%	0	-	-4.8%
Others	39	0.2%	49	-20.1%	-4.7%	38	1.6%	-7.7%
CEE and Turkey	**1,736**	**7.8%**	**1,675**	**3.6%**	**1.4%**	**1,095**	**58.5%**	**1.1%**
Netherlands	**1,139**	**5.1%**	**1,810**	**-37.1%**	**-1.3%**	**0**	**-**	**1.3%**
Germany	**1,068**	**4.8%**	**1,082**	**-1.2%**	**-0.2%**	**0**	**-**	**1.9%**
TOTAL SHOPPING CENTERS	**21,693**	**98.0%**	**21,474**	**1.0%**	**2.6%**	**13,308**	**63.0%**	**5.3%**
TOTAL OTHER ACTIVITIES	**434**	**2.0%**	**472**	**-8.1%**	**-0.1%**	**513**	**-15.4%**	**-1.8%**
TOTAL PORTFOLIO	**22,127**	**100.0%**	**21,946**	**0.8%**	**2.6%**	**13,821**	**60.1%**	**5.1%**

(1) For Scandinavia and Turkey change is indicated on constant portfolio and forex basis.

Valuation of the property portfolio, group share (excluding duties)

In million euros	12/31/2015	In % of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2015	Current portfolio basis	Like-for-like[(1)] change	12/31/2014	Current portfolio basis	Like-for-like[(1)] pro forma change
France	6,631	35.2%	6,476	2.4%	1.8%	4,930	34.5%	3.3%
Belgium	371	2.0%	366	1.4%	1.4%	323	14.9%	15.8%
France- Belgium	**7,002**	**37.2%**	**6,842**	**2.3%**	**1.8%**	**5,253**	**33.3%**	**3.8%**
Italy	**3,560**	**18.9%**	**3,456**	**3.0%**	**2.8%**	**1,466**	**142.8%**	**7.7%**
Norway	847	4.5%	678	24.9%	7.4%	662	28.0%	9.5%
Sweden	779	4.1%	717	8.6%	7.7%	681	14.4%	11.6%
Denmark	593	3.1%	575	3.2%	1.4%	572	3.6%	1.6%
Scandinavia	**2,219**	**11.8%**	**1,970**	**12.6%**	**5.7%**	**1,915**	**15.9%**	**7.9%**
Spain	1,423	7.6%	1,363	4.4%	3.4%	466	205.0%	9.7%
Portugal	324	1.7%	311	4.1%	4.1%	251	29.2%	4.5%
Iberia	**1,747**	**9.3%**	**1,674**	**4.3%**	**3.5%**	**717**	**143.5%**	**8.4%**
Poland	439	2.3%	428	2.5%	4.9%	434	1.2%	3.8%
Hungary	216	1.1%	227	-4.6%	-1.2%	265	-18.5%	-13.7%
Czech Republic	424	2.3%	388	9.5%	9.9%	358	18.6%	19.0%
Turkey	593	3.2%	561	5.8%	-5.8%	0	NA	-5.3%
Others	35	0.2%	45	-21.2%	-4.5%	34	3.3%	-7.1%
CEE and Turkey	**1,708**	**9.1%**	**1,648**	**3.6%**	**1.3%**	**1,091**	**56.5%**	**1.1%**
Netherlands	**1,139**	**6.1%**	**1,810**	**-37.1%**	**-1.3%**	**0**	**NA**	**1.3%**
Germany	**1,014**	**5.4%**	**1,028**	**-1.3%**	**-0.2%**	**0**	**NA**	**1.8%**
TOTAL SHOPPING CENTERS	**18,390**	**97.7%**	**18,429**	**-0.2%**	**2.3%**	**10,443**	**76.1%**	**5.0%**
TOTAL OTHER ACTIVITIES	**434**	**2.3%**	**472**	**-8.1%**	**-0.1%**	**513**	**-15.4%**	**-1.8%**
TOTAL PORTFOLIO	**18,824**	**100.0%**	**18,901**	**-0.4%**	**2.3%**	**10,956**	**71.8%**	**4.8%**

[(1)] For Scandinavia and Turkey change is indicated on constant portfolio and forex basis.

At year-end 2015, the value of the portfolio, transfer duties excluded, amounted to 22,127 million euros total share (18,824 million euros group share). Including duties, this value was 22,618 million euros total share (19,242 million euros group share).

Portfolio valuation (total share) reconciliation with figures from the fair value balance sheet

In million euros	
Investment property at fair value	**18,751**
Investment property at cost model	1,076
Fair value of property held for sale	24
Duties & fees on the sale of asset optimization	413
Equity account investees (including receivables)	1,863
TOTAL PORTFOLIO VALUATION (total share)	**22,127**

Shopping centers

The value of the shopping center portfolio, transfer duties excluded, was 21,693 million euros (18,390 million euros group share) on December 31, 2015, an increase of 8,385 million euros compared to December 31, 2014 (+63.0%), mainly due to the Corio, Plenilunio and Oslo City acquisitions and to the disposal of a portfolio of 9 convenience shopping centers in the Netherlands. The change on a current portfolio basis also includes the exchange rate impact related to the depreciation of the Norwegian krone and the appreciation of the Swedish krone since December 31, 2014 (combined impact of -44 million euros).

A change in 10 bps in yield would result in a 300 million euro change in group share portfolio valuation.

On a like-for-like pro forma portfolio and exchange rate basis, the Group share value of the shopping center portfolio, excluding transfer duties, increased by 5.0% (+790 million euros) over 12 months. Over 6-months, the increase in the like-for-like portfolio valuation is 2.3% (+379 million euros).

12-month Shopping center portfolio valuation bridge (Group share)

In million euros	
Shopping center portfolio group share at 12/31/2014	**10,443**
Disposals	-10
Acquisitions / developments	+7,727
Like-for-like growth	+238
Forex	+31
Shopping center portfolio group share at 06/30/2015	**18,429**
Disposals	-751
Acquisitions / développements	+381
Like-for-like growth	+379
Forex	-48
SHOPPING CENTER PORTFOLIO VALUATION at 12/31/2015	**18,390**

Change in yields (Group share, excluding duties) – shopping center portfolio

	12/31/2014	12/31/2014 pro forma	06/30/2015	12/31/2015
France-Belgium	5.5%	5.6%	5.4%	5.3%
Italy	6.5%	6.3%	6.2%	6.0%
Scandinavia	5.4%	5.4%	5.4%	5.1%
Iberia	6.7%	7.1%	6.6%	6.0%
CEE and Turkey	7.0%	7.4%	7.5%	7.3%
Netherlands	—	7.0%	7.0%	6.4%
Germany	—	5.6%	5.3%	5.2%
AVERAGE SHOPPING CENTERS	**5.9%**	**6.1%**	**6.0%**	**5.7%**

The average yield rate of the portfolio stands at 5.7% (excluding duties), down by 40 basis points over 12 months on a pro forma basis (including Corio assets). This change is attributable to (i) a 10 basis point effect due to disposals and the Plenilunio acquisition and to (ii) a 30 basis point yield compression reflecting a buoyant investment market and the decrease in long term interest rates.

Other activities

The value of the retail asset portfolio excluding transfer duties stands at 434 million euros, down by 8.1% over 6 months and by 15.4% over 12 months. The change on a current portfolio basis is due to the disposal of 35 units in February, March, November and December 2015.

On constant portfolio basis, the change in the value of the retail assets is stable over 6 months (-1.8% over 12 months). The average yield rate of the portfolio stands at 7.4% excluding duties, an increase of 10 bps compared with June 30, 2015 and +21 bps compared with December 31, 2014.

1.6.2.2. Management service activity

On December 31, 2015, the estimated market value of the Klépierre Group management business, after taking into account the net debt associated, stood at 324.1 million euros compared to a value of 134.9 million euros as of December 31, 2014 before Corio acquisition.

1.7. EPRA key performance indicators

The following performance indicators have been prepared in accordance with best practices as defined by EPRA (European Public Real estate Association) in its Best Practices Recommendations guide, available on EPRA's website (www.epra.com).

1.7.1. EPRA Earnings

EPRA Earnings is a measure of the underlying operating performance of an investment property company excluding fair value gains, investment property disposals, and limited other items that are not considered to be part of the core activity of an investment property company.

In million euros	12/31/2015	12/31/2014	12/31/2013
Net current cash-flow, group share	**663,1**	**406,5**	**403,8**
Restatement payroll expenses (employee benefits, stock options)	-4.2	-8.8	-7.6
Restatement amortization allowances and provisions for contingencies and losses	-15.2	-12.6	-10.4
Other restatements related to tax	0.0	-0.9	-1.0
EPRA EARNINGS	**643,6**	**384,3**	**384,9**
(in euros per share)			
Average number of shares[1]	306,803,561	195,912,339	195,400,982
EPRA EARNINGS PER SHARE	**2.10**	**1.96**	**1.97**

[1] Average number of shares, excluding treasury shares. Further to the Corio acquisition, the average number of shares takes into account the creation of 96 589 672 new shares on January 8, 2015, 10 976 874 new shares on January 15, 2015 and 7 319 177 new shares in March 2015.

1.7.2. EPRA Net Asset Value and Triple Net Asset Value

EPRA NAV is a measure of the fair value of net assets assuming a normal investment property company business model. Accordingly, there is an assumption of owning and operating investment property for the long term. EPRA NNNAV (Triple Net Asset Value) is similar to EPRA NAV, except that it includes debt and financial instruments at fair value and the optimized calculation of deferred tax liabilities.

Methodology

The EPRA NAV and NNNAV are calculated by restating consolidated shareholder's equity on several items:

Goodwills

Goodwills as a result of deferred taxes are excluded for NAV calculation as the corresponding deferred tax liability is also eliminated as explained hereunder. Goodwills on other assets related to Klépierre management business are excluded because these assets are taken at their fair market value in NAV calculation.

Unrealized capital gains on real estate portfolio (duties included)

The difference between the market values and the book values recorded in the consolidated financial statements (cost accounting model) is added to the consolidated shareholder's equity. The valuation of properties is initially presented inclusive of property transfer duties. Properties that are held for sale under a firm commitment on the date of the valuation are valued at their probable selling price, less related fees and taxes. For properties acquired less than six months before the date of the calculation, acquisition prices are used. Investment properties under construction and covered by irrevocable development permission are taken into account at fair value, whenever a reliable value can be established, based on internal assessment. Projects that are not appraised are carried at their cost price.

Unrealized capital gains on management companies

The management companies are appraised annually using the method as described in detail above. The difference between the market values and the book values recorded in the consolidated financial statements is included in NAV and NNNAV calculation.

Fair value of financial instruments

The net mark-to-market adjustment to the value of financial instruments which are used for hedging purposes - and where the Company has the intention of keeping the position until the end of the contractual duration - is excluded for NAV calculation and added-back for Triple Net Asset Value (NNNAV). NNNAV also incorporates the fair value of debt and interest rate hedging instruments that are not recorded under consolidated net assets pursuant to IAS 32-39, which essentially involves marking to market the fixed rate debt.

Deferred tax on asset values

The EPRA NAV measures the fair value of net assets on an ongoing, long-term basis. As such, deferred taxes included in the financial statement under IFRS are excluded as they would only become payable if the assets were sold. Deferred taxes recognized pursuant to accounting regulations in force, for the portion which corresponds to the difference between the net book values and the tax values, as determined by capital gains tax rates in force in each country, are restated for NAV calculation.
For NNNAV calculation purposes, tax on unrealized capital gains is then calculated property by property, on the basis of applicable local tax regulations, using the most likely scenario, between the direct sale of the property and the disposal through the sale of shares of a company owning the property.

Duties and fees on the sale of assets

Transfer duties and fees on the sale of assets are calculated property by property using the same approach as that used to determine effective tax on unrealized capital gains on the basis of applicable local tax regulations.

EPRA NAV and NNNAV Calculation

In million euros	12/31/2015	06/30/2015	12/31/2014	Change over 6 months		Change over 12 months	
Consolidated shareholders' equity (group share)	**5,772**	**6,408**	**2,421**	**-636**	**-9.9%**	**3,351**	**138.4%**
Unrealized capital gains on portfolio (duties included)	5,204	4,595	3,753	608	13.2%	1451	38.7%
Unrealized capital gains on other assets	293	136	136	157	115.3%	157	115.8%
Goodwill restatement	-835	-1,491	-130	656	-44.0%	-705	542.6%
Fair value of financial instruments	38	43	119	-5	-12.0%	-81	-68.2%
Deferred taxes on asset values on the balance sheet	739	709	273	30	4.2%	466	170.8%
Reconstitution NAV	**11,211**	**10,401**	**6,572**	**810**	**7.8%**	**4,639**	**70.6%**
Duties and fees on the sale of assets	-419	-432	-283	13	-3.1%	-136	48.0%
EPRA NAV	**10,792**	**9,969**	**6,289**	**823**	**8.3%**	**4,503**	**71.6%**
Optimized deferred taxes on unrealized capital gains	-257	-201	-149	-57	28.2%	-108	72.6%
Fair value of financial instruments	-38	-43	-119	5	-12.0%	81	-68.2%
Fair value of fixed-rate debt	-146	-119	-210	-27	22.9%	64	-30.4%
EPRA NNNAV	**10,351**	**9,606**	**5,811**	**745**	**7.8%**	**4,540**	**78.1%**
Number of shares, end of period (after dilutive effect)[1]	311,457,530	311,192,385	196,104,723				
Per share (€)							
Reconstitution NAV per share	**36.0**	**33.4**	**33.5**	**2.6**	**7.7%**	**2.5**	**7.4%**
EPRA NAV per share	**34.7**	**32.0**	**32.1**	**2.6**	**8.2%**	**2.6**	**8.0%**
EPRA NNNAV per share	**33.2**	**30.9**	**29.6**	**2.4**	**7.7%**	**3.6**	**12.2%**

[1] Number of shares end of period (excluding treasury share . Further Corio acquisition, creation of 96 589 672 new shares on January 8, 2015, 10 976 874 new shares on January 15, 2015 and 7 319 177 new shares in March 2015.

EPRA NAV per share was 34.7 euros, versus 32.1 euros on December 31, 2014. Over 12 months the EPRA NAV is up by 8.0%, this change can be explained by the cash flow for the period (+2.16 euros) the increase in assets value (+3.0 euros)[1], partly offset by the dividend (-1.3 euros) and transaction costs and purchase price adjustments (-0.3 euros) in connection with the Corio acquisition. EPRA NNNAV was 33.2 euros per share, up 12.2% versus year-end 2014.

EPRA NNNAV 12-month bridge per share

In euros per share	
EPRA NNNAV at 12/31/2014	**29.6**
Cash flow	2.2
Dividend	-1.3
Like-for-like asset revaluation	3.0
Transaction costs and purchase price adjustments	-0.3
Forex and others	-0.4
EPRA NNNAV at 12/31/2015	**32.8**
Change in fair value of financial instruments	0.4
EPRA NNNAV at 12/31/2015	**33.2**

[1] Including management companies valuation uplift : 0.5 euros.

1.7.3. EPRA Net Initial Yield and EPRA "Topped-up" Net Initial Yield

EPRA NIY (Net Initial Yield) is calculated as the annualized rental income based on the cash rents passing at the balance sheet date, less non-recoverable property operating expenses, divided by the gross market value of the property. EPRA "Topped-up" NIY is calculated by making an adjustment to EPRA NIY in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent free periods and step rents).

	12/31/2015		12/31/2014	
	Shopping centers	**Retail assets**	**Shopping centers**	**Retail assets**
Klépierre yields	**5.7%**	**7.4%**	**5.9%**	**7.2%**
Effect of vacant units	-0.3%	-0.2%	-0.3%	-0.1%
Effect of EPRA adjustments on rents	-0.1%	-0.2%	0.0%	0.1%
Effect of estimated transfer taxes and transaction costs	-0.1%	-0.3%	-0.1%	-0.5%
EPRA "TOPPED-UP" NET INITIAL YIELD	**5.2%**	**6.8%**	**5.5%**	**6.7%**
Effect of lease incentives	-0.1%	-0.0%	-0.2%	-0.0%
EPRA NET INITIAL YIELD	**5.1%**	**6.8%**	**5.3%**	**6.7%**

1.7.4. EPRA Vacancy Rate

EPRA Vacancy Rate is calculated by dividing the market rents of vacant spaces by the market rents of the total space of the whole property portfolio (including vacant spaces).

In thousands euros	France-Belgium	Italy	Scandinavia	Iberia	CEE and Turkey	Netherlands	Germany	TOTAL
Estimated rental value (ERV)	455,566	250,923	196,533	122,696	113,857	35,036	54,486	1,229,096
ERV of vacant space	13,765	5,288	8,908	7,766	5,970	1,166	4,384	47,247
EPRA VACANCY RATE	**3.0%**	**2.1%**	**4.5%**	**6.3%**	**5.2%**	**3.3%**	**8.0%**	**3.8%**

1.7.5. EPRA Cost Ratio

The purpose of the EPRA Cost Ratio is to reflect the relevant overhead and operating costs of the business. It is calculated by expressing the sum of property expenses (net of service charge recoveries and third-party asset management fees) and administrative expenses (excluding exceptional items) as a percentage of gross rental income.

In million euros	12/31/2015	06/30/2015	12/31/2014
Administrative / operating expense line per IFRS income statement	-280.1	-145.7	-212.5
Net service charge costs/fees	-67.0	-33.8[1]	-36.3
Management fees less actual/estimated profit element	86.8	45.2	70.8
Other operating income/recharges intended to cover overhead expenses less any related profit	13.9	8.8	15.8
Share of Joint Ventures Expenses	-17.3	-9.8	-9.0
Exclude (if part of the above):			
Invesment Property depreciation	NA	NA	NA
Ground rents costs	NA	NA	NA
Service charge costs recovered through rents but not separately invoiced	NA	NA	NA
EPRA costs (including vacancy costs) (A)	**-263.6**	**-135.4**	**-171.2**
Direct vacancy costs	-27.9	-17.4	-16.1
EPRA costs (excluding vacancy costs) (B)	**-235.7**	**-118.0**	**-155.1**
Gross Rental Income less ground rents - per IFRS	1,193.0	599.0	825.5
Less: service fee / cost component of Gross Rental Income	NA	NA	NA
Add: share of Joint ventures (Gross Rental Income less ground rents)	97.6	55.8	52.8
Gross Rental Income (C)	**1,290.6**	**654.9**	**878.3**
EPRA Cost Ratio (including direct vacancy costs) (A/C)	**20.4%**	**20.7%**	**19.5%**
EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**18.3%**	**18.0%**	**17.7%**

[1] Restated from IFRIC 21 H2 impact (-9.5 million euros)

The cost structure for the year ended 2015 is impacted by the acquisition of Corio and restructuring initiatives following this acquisition. In order to correct these non-recurring effects, 20 million euros have been offset from the line “Administrative / operating expenses”.

As a reminder, Corio’s last disclosed EPRA cost ratio (including direct vacancy costs) was 23.9% (December 31, 2014).

1.8. Financial policy

1.8.1. Financial resources

1.8.1.1. Change in net debt

As of December 31, 2015, consolidated net debt is 8,857 million euros, compared to 5,325 million euros on December 31, 2014. This 3,532 million euro increase is mainly attributable to the consolidation of Corio's debt for a total nominal amount of 3.2 billion euros. The other factors explaining the change are:
— Klépierre paid a dividend of 393 million euros, of which 180 million euros were paid in January and 213 million euros in April 2015.
— Investments during the year amounted to 946 million euros, including the acquisition of Plenilunio, Oslo City, and development expenses, mainly Hoog Catharijne, Val d'Europe, and Prado. In the meantime, 850 million euros worth of assets were disposed.
— The free cash-flow, debt restructuring costs, minorities' contribution and foreign exchange impacts represent the balance and contributed to reduce the net debt by circa 200 million euros.

1.8.1.2. Loan-to-Value ratio

At the end of year, the Loan-to-Value ratio stood at 39.2%. Compared to year-end 2014 this ratio is stable on a pro forma basis (including Corio).

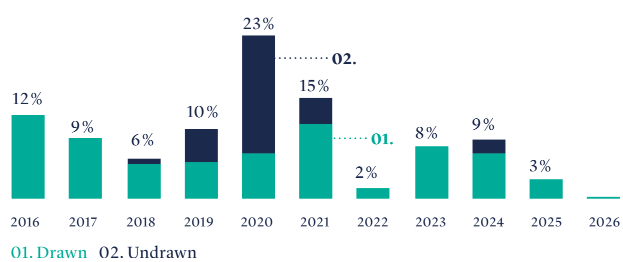
In million euros, total share	
Current financial liabilities (total share)	2,584
+ Bank facilities	265
+ Non current financial liabilities	6,714
- Fair Value revaluation of debt	-70
- Purchase price adjustments impact	-148
Gross financial liabilities excluding fair value hedge	**9,345**
Cash and near cash (incl. cash managed for principals)	-488
Net debt	**8,857**
Value of property portfolio including duties	22,618
LOAN-TO-VALUE RATIO	**39.2%**

1.8.2. Available resources

During the year, Klépierre actively managed its debt through several transactions that both lowered its cost of debt and increased its average duration:
— Klépierre repurchased 359 million euros worth of its short dated notes through a tender offer (April) and through open market transactions.
— At the same time, Klépierre issued 880 million euros worth of new long-term notes denominated in euros by reopening the bond maturing November 2024 (130 million euros) and by placing a new benchmark tranche maturing April 2023 (750 million euros) with a record low coupon (1%). These transactions were complemented in October 2015, by the placement of 255 million euros of new 10 year notes to several institutional investors on the private market.
— On the banking market, Klépierre successfully renegotiated the terms of and extended for a period of 2 years its 750 million euro syndicated revolving credit facility. At the same time, all of the former revolving credit facilities of Corio were replaced by a new 850 million euro 5-year (with two extension options by one year) syndicated revolving credit facility granted by a syndicate of 16 international banks.
— On December 9, Klépierre fully prepaid the US Private Placements issued by Corio in March 2007. After taking into account, the early termination of all the swaps related to this transaction, total consideration was 897 million euros.

Through all these successful transactions, Klépierre demonstrated undisputed access to capital markets and its ability to take advantage of the best market conditions to strengthen its balance sheet at the lowest cost. As a consequence, the average duration of the debt reached 5.5 years at year-end (against 5.3 at year-end 2014 on a pro forma basis). The Group's level of liquidity remains high at more than 2.2 billion euros, a total which includes 2.1 billion euros worth of unused committed credit lines with an average remaining maturity of 5.2 years. In early January of 2016, Klépierre completed a new 5-year term loan worth 350 million euros for its Dutch subsidiary with a pool of 4 European banks. After this transaction, the Group's liquidity position was over 2.5 billion euros.

Debt maturity schedule
(% of authorized debt)

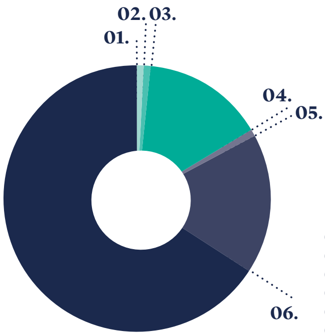


1.8.3. Debt structure and duration

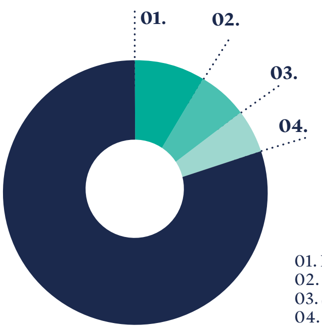
Following to the integration of Corio's debt, the share of capital market sources in the combined debt reached 81%. This access to capital market resources has also enabled the Group to pursue the reduction of secured debts in the total balance.

The breakdown by currency remains consistent with the geographic exposure of the Group's portfolio of assets. Assets located in Turkey that generate rents denominated in USD are hedged through rolling of FX swaps.

Financing breakdown by type of resource (Utilizations)



Financing breakdown by currency (Utilizations)



1.8.4. Interest rate hedging

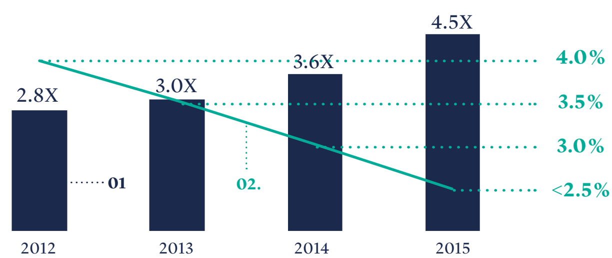
Since Corio's debts were mainly fixed rate, the hedging ratio remained above its 70% target with the integration of Corio. During the period, the Group continued to restructure its fixed-rate portfolio through swap restructuring and liability management exercises on the bond portfolio.

At the end of the period, it reached 77% and the average duration of the fixed-rate position (4.5 years) remains compliant with the balance-sheet structure.

1.8.5. Cost of debt

The average Group cost of debt continued to fall over the period below 2.5%. This figure reflects the low level of short-term interest rates, the restructuring of the hedging portfolio, and the first impact of the financing costs synergies following the merger of Corio into Klépierre (2015 impact of 19 million euros; 2016 and 2017 impact expected at 32 million euros). The low cost of debt led to a strong 4.5x covering of interest expense by EBITDA (ICR). Based on the structure of interest rates on January 31, 2015, the Group's annual cash-cost at risk stood at 9 million euros, i.e., the loss due to short-term interest rate movements would be less than 9 million euros 99% of the time.

Historical ICR and cost of debt



1.8.4. Financial ratios and rating

As of December 31, 2015, the Group's financing covenants remain in line with the commitments in its financing agreements.

In December 2015, Standard's & Poor's confirmed the A- rating and its stable outlook. Moody's continues to rate A3 (stable outlook) the notes initially issued by Corio NV.

Financing	Ratios / covenants	Limit[1]	12/31/2015	12/31/2014
Syndicated loans and bilateral loans Klépierre SA	Net debt / Portfolio value ("Loan to Value")	≤ 60%	39.2%	37.6%
	EBITDA / Net interest expenses[2]	≥ 2.0	4,5	3.6
	Secured debt / Portfolio value (excluding Steen & Strøm)	≤ 20%	0.9%	1.3%
	Portfolio value, group share	≥ €8 Bn	€19.2 Bn	€11.2 Bn
Bond issues Klépierre SA	Secured debt / Revalued Net Asset Value (excluding Steen & Strøm)	≤ 50%	1.5%	2.3%

[1] Ratios are based on the 2015 revolving credit facility.
[2] The ICR does not include the liability management impact.

A portion of Steen & Strøm's debt is subject to a financial covenant that requires shareholders' equity to be equal to at least 20% of NAV at all times. On December 31, 2015, this ratio was 41%.

1.9. Outlook

The Group will continue to ensure its shopping center portfolio is permanently profiled to meet leading retailers' expansion plans and upgraded to reach shoppers' expectations. Klépierre strongly believes that irreplaceable locations in catchment areas with strong demographic growth perspectives and wealthy sustainable economic fundamentals are key drivers to generate higher retailer sales, enhance Company earnings and create long-term shareholder value.

Klépierre will continue to promote and accelerate store transformation, organize unique marketing and animation initiatives to reinforce attractiveness, and integrate innovations, notably through digital tools.

Extensions will be launched to further support this strategy of reinforcing our retail destinations. At the same time, Klépierre will pursue its portfolio upgrading strategy by seizing best acquisition or development opportunities and disposing of selected assets.

For 2016, rental income like-for-like is expected to continue to grow and additional synergies will also be delivered, while net divestments of 2015 will only slightly impact the year. Consequently, Klépierre has a reasonable view that its **net current cash-flow** should achieve a comparable pace of growth as that posted in 2015 and reach **2.23-2.25 euros per share.**

1.10. Events subsequent to the accounting cut-off date

Klépierre has announced February 12, 2016[1] that it successfully issued a 10-year, 500 million euro bond maturing February 19, 2026. The bond was priced at a 130 bps margin above the swap rate which translates into a coupon of 1.875%. Klépierre will use the proceeds of this bond issuance to reimburse the outstanding 526 million euros bond maturing in March 2016, with a 4.25% coupon. As a result of this transaction, the Group's debt maturity profile continues to be extended while its cost of funding is reduced.

1.11. Other information

1.11.1. Outcome of the share buyback program (data provided under the terms of article L. 225-211 of the French Commercial Code)

In number of treasury shares	Liquidity	Existing stock-option plan				Future stock-options	Free shares	External growth	Total
		2007 Plan	2009 Plan	2010 Plan	2011 Plan				
Position at 12/31/2014	**153,258**	**355,343**	**146,262**	**276,010**	**501,000**	**127,180**	**757,500**	**1,048,574**	**3,365,127**
Stock option allocation									0
Stock option plan adjustements[2]		-317,174		1,500	-18,000	240,439	256,614	-163,379	0
Options exercised during the year		-38,169	-95,220	-115,795	-104,436		-166,751		-520,371
Purchases	2,102,115	0	0	0		0		0	2,102,115
Sales	-2,048,338	0	0	0		0			-2,048,338
Position at 12/31/2015	**207,035**	**0**	**51,042**	**161,715**	**378,564**	**367,619**	**847,363**	**885,195**	**2,898,533**

[2] Updating of the number of beneficiaries to reflect employee turnover.

During 2015 as whole, 2,102,115 shares were bought back at an average price per share of 41.35 euros and 2,048,338 shares were sold at an average price per share of 41.55 euros. At December 31,2015, Klépierre held 2,898,533 of its own shares (directly or indirectly) representing a total value of 78.42 millions of euros based on book value and 4.05 millions at par value.

[1] Please refer to press release published on February 12, 2016 available on Klepierre website : www.klepierre.com

1.11.2. Financial summary for the past 5 fiscal years (data provided under the terms of article L.225-102 of the French Commercil Code)

In euros	12/31/2015	12/31/2014	12/31/2013	12/31/2012	12/31/2011
Capital at year-end					
Share capital	440,098,488 (2)	279,258,476	279,258,476	279,258,476 (1)	265,507,536
Number of existing ordinary shares	314,356,063 (2)	199,470,340	199,470,340	199,470,340 (1)	189,648,240
Transaction and income for the fiscal years					
Pre-tax revenues	28,481,734	4,355,802	13,883,756	23,618,808	28,575,435
Earnings before tax, employee profit-sharing, amortization and provisions	706,703,461	669,668,321	151,277,480	552,229,958	187,635,663
Coporate income tax	-127,285	3,752,869	598,278	491,187	301,213
Earnings after tax, employee profit-sharing, amortization and provisions	-110,885,971	717,904,333	75,526,032	514,767,021	240,306,181
Dividends paid (2)	534,405,307	398,423,694	309,179,027	299,205,510	274,989,948
Earnings per share					
Earnings before tax, employee profit-sharing, amortization and provisions	2.25	3.36	0.76	2.77	0,99
Earnings after tax, employee profit-sharing, amortization and provisions	-0.35	3.60	0.38	2.58	1,27
Ned dividende per share	1.70 (3)	1.60	1.55	1.50	1,45
Personnel					
Average labor force employed during the fiscal year Total payroll and employee benefits	0.5 25,601	Nil	Nil	Nil	Nil

(1) Creation of 9,822,100 shares May 21, 2012 following the option for payment of the stock dividend.
(2) Capital increase following the exchange offer of 8 and 16 January 2015 made by Klépierre on Corio NV, followed by the crossborder merger of Corio NV by Klépierre dated March 31, 2015.
(3) Subject to shareholder approval at a General Meeting April 19, 2016.

1.11.3. Acquisition of equity holdings and movements in equity securities impacting the corporate financial statements of Klépierre SA

Further to the cross-border merger of Corio N.V. of March 31th, 2015, Klépierre SA acquired participations in companies whose head offices are situated in France. Indeed, Klépierre acquired on one hand 100% of the capital of the company Corio SAS for 755.17 million euros and on the other hand 100% of the capital of the company Corio France SARL for 5.5 million euros.

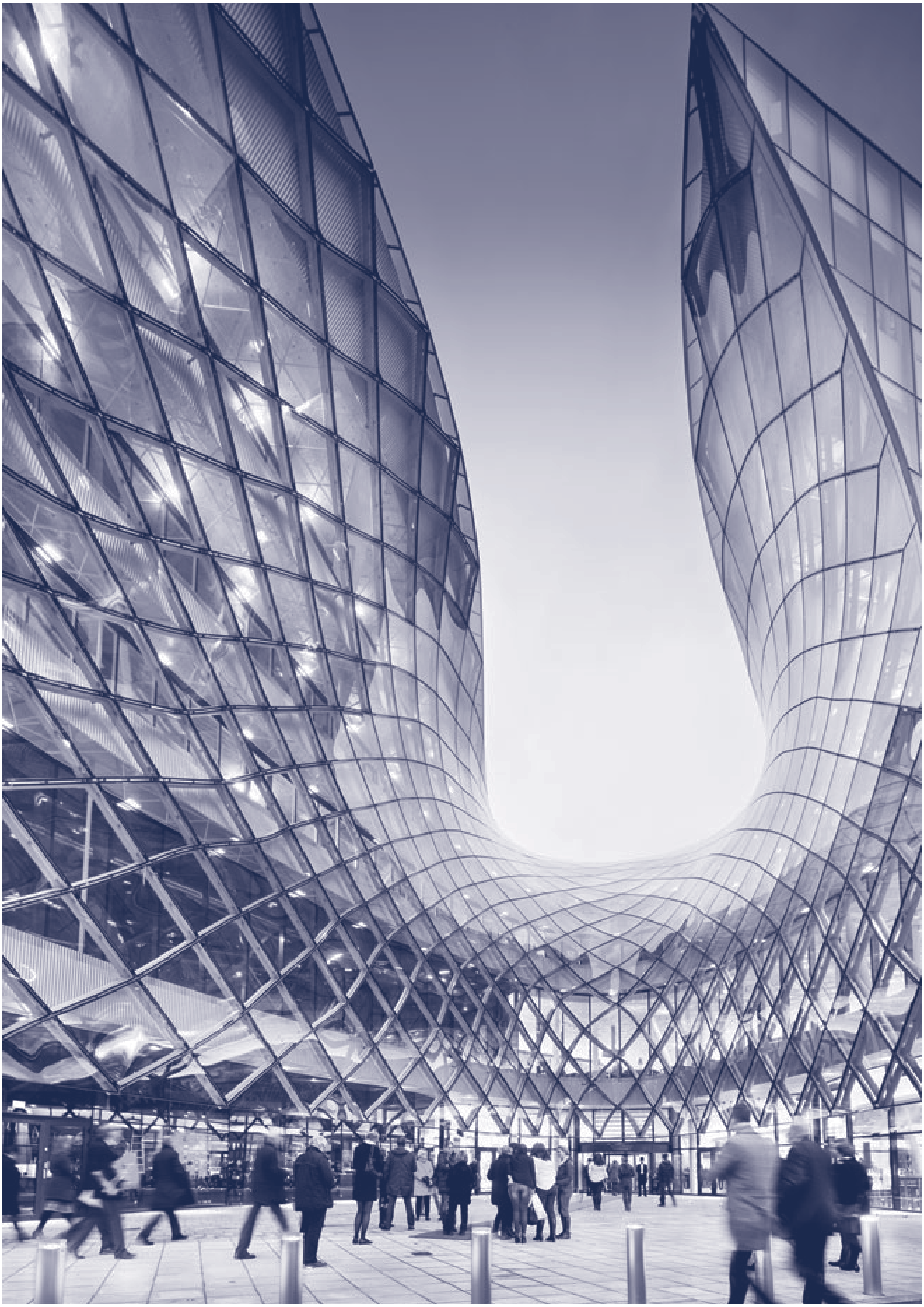
On June 30th, 2015, the company Corio France SARL was the object of a merger by the company Klépierre Management SNC. The remuneration of contributed assets was made with an exchange ratio of 3 shares of Corio France for 26 shares of Klépierre Management SNC. At the end of this merger, Klépierre holds 105,141 parts of Klépierre Management SNC for an amount of 71.13 million euros.

Following the merger of Corio France BV of December 31st, 2015, Klépierre SA holds all of the shares of SNC Lyonarc and SNC Les Ailes, whose head offices are situated in France, for respectively 15 thousand euros and 1.5 thousand euros.

1.11.4. Average supplier payment period (data provided under the term of article L. 441-6-1 of the French Commercial Code)

On average, suppliers are paid approximately forty days from the receipt date.

As at December 31.2015, Klepierre's suppliers balances stand at 14.27 million euros to be paid no later than February 10, 2016.



Left
Emporia, Malmö (Sweden)
Above
Grand Littoral, Marseille (France)

2. Property portfolio as of December 31, 2015

2.1. Shopping centers p. 32

2.2. Retail assets p. 41

2.1. Shopping centers

France-Belgium

47 shopping centers – 1,318,836 sq.m. of rentable floor area
8.4 Bn€ (38.0% of the value of the portfolio[1])

France

Region	City, center	Dpt	Opening	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Alsace-Champagne-Ardennes-Lorraine	Metz St-Jacques	57	1975		2015	Simply Market, 74 units	20,241	16,658	32.3%	100,0%
Aquitaine - Limousin - Poitou Charente	Bègles, Rives d'Arcins	33	1995 + 2013	2010 R/E 2013	1996	Carrefour, 138 units	52,133	29,333	2.1%	52.0%
	Bègles, Rives d'Arcins, Les Arches de l'Estey	33	2010			Retail Park, 15 units	33,398	33,398	0.0%	52.0%
	Bordeaux, Saint-Christoly	33	1985	R 1999/2004	1995	Monoprix, 32 units	8,666	8,666	14.6%	100.0%
	Angoulême, Galerie Champ de Mars	16	2007		2007	Monoprix, H&M, Zara, 44 units	16,122	16,122	5.4%	100.0%
Auvergne - Rhône-Alpes	Riom	63		R/E 2012	2012	Carrefour, 63 units	34,000	15,000	9.0%	50.0%
	Clermont-Ferrand, Jaude and Carré Jaude	63	1980	R 1990 R/E 2008 R/E 2013	1990	Fnac, C&A, 134 units	40,857	40,857	2.0%	100.0%
	Annecy, Courier	74	2001		2001	Monoprix, H&M, 39 units	19,130	19,130	0.1%	58.0%
	Écully, Grand Ouest	69	1972	R/E 1997 + R (parking) 2009	2001	Carrefour, 79 units	46,078	13,394	0.5%	83.0%
	Givors, 2 Vallées	69	1976	R 1997	2001	Carrefour, Castorama, Go Sport, 37 units	32,528	19,565	0.0%	83.0%
	Grenoble, Grand Place	38	1976	R/E 2002	2015	Carrefour, H&M, Zara, Fnac, Darty, 95 units	65,937	53,937	6.3%	100.0%
	Saint-Étienne, Centre 2	42	1979		2015	Auchan, H&M, Zara, C&A, 74 units	33,791	28,180	10.2%	100.0%
	Valence, Victor Hugo	26	1994	R 2007	2007	Fnac, H&M, Zara, 39 units	10,434	10,434	1.2%	100.0%
Bourgogne - Franche-Comté	Besançon, Le Loft	25	2015			Monoprix, 4 MU, 15 units	14,712	14,712	NC	100.0%
Bretagne	Rennes, Colombia	35	1986	E 2010	2005	Monoprix, Fnac, H&M, 72 units	22,250	16,833	0.1%	100.0%
Centre	Chartres, La Madeleine	28	1967		2001	Carrefour, 15 units	22,239	7,118	0.0%	83.0%
Île-de-France	Aubervilliers, Le Millénaire	93	2011		2011	Carrefour, Boulanger, Toys'R'Us, 130 units	57,767	57,767	15.4%	50.0%
	Boulogne-Billancourt, Passages	92	2001	R 2013	2001	Monoprix, Fnac, Zara, Go Sport, 58 units	23,165	23,165	0.2%	50.0%
	Claye-Souilly, Les Sentiers de Claye-Souilly	77	1992	E 2012	2001	Carrefour, H&M, Zara, Darty, 125 units	58,757	33,757	2.1%	55.0%
	Courbevoie, Charras	92	1973	R 2014	2015	Carrefour market, 80 units	13,900	6,230	22.3%	100.0%
	Créteil, Créteil Soleil	94	1974	R/E 2000	1991	Carrefour, 221 units	123,516	91,892	0.2%	80.0%
	Drancy, Avenir	93	1995		2008	Carrefour, 55 units	23,332	11,429	9.3%	100.0%
	Marne-la-Vallée - Serris, Val d'Europe	77	2000	E 2003 E 2009	2000	Auchan, 140 units	82,949	66,949	0.4%	55.0%
	Noisy-le-Grand, Arcades	93	1978	R 1992 E 2009	1995	Carrefour, 160 units	57,548	42,687	2.9%	53.6%
	Pontault-Combault	77	1978	R/E 1993	2001	Carrefour, Go Sport, Darty, 71 units	45,315	31,388	2.8%	83.0%
	St-Lazare Paris	75	2012		2012	Carrefour City, Esprit, 80 units	12,228	12,228	1.1%	100.0%
	Sevran, Beau Sevran	93	1973		2003	Carrefour, 97 units	39,056	26,338	13.8%	83.0%
	Villiers-en-Bière	77	1971	E 1971 / R 2005	2001	Carrefour, Fnac, 85 units	55,612	30,611	2.4%	83.0%

[1] Appraised value (excluding duties, total share)
[2] See Glossary.

Region	City, center	Dpt	Opening	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[(2)]	Rentable floor area[(2)]	EPRA vacancy rate[(2)]	Klépierre equity interest
Languedoc-Roussillon - Midi-Pyrénées	Lattes, Grand Sud	34	1986	R/E 1993	2002	Carrefour, 71 units	26,179	14,379	3.3%	83.0%
	Montpellier Odysseum	34	2009		2009	Géant Casino, 94 units + pôle ludique (22 units)	71,043	51,043	7.1%	100.0%
	Portet-sur-Garonne, Grand Portet	31	1972	R/E 1990	2001	Carrefour, 111 units	49,003	28,482	3.0%	83.0%
	Roques-sur-Garonne	31	1995	E/ 2008-2009	2011	E. Leclerc, Zara, H&M, New Yorker, 95 units	50,700	38,200	3.0%	100.0%
	Blagnac	31	1993	E 2009	2004	E. Leclerc, 122 units	48,586	48,586	0.0%	53.6%
	Toulouse, Saint-Orens	31	1991	R/E 2008	2004	E. Leclerc, 103 units	38,878	38,878	8.2%	53.6%
	Nailloux Outlet	31	2011		2015	Galeries Lafayette, 53 units	21,942	21,942	20.9%	75.0%
Nord-Pas-de-Calais - Picardie	Valenciennes, Place d'Armes	59	2006		2006	H&M, Zara, 54 units	15,995	15,995	2.3%	100.0%
Pays de la Loire Île-de-France	Cholet La Seguiniere Outlet	49	2005		2015	Galeries Lafayette, 38 units	8,333	8,333	7.9%	100.0%
Provence-Alpes-Côte d'Azur	Marseille Bourse	13	1977	R 1991 / R 1997	1990	Galeries Lafayette, Fnac, 62 units	34,461	17,461	9.7%	50.0%
	Marseille, Le Merlan	13	1976	R 2006	2003	Carrefour, 54 units	20,067	8,404	9.6%	100.0%
	Vitrolles, Grand Vitrolles	13	1970	R 2008	2001	Carrefour, 80 units	44,872	24,347	1.7%	83.0%
	Grand Littoral	13	1996		2015	Carrefour, 190 units	73,719	58,159	15.6%	100.0%
	Toulon, Centre Mayol	83	1990		2015	Carrefour, Go Sport, C&A, Fnac, Zara, 99 units	32,400	19,155	6.1%	40.0%
	Nice, Nice TNL	06	1981	R 2005	2015	Carrefour, Conforama, 64 units	21,266	11,166	3.4%	100.0%
Normandie	Le Havre, Espace Coty	76	1999		2000	Fnac, Monoprix, 77 units	26,593	26,593	1.0%	50.0%
	Mondeville, Mondeville 2	14	1995		2015	Carrefour, H&M, Mango, Toys'R'Us, 85 units	34,851	16,015	0.4%	100.0%
	Caen, Côte de Nacre	14	1970		2015	Carrefour, Gemo, Feu Vert, 45 units	32,461	30,258	8.0%	100.0%
	Tourville-la-Rivière	76	1990	R light 2008/2011	2007	Carrefour, 58 units	18,562	7,862	0.0%	85.0%
Total France							**1,735,572**	**1,263,036**	**3.1%**	

Belgium

Region	City, center	Dpt	Opening	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[(2)]	Rentable floor area[(2)]	EPRA vacancy rate[(2)]	Klépierre equity interest
Brabant Wallon	Louvain-la-Neuve, L'esplanade		2005		2005	Delhaize, Cinéscope, 132 units	55,800	55,800	0.5%	100.0%
Total Belgium							**55,800**	**55,800**	**0.5%**	
TOTAL FRANCE-BELGIUM							**1,791,372**	**1,318,836**	**3.0%**	

[(2)] See Glossary.

Miscellaneous assets France

Region	City, center	Dpt	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Alsace	Strasbourg, La Vigie	67	Conforama, 6 units	21,360	18,215	nc	40.9%
Aquitaine	Mérignac	33	Darty, Flunch, McDonald's	7,591	7,591	0.0%	83.0%
Lower Normandie	Hérouville, Saint Clair PAC	14	15 units, La Halle, Electro Dépôt	16,241	16,241	15.7%	100.0%
Bourgone	Marzy (Nevers)	58	Jouet Land, 3 restaurants	2,084	2,084	0.0%	100.0%
Brittany	Vannes Le Fourchêne Pac 2	56	Fnac, Darty, Esprit	6,546	6,546	4.9%	100.0%
	Vannes Nouvelle Coutume	56	Mim, Pimkie, MS Mode	1,325	1,325	0.0%	100.0%
Île-de-France	Boissénart, Maisonément	77	Retail park, 35 units	45,227	45,227	20.1%	50.0%
	Orgeval, Capteor	78	4 units	8,787	8,787	13.0%	100.0%
Languedoc-Roussillon	Carcassonne	11	Salvaza shopping center	11,563	4,963	7.1%	37.0%
	Carcassonne	11	McDonald's	1,662	1,662	100.0%	37.0%
	Sète Balaruc	34	Carrefour shopping center	16,620	3,901	6.2%	38.0%
Picardie	Creil (Beauvais)	60	Cora shopping center	23,235	4,067	0.0%	100.0%
	Creil Forum Rebecca	60	Boxes	67,452	64,689	1.7%	70.0%
Upper Normandy	Dieppe	76	Belvédère shopping center	5,729	5,729	0.8%	20.0%
Total miscellaneous assets France				**235,422**	**191,026**		

[2] See Glossary.

Italy

37 shopping centers – 762,509 sq.m. of rentable floor area
3.6 Bn€ (16.3% of the value of the portfolio[1])

Region	City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Abruzzo	Citta S. Angelo, Pescara Nord	1995	R/E 2010	2002	Iper, 74 units	34,115	19,420	1.2%	83.0%
	Colonnella (Teramo), Val Vibrata	2000	R/E 2007	2002	Iper, 56 units	29,154	15,821	1.7%	100.0%
Basilicata	Matera	1999		2003	Ipercoop, 7 units	10,094	1,573	10.8%	100.0%
Campania	Capodrise (Caserta), I Giardini Del Sole	1992		2002	Despar, 25 units	18,997	5,987	0.0%	83.0%
	Naples, Campania	2007	E 2014	2015	Carrefour, 176 units	92,218	72,218	1.3%	100.0%
Emilia-Romagna	Bologna, Shopville Gran Reno, Bologna	1993		2015	Carrefour, 74 units	38,800	13,894	0.0%	100.0%
	Modena, Grand Emilia	1996		2015	Ipercoop, 90 units	40,000	19,663	0.0%	100.0%
	Savignano s. Rubicone (Rimini), Parco Romagna	2004		2011	Retail park, 23 units	30,344	30,344	14.4%	100.0%
	Savignano s. Rubicone (Rimini), Romagna Center + Extension	1992	R/E 2014	2002	Iper, 78 units	38,318	20,636	0.0%	100.0%
Friuli Venezia Giulia	Udine, Citta Fiera	1992	E 2015	2015	Iper, 200 units	94,500	47,617	14.5%	49.0%
Lazio	Rome, Porta di Roma	2007	R 2013	2015	Auchan, 240 units	92,443	72,478	0.8%	50.0%
	Rome, La Romanina	1992	R/E 2009	2002	Carrefour, 120 units	31,493	19,243	5.2%	83.0%
	Rome, Tor Vergata	2004		2005	Carrefour, 64 units	25,746	11,614	4.0%	100.0%

[1] Appraised value (excluding duties, total share)
[2] See Glossary.

Region	City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Lombardy	Assago (Milan), Milanofiori	1988	E 2004/2005	2005	Carrefour, 100 units	49,920	24,753	0.0%	100.0%
	Bergamo, Brembate	1977	R 2002	2002	Iper, 23 units	13,007	2,190	3.3%	100.0%
	Bergamo, Seriate, Alle Valli	1990	R/E 2001 & 2008	2002	Iper, 55 units	30,394	10,859	0.0%	100.0%
	Como, Grandate	1999		2002	Iper, 16 units	13,745	2,232	0.0%	100.0%
	Cremona (Gadesco), Cremona Due	1985		2002	Iper, 62 units	19,375	6,143	0.0%	100.0%
	Lonato, Il Leone di Lonato	2007		2008	Iper, 128 units	45,933	30,168	1.5%	50.0%
	Milan, Globo I-II-III	1993/ 2001/2004	E 2006	2015	Iper, 144 units	58,500	30,440	0.3%	100.0%
	Novate Milanese, Metropoli	1999	R 2011/2012	1999	Ipercoop, 87 units	30,800	16,618	0.7%	95.0%
	Pavia, Montebello della Battaglia, Montebello	1974	E 2005	2002	Iper, 59 units	33,313	16,782	1.2%	100.0%
	Pavia, Montebello della Battaglia, Parco Montebello		E 2015	2011	Retail park, 12 units	26,399	26,399	0.0%	100.0%
	Roncadelle (Brescia), Le Rondinelle	1996		1998	Auchan, 79 units	36,844	13,620	8.8%	95.0%
	Settimo Milanese, Settimo	1995	E 2003	1999	Coop, 30 units	9,729	9,729	7.1%	95.0%
	Solbiate Olona, Le Betulle	2002	R 2006	2005	Iper, 26 units	17,407	4,351	0.0%	100.0%
	Varese, Belforte	1988	E 2006/ E 2012	2002	Iper, 47 units	26,975	10,029	0.0%	100.0%
	Vignate (Milan), Acquario center	2002		2003	Ipercoop, 62 units	40,762	20,055	1.3%	95.0%
	Vittuone, Il Destriero	2009		2009	Iper, 65 units	25,649	16,149	1.0%	50.0%
Marche	Senigallia, Il Maestrale	1999	R 2011	2015	Ipercoop, 35 units	19,800	7,388	4.5%	100.0%
	Pesaro, Rossini Center	2000	R 2008	2002	Iper, 37 units	19,813	8,601	0.0%	100.0%
Piedmont	Collegno (Turin), La Certosa	2003		2003	Carrefour, 40 units	20,146	6,361	8.6%	100.0%
	Lecce, Cavallino	2001		2005	Conad, 28 units	18,839	5,805	0.2%	100.0%
	Moncalieri (Turin)	1998	R/E 2000 R 2009	2002	Carrefour, 28 units	12,773	5,819	1.7%	83.0%
	Serravalle Scrivia, Serravalle	2003		2004	Iper, 31 units	20,941	7,959	0.9%	100.0%
	Turin, Shopville Le Gru	1994	R 2013	2015	Carrefour, 156 units	78,500	45,582	0.0%	100.0%
Sardinia	Cagliari, Le Vele	1998	R 2013	2015	Carrefour, 60 units	26,418	13,979	0.0%	100.0%
	Cagliari, Millennium	2001		2015	23 units	17,982	17,982	1.9%	100.0%
Veneto	Venice, Nave de Vero	2014		2015	Coop, 116 units	35,663	35,663	0.0%	100.0%
	Verona, Le Corti Venete	2006		2008	Iper, 75 units	31,559	16,346	0.2%	50.0%
TOTAL ITALY						**1,357,407**	**762,509**	**2.1%**	

(2) See Glossary.

Scandinavia

22 shopping centers – 726,004 sq.m. of rentable floor area
4.0 Bn€ (17.9% of the value of the portfolio[1])

Norway

City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Ås, Vinterbro Senter	1996	1999 R 2013	2008	Coop, H&M, Elkjøp, 85 units	32,847	32,847	2.1%	56.1%
Bergen, Åsane Storsenter	1985/ 1976	2007, 2009	2008	Meny, Expert, H&M, 136 units	49,604	49,604	6.3%	28.0%
Drammen, Gulskogen Senter	1985	1986, 2000, 2008, 2009, 2010	2008	XXL, Meny, Lefdahl, G-sport, H&M, 115 units	38,627	38,627	0.2%	56.1%
Hamar, Maxi Storsenter	1986	1988, 1992, 2000, 2006	2008	Meny, H&M, Clas Ohlson, 74 units	21,563	21,563	1.7%	56.1%
Haugesund, Amanda	1997	1997	2008	H&M, Cubus, Match, 70 units	25,171	15,171	0.4%	56.1%
Larvik, Nordbyen	1991	2006	2008	Meny, H&M, Clas Ohlson, 50 units	15,868	15,868	1.0%	28.1%
Lørenskog, Metro Senter	1988	2007.2008.2009	2008	Coop, H&M, Møbelringen, 100 units	53,344	53,344	3.9%	28.1%
Stavanger, Arkaden Torgterrassen	1993	2005, 2010	2008	H&M, Cubus, New Yorker, 55 units	21,431	19,198	2.8%	56.1%
Oslo, Økernsenteret	1969		2008	Closing down / Project / should be supressed	NA	NA	NA	28.1%
Skedsmo, Lillestrøm Torv	1985	1998, 2006	2008	H&M, Cubus, Rimi, 73 units	23,197	22,085	5.8%	56.1%
Tønsberg, Farmandstredet	1997	2002, 2006, 2008	2008	H&M, Meny, Clas Ohlson, 101 units	41,570	37,320	0.5%	56.1%
Tromsø, Nerstranda	1998		2008	H&M, KappAhl, Vinmonopolet, 46 units	12,735	12,735	4.5%	56.1%
Oslo, Oslo City	1988		2015	Meny, H&M, KappAhl, Cubus, 95 units	21,631	21,631	NA	37.4%[3]
Total Norway					**358,050**	**340,190**	**2.8%**	

Sweden

City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Borlänge, Kupolen	1989	1995, 2005	2008	ICA, H&M, Lager 157, KappAhl, Lindex, McDonald's, New Yorker, Skohuset, Stadium, Åhléns (Lackeraren: Willys, Stadium Outlet, Myrorna). 101 units	44,600	44,600	5.8%	56.1%
Malmö, Emporia	2012		2008	ICA, Willys, Hollister, Apple, Cassels, Cubus, Clas Ohlson, H&M, Hamleys, Illums, Intersport, KappAhl, Lindex, MQ, New Yorker, Room 1006, Scorett, Stadium, Systembolaget, Team Sportia, Vapiano, We put feet first, Zara, Nordic Wellness (gym). 186 units	67,200	67,200	4.6%	56.1%
Örebro, Marieberg	1988	2009	2008	Intersport, H&M, Jula, Clas Ohlson, Cubus, KappAhl, Lindex, Stadium. 106 units	32,800	32,800	0.9%	56.1%
Partille, Allum	2006		2008	ICA, Willys, H&M, Clas Ohlson, Åhléns, Västtrafik, Stadium, Lindex, KappAhl, Intersport, Cassels. 112 units	42,600	42,600	0.0%	56.1%
Uddevalla, Torp	1990	2000	2008	H&M, Cubus, KappAhl, Lindex, Stadium, Northman: Cervera, Intersport, Sportshopen & Sportshopen Outlet. 72 units	31,600	31,600	6.8%	56.1%
Galleria Boulevard, Kristianstad	2013 (block A)	2015 (block B)	2013	Coop, Systembolaget, Stadium, Team Sportia, Kosmorama, Cassels, Clas Ohlson. 55 units	20,520	20,520	NA	56.1%
Total Sweden					**239,320**	**239,320**	**3.7%**	

[1] Appraised value (excluding duties, total share)
[2] See Glossary.
[3] Please refer to press releases published on December 14, 2015 and January 4, 2016 available on Klépierre website: www.klepierre.com. Steen & Strøm (Klepierre's subsidiary at 56.1%), jointly with its partner – Entra – has completed the acquisition of Oslo City (a retail and office complex) on December 31, 2015. Steen & Strøm and Entra have started a demerger process of the holding company that owns Oslo City, following which, Steen & Strøm will fully own the shopping center and half of the parking space.

Denmark

City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Ahrus, Bruun's Galleri	2003		2008	Bahne, H&M, Sport 24, Kvickly, CinemaxX and 100 units	33,800	33,800	4.9%	56.1%
Copenhagen, Field's	2004	Aug. 2015 - Cinema building	2008	Bilka, Bahne, Elgiganten, Esprit, H&M, Intersport, Kings and Queens, Magasin, Sportsmaster, Stadium, Toys'R'Us, Zara, Nordisk Film, Capella Play and Fitness.dk and 140 units	89,396	89,396	7.9%	56.1%
Viejle, Bryggen	2008		2008	Kvickly, H&M, Sport 24 and 70 units	23,298	23,298	18.0%	56.1%
Total Denmark					**146,494**	**146,494**	**8.3%**	
TOTAL SCANDINAVIA					**743,864**	**726,004**	**4.5%**	

Iberia

23 shopping centers – 508,707 sq.m. of rentable floor area
1.8 Bn€ (8.1% of the value of the portfolio[1])

Spain

Region	City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Andalusia	Jaén, La Loma	1991		2015	Carrefour, Inditex, H&M 48 units	27,900	9,700	2.3%	100.0%
Aragon	Zaragoza, Augusta	1995		2000	Carrefour, H&M, AKI, Tien 21, 136 units	62,447	24,337	0.0%	83.0%
Asturias	Oviedo, Los Prados	2002		2003	Carrefour, Cortefiel, Inditex, 92 units	35,627	24,699	0.0%	83.0%
Canary Islands	Santa Cruz de Tenerife, Meridiano	2003		2003	Carrefour, Inditex, C&A, Yelmo Cineplex, Primark, C&A 101 units	44,650	27,599	5.0%	83.0%
Catalonia	Barcelona, Maremagnum	1995	2012	2015	Lefties, Desigual, El Chipiron, Inditex, H&M, 121 units	22,000	21,500	7.6%	100.0%
Extremadura	Cáceres, Ruta de la Plata	1993		2015	Eroski, Inditex, Cortefiel, 45 units	19,200	8,400	1.1%	100.0%
Madrid	Madrid, El Ferial	1995		2015	Carrefour, Shana, Más Deporte, Cortefiel 63 units	24,200	8,200	26.6%	100.0%
	Madrid, Espaca Torrelodones	2006		2015	Alcampo, Inditex, H&M, New Yorker, Sfera, Cortefiel, 83 units	30,000	21,600	20.2%	100.0%
	Madrid, Gran Via de Hortaleza	1992		2015	Carrefour, Cortefiel, Burger King, 68 Units	20,100	6,100	9.5%	100.0%
	Vallecas, La Gavia	2008		2008	Carrefour, IKEA, Primark, Inditex, H&M, C&A, Cortefield PdH, Fnac, Cinesa, 165 units	89,176	50,171	0.1%	100.0%
	Madrid, Plenilunio			2015		81,980	70,701	1.3%	100.0%
	Madrid, Principe Pio	2004		2015	Inditex, H&M, Mango, Benetton, 123 units	28,700	28,700	5.0%	95.0%
	Madrid, Sexta Avenida	1990	2015	2015	Mercadona, Grupo Vips, Patrick Sport, 72 units	16,800	16,800	31.7%	100.0%
Valencia	Alicante, Puerta de Alicante	2002		2002	Carrefour, Yelmo Cines, Cortefiel, 85 units	34,500	20,810	0.0%	83.0%
	Valencia, Gran Turia	1993	2000	2015	Carrefour, C&A, Cortefiel, Inditex, 94 units	58,300	18,400	44.8%	100.0%
	Vinaroz	2003		2003	Carrefour, 15 units	24,318	870	22.5%	83.0%
Total Spain						**619,898**	**358,586**	**5.3%**	

[1] Appraised value (excluding duties, total share)
[2] See Glossary.

Portugal

Region	City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Lisbon	Lisbon, Telheiras	1990		2003	Continente, Worten, AKI,Espaço Casa, Toys'R'Us, 33 units	31,838	15,699	0.0%	100.0%
	Loures, Loures	2002		2002	Continente, AKI, Decathlon, Worten, Radio Popular, 71 units	36,003	17,370	10.3%	100.0%
North	Braga, Minho Center	1997	R 2011	2006	Continente, Worten, Sport Zone, Toys'R'Us, 65 units	22,424	9,602	12.4%	100.0%
	Gondomar (Porto), Parque Nascente	2003		2003	Jumbo, Leroy Merlin, Seaside, Espaço Casa, Sport Zone, Inditex, C&A, Norauto, Mediamarkt, Primark, 135 units	63,569	47,042	7.7%	100.0%
	Vila Nova de Gaia (Porto), Gaia Jardim	1990	R 2011	2003	Continente, Worten, Espaço Casa, 36 units	21,909	5,179	32.0%	100.0%
	Guimarães, Espaco Guimaraes	2009		2015	Jumbo, Sport Zone, H&M, Zara, Lefties, Stradivarius,Bershka, Oysho, Zara Home, 150 units	48,712	31,888	16.0%	100.0%
South	Portimão, Aqua Portimão	2011		2011	Jumbo, Primark, H&M, 118 units	35,056	23,342	6.2%	50.0%
Total Portugal						**259,511**	**150,121**	**9.7%**	
TOTAL IBERIA						**879,409**	**508,707**	**6.3%**	

[2] See Glossary.

Central Europe & Turkey

27 shopping centers – 660,974 sq.m. of rentable floor area
1.7 Bn€ (7.8% of the value of the portfolio[1])

Hungary

City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Budapest, Corvin	2010		2009	CBA, Alexandra, H&M, 147 units	34,587	34,587	11.5%	100.0%
Budapest, Duna Plaza	1996	R 2002	2004	Cinema City, Media Saturn, CBA, H&M, 241 units (include DO)	47,483	47,483	11.6%	100.0%
Debrecen , Debrecen Plaza	1999	R 2007	2004	Cinema City, Bowling Club, 81 units	14,599	14,599	8.1%	100.0%
Gyor, Gyor Plaza	1998	R 2008	2004	Cinema City, CBA, Euronics, 78 units	15,237	15,237	11.4%	100.0%
Miskolc, Miskolc Plaza	2000		2004	Cinema City, C&A, H&M, 104 units	14,711	14,711	3.3%	100.0%
Nyiregyhaza, Nyir Plaza	2000		2004	Cinema City, H&M, 73 units	13,883	13,883	5.7%	100.0%
Székesfehérvar, Alba Plaza	1999		2004	Cinema City, C&A, H&M, Hervis, 78 units	15,068	15,068	0.0%	100.0%
Total Hungary					**155,569**	**155,569**	**8.0%**	

[1] Appraised value (excluding duties, total share)
[2] See Glossary.

Poland

City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Lublin, Lublin Plaza	2007		2007	Tk Maxx, H&M, Stokrotka, Cinema City, Pure Jatomi Fitness, Reserved, Carry, 102 units	25,549	25,549	0.0%	100.0%
Poznan, Poznan Plaza	2005	R 2015	2005	Cinema City, IMAX, Zara, H&M, Piotr i Paweł, Komputronik, Go Sport, Reserved, Smyk, Empik, New Look, 126 units	29,425	29,425	2.3%	100.0%
Ruda Slaska, Ruda Slaska Plaza	2001	R 2008	2005	Carrefour, RESERVED, CCC, Rossman, H&M, 44 units	14,780	14,780	9.0%	100.0%
Rybnik, Rybnik Plaza	2007		2007	Stokrotka, Cinema City, H&M, Rossmann, Carry, Reserved, Cubus, 74 units	18,044	18,044	5.2%	100.0%
Sosnowiec, Sosnowiec Plaza	2007		2007	Stokrotka, Rossmann, Cubus, Cinema City, Reserved, Empik, 63 units	13,272	13,272	4.2%	100.0%
Warsaw, Sadyba Best Mall	2000		2005	Carrefour Market, Cinema City, RTV EURO AGD, Pure Jatomi Fitness, H&M, 96 units	23,219	23,219	0.0%	100.0%
Total Poland					**124,289**	**124,289**	**1.8%**	

Czech Republic

City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Plzen, Plzen Plaza	2007		2008	Cinema City, H&M, Supermarket Albert, Sportisimo, Rebuy Stars, 104 units	19,886	19,886	3.3%	100.0%
Prague, Novodvorska Plaza	2006		2006	Tesco, Datart, Lindex, Sportisimo, H&M, 110 units	26,903	26,903	2.8%	100.0%
Prague, Novy Smichov	2001	R 2011	2001	Tesco, C&A, Cinema City, H&M, Zara, M&S, 169 units	57,205	38,477	0.4%	100.0%
Total Czech Republic					**103,994**	**85,266**	**1.1%**	

Turkey

City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Adapazari, Adacenter	2007		2015	Carrefour - 75 units	25,302	25,302	9.0%	100.0%
Ankara, 365	2008		2015	Koctas - 109 units	27,462	23,666	4.7%	100.0%
Bursa, Anatolium	2010		2015	IKEA - 152 units	83,262	83,262	12.0%	100.0%
Denizli, Teras Park	2007	2009	2015	Carrefour -112 units	50,371	50,371	13.3%	51.0%
Istanbul, Akmerkez	1993	2010	2015	Beymen - 200 units	34,679	15,696	7.6%	46.9%
Tarsus, Tarsu	2012		2015	KIPA - 82 units	27,604	27,604	8.8%	100.0%
Tekirdağ, Tekira	2008		2015	Carrefour - 182 units	32,943	32,943	2.1%	100.0%
Total Turkey					**281,623**	**258,844**	**8.6%**	

Greece

City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Patras	2002		2003	Carrefour, Kotsovolos, Intersport, 25 units	17,495	8,736	20.7%	83.0%
Thessalonica, Efkarpia	1995	R 2014	2003	Carrefour, 14 units	20,859	996	18.6%	83.0%
Thessalonica, Makedonia	2000	R 2005-2012	2001	Carrefour, Ster cinemas, Orchestra,37 units	34,797	14,984	14.1%	83.0%
TOTAL GREECE					**73,151**	**24,717**	**16.9%**	

[2] See Glossary.

Total Slovakia

City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Bratislava, Danubia	2000		2000	Carrefour, Nay, McDonald's, 43 units	26,089	12,289	6.0%	100%
Total Slovakia					**26,089**	**12,289**	**6.0%**	
TOTAL CENTRAL EUROPE & TURKEY					**764,715**	**660,974**	**5.2%**	

[1] Appraised value (excluding duties, total share).
[2] See Glossary.

The Netherlands

5 shopping centers –199,553 sq.m. of rentable floor area
1.1 Bn€ (5.1% of the value of the portfolio[1])

Region	City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Zuid-Holland	Alexandrium, Rotterdam	1984	R 2001	2015	Albert Heijn, Hema, H&M 142 units	59,384	46,738	1.2%	100.0%
	Markthal, Rotterdam	2014	N/A	2015	Albert Heijn, 98 units	11,815	11,815	0.0%	100.0%
Utrecht	Hoog Catharijne, Utrecht	1973	R/E 2015	2015	Albert Heijn, Media Markt, H&M, 197 units	59,503	54,161	6.9%	100.0%
Noord-Holland	Villa Arena, Amsterdam	2001	R 2008	2015	Woonfabriek, 51 units	75,100	51,399	12.0%	100.0%
	Arena Arcade, Amsterdam	2001	R 2008	2015	3 units	14,400	4,332		100.0%
Flevoland	't Circus, Almere	2009	R 2012	2015	Primark, Bestseller, 78 units	33,398	31,108	4.1%	100.0%
TOTAL NETHERLANDS						**253,600**	**199,553**	**3.3%**	

[1] Appraised value (excluding duties, total share).
[2] See Glossary.

Germany

5 shopping centers –257,085 sq.m. of rentable floor area
1.1 Bn€ (4.8% of the value of the portfolio[1])

Region	City, center	Creation	Renovation / Extension	Acquired by Klépierre	Composition	Gross leasable area[2]	Rentable floor area[2]	EPRA vacancy rate[2]	Klépierre equity interest
Nordrhein Westfalen	Duisburg, Forum Duisburg	2008	R/E 2008	2015	Karstadt, Saturn, C&A, 82 units	58,531	58,531	1.9%	95.0%
	Duisburg, Königsgalerie	2011	R/E 2011	2015	H&M, Intersport, Mango, 52 units	17,298	17,298	22.1%	95.0%
Berlin	Boulevard Berlin	2013	R/E 2013	2015	Karstadt, Saturn, H&M, 166 units	86,659	86,659	7.6%	95.0%
Sachsen	Centrum Galerie Dresden	2009	R/E 2012	2015	Primark, Peek & Cloppenburg, Karstadt Sports, 98 units	67,232	67,232	8.4%	95.0%
Niedersachsen	Arneken Galerie Hildesheim	2012	R/E 2012	2015	Saturn, H&M, dm, 90 units	27,364	27,364	13.3%	95.0%
TOTAL GERMANY						**257,085**	**257,085**	**8.0%**	

[1] Appraised value (excluding duties, total share).
[2] See Glossary.

2.2. Retail assets

Main tenants	Region/City	Composition	Gross leasable area[2]
Buffalo Grill	**Throughout France**	**125 restaurant premises**	**70,829**
Vivarte	**Throughout France**	**80 store premises of which:** 67 store premises operated by Défi Mode 4 store premises operated by La Halle 9 store premises operated by La Halle aux Chaussures	**80,122**
King Jouet	**Throughout France**	**23 store premises**	**19,665**
Sephora	**Metz**	**1 store premises operated by Sephora**	**717**
Delbard	**Throughout France**	**2 store premises operated by Delbard et 1 by Tablapizza**	**5,011**
Diversified assets	**Throughout France**	**45 store premises of which:** 5 store premises operated by Chaussea 3 store premises operated by Leader Price 3 store premises operated by Styleco 14 vacant (13,365 m^2)	**46,862**
TOTAL RETAIL ASSETS	**Throughout France**	**277 assets**	**223,206**

[2] See Glossary.

Left
Nave de Vero, Venise (Italy)
Above
Boulevard Berlin, Berlin (Germany)

3. Main risk factors

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3.5. Environmental risks p. 50

3.6. Insurance risks p. 51

The Company conducted a review of its risks. With the exception of the risks presented in this Registration Document, the Company has not identified any risks that could have a materially adverse impact on the Group's business on the date of this Registration Document.

However, other risks and uncertainties partially or entirely unknown by Klépierre, considered non-material or whose occurrence was not foreseen on the filing date this Registration Document, may also have an adverse effect on the Group's business. Should any of the risks described in this Registration Document materialize, Klépierre's business, financial situation, results or prospects could be affected.

The relevant management control procedures and management tools used by the Group are described mainly in the section on internal control and risk management procedures included in part 4 of this Registration Document.

3.1. Risks related to Klépierre's strategy and activities

3.1.1. Risks related to the economic environment

Since the majority of the Klépierre real estate asset portfolio comprises shopping centers, changes in the key macroeconomic indicators of the countries in which the Group operates are likely to impact its lease income and real estate portfolio value, as well as shape its investment and new asset development policy, and therefore its growth prospects. The key factors likely to affect Klépierre's business are as follows:
— the economic environment is likely to encourage or depress demand for new retail space and therefore affect the growth prospects of Klépierre's shopping center portfolio (in terms of construction of new centers, extension of existing centers and acquisition or disposal transactions). It may also have a long-term impact on occupancy rates and the ability of tenants to pay their rent;
— a downward trend or slower growth in the indices against which most rents payable under Klépierre leases are indexed may also compromise Klépierre lease income, as could any change in the indices used for this purpose. The overall impact on all the leases in the Klépierre portfolio could be reduced by the fact that indexation is country specific (usually against national inflation indices or, in the case of France, indices specific to commercial leases);
— the ability of Klépierre to increase rents – or even to maintain them at current levels – depends, at the point of lease renewal, principally on its tenants' current and forecast revenue levels, which in turn depend in part on the state of the economy. Tenants' revenue trends also impact on the variable element of rents;
— any prolonged worsening of economic conditions could also result in an increase in unlet units in Klépierre assets, which would have a negative effect on Group lease income and operating income as a result of the loss of lease income and the increase in non-rebillable expenses (where vacant premises require repairs and renewals before they can be re-let, these costs cannot be passed on to tenants);
— the profitability of Klépierre's real estate letting activities depends on the solvency of its tenants. In particular, during periods of difficulty in the economy, tenants may delay payment of rent, fail to pay rent at all, or encounter financial problems that would cause Klépierre to review tenancy conditions downwards.

3.1.2. Risks related to the real estate market

Klépierre may not always execute its investments and divestments at the most opportune time. In overall terms, a downturn in the commercial real estate market (particularly shopping centers, but also offices to a lesser degree) could have a negative effect on Klépierre's investment policy and disposal policy, as well as on the development of new assets, the value of its asset portfolio, the conduct of its business, its financial position, its operating income and its future prospects.

More specifically, a downturn in the real estate market could have a significant negative effect on the conditions applying to Klépierre financing, and therefore on the business itself. In particular:

— the Company plans to cover part of its financing needs by selling existing real estate assets. In unfavorable market conditions, these assets could take longer to sell and achieve lower prices than expected, which could limit the flexibility of Klépierre in the way it implements its development strategy;

— certain covenants related to loan agreements signed by Klépierre and its subsidiary companies. Unfavorable market conditions could reduce the value of Group assets, making it more difficult for the Company to comply with the financial ratios fixed under loan agreements. If Klépierre were to find itself unable to maintain these ratios, it could be obliged to sell assets or raise funds by issuing equity securities in order to repay the debt or ask lenders to amend certain loan agreement provisions. At December 31, the Loan-to-Value ratio referred to in the loan agreements stood at 39.2%, giving the Group substantial room for maneuver given the maximum limit of 60%. Assuming the level of debt remains the same, the value of the portfolio would have to decline by more than 35% to reach the limit set in the loan agreements.

A sustained downturn in economic conditions and the effects of this in the rental market could have an adverse impact on Klépierre's business activities, its earnings, the value of its assets, and its investment and development policy.

3.1.3. Risks related to the departure or closure of flagship chains

The Group's shopping centers are often supported by one or more flagship chains with high levels of customer appeal. A decline in the attractiveness of such chains, any slowdown or cessation in their businesses (particularly as a result of an unusually depressed economy), any failure to renew their leases, any termination of their leases and any delay in re-letting the vacated premises could result in a decline in attractiveness of the shopping centers concerned. The resulting decline in footfall could trigger lower sales volumes for other stores, which would thus have a significant negative effect on the total rental yield from certain centers, and the financial position and growth prospects of the Group.

3.1.4. Risks related to the development of new real estate assets

Klépierre is involved in real estate development on its own account. This business poses the following significant risks:
— the cost of construction of the assets may turn out to be higher than initially estimated: the construction phase may take longer than expected, technical difficulties or completion delays may be encountered due to the complexity of some projects and the price of construction materials may change adversely;
— Klépierre's investments (in new projects, renovations and extensions) are subject to obtaining the necessary regulatory approvals, which may be granted to Klépierre and/or its partners later than anticipated or even refused;
— Klépierre may require the consent of third parties, such as flagship chains, lenders or the associates involved in partnership developments, and these consents may not be given;
— Klépierre may fail to obtain satisfactory funding for these projects;
— up-front costs (such as the costs of studies) cannot normally be deferred or canceled in the event of projects being delayed or abandoned.

The real estate development and investment risks referred to may then result in investment projects being delayed, canceled or completed at a cost above that initially estimated in the budgets prepared by Klépierre, which could in turn affect the Group's financial results.

3.1.5. Risks related to lease renewals and the letting of real estate assets

When existing leases expire, Klépierre could find itself in the position of being unable to let or re-let vacant units within an acceptable period and/or under conditions as favorable as those offered by its current leases. The Company might be unable to attract a sufficient number of tenants or high-profile retail chains into its shopping centers, and may not be successful in maintaining occupancy rates and lease income at satisfactory levels. This could in turn have an adverse impact on Klépierre's revenues, operating income and profitability (see Business of the year, section 1.1. and 1,2.).

3.1.6. Risks related to the marketing of sites

Klépierre is responsable for marketing the shopping centers developed by the Company and other real estate assets it acquires, and therefore bears the risk of any marketing failures. Klépierre may encounter difficulties in securing retail chain tenants that are both attractive to consumers and prepared to accept the level and structure of rents that the Company offers. The retail real estate sector in which Klépierre operates is a rapidly changing business environment in which change is driven by customer demand. The possibility cannot be ignored that at some future time Klépierre may not be able to let its centers with a portfolio of retailers sufficiently attractive to ensure high occupancy rates and the opportunity to achieve high rental yields. This could in turn affect Klépierre's business volumes and operating income.

3.1.7. Risks related to the competitive environment

The Company's rental activities operate in a highly competitive market. Competition may arise as a result of current or future developments in the same market segment, other shopping centers, mail order, hard discount stores, e-commerce or the attraction exerted by certain retail chains located in competitor centers. More particularly, the development by competitors of new shopping centers located close to existing Klépierre centers and renovations or extensions to competitor shopping centers may have an adverse impact on the Company's ability to let its retail premises, and therefore on the rent levels it can charge and its forecast financial results.

As part of its business, the Company competes with many other players, some of which may have greater financial resources and larger portfolios. Having the financial leverage and ability to undertake large-scale development projects from their own resources gives the larger market players the opportunity to bid for development projects or asset acquisitions offering high profitability potential at prices that do not necessarily meet the investment criteria and acquisition objectives set by Klépierre, which may raise uncertainty on the Company's business forecasts.

3.1.8. Risks related to the estimation of asset values

At December 31 and June 30 every year, Klépierre calculates its revalued net assets per share. The measurement method used is as follows: calculation of the unrealized capital gains (or losses) held in the Klépierre portfolio arising as a result of the difference between the independently appraised market value and the net book value shown in the consolidated financial statements, and adding these to (or deducting them from) consolidated balance sheet equity. The independently appraised market value depends on the relationship between supply and demand in the market, interest rates, the economic environment and many other factors likely to vary significantly in the event of poor shopping center performance and/or a downturn in the economy.

The IFRS book value of the Company's portfolio is based on the historical cost method. It is not immediately adjusted to reflect fluctuations in market value, and cannot therefore reflect the effective realizable value of the holdings. The appraised value of its assets may not therefore reflect their realizable value in the event of disposal, which could have a negative impact on the Group's financial position and operating results.

The form and frequency of the expert appraisals conducted are described in Business of the year (1.6. Revalued net assets, page 18); the valuation method is described in the notes to the consolidated financial statements (chapter 6, Note 11.1. Disclosures about the fair value model, page 191).

The value of the Company's property portfolio is sensitive to a rise or a fall in the main applicable assumptions used by the appraisers (detailed in Note 11.1. Disclosures about the fair value model, page 191).

3.1.9. Risks related to the international business of Klépierre's business

Klépierre owns and operates shopping centers in 16 countries in continental Europe. Some of these countries may have risk profiles higher than those of the Company's major markets (France, Scandinavia, Italy). The economic and political context of these countries may be less stable, their regulatory frameworks and entry barriers may be less favorable and business may be conducted in more volatile local currencies. The risks posed by individual countries, combined with a failure to manage those risks effectively, may have an adverse impact on the operating income and financial position of Klépierre. The breakdown of the Group's business and performance by country is presented in the Business of the year section (1.1. and 1.2., page 2).

3.1.10. Risks related to partners' agreements

In the context of partnerships relating to real estate investments, Klépierre has entered into agreements that provide for Klépierre or its partners to have pre-emption and exit rights at Klépierre's benefit that could generate substantial acquisition costs or the disposal of jointly-owned assets. The occurrence of such events may to have an adverse impact on Klépierre's business, financial situation, results or prospects.

In particular, until to December 31, 2015, Klépierre owned post of its shopping centers in France, Spain and, to a lesser degree, Italy and Greece, under the terms of agreements signed with CNP Assurances and Écureuil Vie.

This agreement covers 10 assets following the sale of an asset portfolio to a consortium led by Carrefour and the expiration, as of December 31, 2015, of the agreement governing the assets located in France and Spain. These agreements provide the usual protections for minority partners: pre-emption rights, tag along rights and decision-making processes applying to investment or divestment. The principal clauses of the agreement are shown in Note 9.4. to the consolidated financial statements and Note 6.2. to the annual financial statements.

If the minority shareholders were to exercise their exit rights, and Klépierre was not willing to acquire their stake, with the result that those minority partners sell their investments to a third party at a price below that of the revalued net asset value of the underlying assets, Klépierre would then be obliged to compensate them for any shortfall (which could go up to 20% of the revalued net asset value of the underlying assets). Even though the Company considers this risk to be non-material, in the event of a significant shortfall, the obligation to make the corresponding payments in compensation could have an adverse impact on Klépierre liquidity, and could require the Company to defer or cancel other investments.

3.1.11. Acquisition risks

The acquisition of real estate assets or companies owning such assets is part of Klépierre's growth strategy.

This policy implies risks, notably:
— Klépierre could overestimate the expected yield from these assets, and therefore acquire them at a price too high compared with the financing put in place for such acquisitions, or be unable to acquire them under satisfactory conditions, especially where the acquisitions are made via an open bid process or in a period of significant economic volatility or uncertainty. The comprehensive due diligence conducted with the assistance of specialist external consultants prior to any acquisition aims to minimize these risks;
— where an acquisition is financed by the disposal of other assets, market conditions or unfavorable deadlines, this could delay or compromise the ability of Klépierre to complete the acquisition;
— the assets acquired could contain hidden defects, such as subletting, violations by tenants of applicable regulations (and particularly environmental regulations) or a failure to comply with the construction plans which would not be covered by the guarantees contained in the sale and purchase agreement. The due diligence process has a beneficial role in this respect.

For the reasons mentioned above, an acquisition might not yield the expected benefits and the integration be fully completed. Furthermore, the cost reductions and positive effects expected at operational level might be lower than current expectations or achieved less rapidly than those originally contemplated. In the event that the announced amount of the synergies was not achieved, or was not achieved within the anticipated timeframe, this could have an adverse impact on the Group's business, results, financial situation, prospects or image.

3.1.12. Risks related to human resources

The Group's business is highly dependent on its executive management and employees. If the Group loses the support of certain key executives or employees, its success and results could be adversely impacted. For that reason, the Group is committed to applying in all countries where Klépierre operates a policy designed to attract and retain talented employees. In addition, an employee succession plan is in place for strategic areas of its organization.

3.2. Risks related to Klépierre's financing policy and financial activities

The exposure of Klépierre to the range of financial risks and the policy it applies to manage and hedge against those risks are described in greater detail in Note 8 to the consolidated financial statements, page 178, and in the report of the Chairman of the Supervisory Board (Part 4 – Corporate governance).

3.2.1. Liquidity risks

Klépierre's strategy depends on its ability to raise financial resources in the form of loans or equity for the purpose of funding its investments and acquisitions and refinancing maturing debts. Klépierre is committed to distributing a significant proportion of its profits to its shareholders in order to qualify for SIIC status. It therefore relies significantly on debt to fund its growth. This method of funding may not be available under advantageous conditions. This situation could notably occur in the event of a crisis in capital markets or debt markets, the occurrence of events impacting on the real estate sector, a reduction in the rating of Klépierre debt, restrictions imposed by covenants included as part of loan contracts, or any other change to the business, financial position or shareholding profile of Klépierre capable of influencing the perception that investors or lenders have of its creditworthiness or the attractiveness of investing in the Group.

Klépierre is also exposed to the general risks associated with all types of borrowing, and particularly the risk of operating cash-flows falling to a level at which the debt could not be served. If such a shortfall were to occur, the result could be an acceleration or early repayment and the calling in of any security given, with the possibility of the assets concerned being seized.

The Group's debt maturity schedule and the management of liquidity risk are treated in further detail in the Notes to the consolidated financial statements (Notes 5.13., page 169 and 8, page 178).

Taking the matters described above into account, Klépierre is in a position to deal with all its future maturing finance.

Risks related to the covenants contained in certain loan agreements

In addition to the usual covenants, the loan agreements entered into by Klépierre also contain covenants obliging the Company to comply with specific financial ratios, as detailed in the section Business over the year (Section 1.8. Financial policy). If Klépierre were to breach one of its financial commitments and be unable to remedy that failure within the time contractually allowed, the lenders could demand early repayment of the loan or seize the assets concerned where the loan is secured. Some loan agreements also contain cross default clauses allowing lenders to demand early repayment of outstanding amounts in the event that Klépierre fails to meet the commitments contained in other loan agreements (unless any shortcoming is regularized within the period allowed). Consequently, any failure to meet its financial commitments could have an adverse impact on the financial position of Klépierre, its earnings, its flexibility in conducting its business and pursuing growth (for example, by impeding or preventing certain acquisitions), its ability to meet its obligations, and its share price. On the date of this report, Klépierre satisfies all its obligations arising from the financial covenants described above.

Risks related to any downgrading of the Klépierre debt rating

Klépierre's existing debt rating is periodically reviewed by the rating agency Standard & Poor's. At the time this report was prepared and since April 2014, its long-term debt is rated "A-, stable outlook" and its short-term debt as "A-2, stable outlook". These ratings reflect the ability of Klépierre to repay its debts, as well as its liquidity, key financial ratios, operational profile and general financial position, and other factors considered as being significant in respect of the Company's business sector and the economic outlook more generally.

Any downgrading of the Klépierre debt rating could increase the cost of refinancing its existing loans and could adversely impact the ability of the Group to fund its acquisitions or develop its projects under acceptable conditions. Any increase in interest charges would compromise Klépierre operating income and the yield of development projects. If funding were not to be available under satisfactory conditions, the ability of Klépierre to grow its business through acquisition and development would be reduced.

3.2.2. Rate risk

Klépierre's significant debt exposes it to risks due to interest rate variations:
— the interest charges paid by Klépierre on its variable-rate debt could therefore increase significantly;
— a significant increase in interest rates would impact negatively on the value of the Company's holdings inasmuch as the yield rates applied by real estate appraisers to the rents of commercial buildings are determined partly on the basis of interest rates;
— Klépierre uses derivative instruments such as swaps to hedge against interest rate risks which enable it to pay a fixed or variable rate, respectively, on a variable or fixed rate debt.

Developing an interest rate risk management strategy is a complex task, and no strategy can protect the Company fully against the risk posed by interest rate fluctuations. The valuation of derivatives also varies depending on interest rate levels. This is reflected in Klépierre's balance sheet, and there may also be an impact on its income statement if hedging relationships are not sufficiently justified by documentation or if the existing hedges are only partly.

The use made by Klépierre of interest rate hedge instruments could expose the Company to additional risks, and particularly the risk of failure of the counterparties to such instruments, which could in turn result in payment delays or defaults that would adversely impact on the results of Klépierre.

Quantified illustrations of the effects of interest rate fluctuations before and after hedging are given in Note 8.1 to the consolidated financial statements.

3.2.3. Currency risk

Klépierre conducts its activities in certain countries that have not joined the Eurozone (currently Denmark, Hungary, Norway, Poland, Czech Republic, Sweden and Turkey). In these countries, Klépierre's exposure to currency risks derives from the following elements:
— local currencies could depreciate between the invoicing of rents in euros and the payment of the aforesaid rents by the tenants, which would create exchange rate losses for Klépierre. Moreover, some leases are not invoiced in euros, but in dollars (Central Europe) or in local currencies (particularly in Scandinavia), which creates an additional risk related to the rent amount effectively recovered in euros;
— fluctuations in local currencies also impact the level at which local financial statements are translated into euros and integrated into Klépierre's consolidated financial statements;
— since a proportion of subsidiary Company expenses are denominated in the local currency, although their incomes (fees) are denominated in euros, any appreciation in the local currency may reduce operating profit;
— since rent bills are usually denominated in euros (apart from Scandinavia and Turkey) tenants may have difficulty in paying their rent if their local currency depreciates significantly. Any resulting deterioration in their solvency could have a negative impact on Klépierre lease income.

For details of the measures taken by the Group to reduce currency risks, please refer to Note 8.3 to the consolidated financial statements (page 180).

Taking into account the measures described in the note mentioned above, the currency risk has been significantly reduced.

3.2.4. Counterparty risk

When Klépierre uses derivatives, such as swaps, to hedge a financial risk, its counterparty may be liable to Klépierre for certain payments throughout the term of the instrument. Insolvency of said counterparty may lead to delay or default in such payments, which would have an adverse impact on Klépierre's results.

Klépierre has also received confirmed financing commitments from banks in the form of revolving credit facilities. Accordingly, the Company is exposed to counterparty risk, since the inability of the relevant banks to honor their commitments may prevent the Group from honoring its own financial commitments.

Klépierre is also exposed to counterparty risks in respect of its short-term investments; since these investments are made for reduced amounts, in simple forms and for a short term, this risk is, however, barely significant on the Group scale. The risk monitoring policy and control system implemented by Klépierre are presented in Note 8.4. to the consolidated financial statements (page 180).

Taking into account the nature of the risks described in the note mentioned above, and the measures taken to mitigate them, those risks are not considered as significant at Group level.

3.3. Legal, tax and regulatory risks

3.3.1. Risks related to applicable regulations

As an owner and manager of real estate assets, Klépierre must comply with a number of regulations in force in all countries where it operates. These rules apply to several fields, including corporate law, health and safety, environment, building construction, commercial licenses, leases and urban planning.

Changes in the regulatory framework may require Klépierre to make changes to its business, assets or strategy. Klépierre may also suffer financially should one or more tenants in one of its shopping centers fail to comply with the applicable standards. This may take the form of a loss of rent following a store closure or a loss of marketability of the asset. The regulatory risks described in this paragraph could impose additional costs on Klépierre which could have an adverse effect on its business, results and financial position, as well as the value of the Klépierre asset portfolio.

The specific risk associated with laws and regulations governing leases

In certain Klépierre and especially France, the contractual conditions applying to lease periods, lease voidance, lease renewal and rent indexation may be a considered to be a matter of public policy. More specifically, some legal provisions in France limit the conditions under which property owners may increase rents to align them with market levels or maximize lease income. In France, certain types of lease must be entered into for minimum periods, and the process of evicting tenants in the event of non-payment may be lengthy.

Any change to the regulations applying to commercial leases, and particularly their maturity, the indexation and capping of rents or the way in which eviction penalties are calculated, could have a negative effect on the value of the Klépierre asset portfolio, as well as the Company's operating income and financial position.

Litigation risks

In the normal operation of its business, the Group may be involved in legal proceedings or subject to audits by tax or regulatory authorities. Such events may entail a financial risk and a risk to its reputation and/or to its image. To the Company's knowledge, as of the filing date of this registration document, there is no material litigation with respect to the Group's balance sheet that is not reflected in these financial statements. Information about provisions for liabilities and litigation is disclosed in the notes to the consolidated financial statements (Note 5.15.). No provisions considered individually represent a material amount.

No governmental or legal proceeding or arbitration of which the Company is aware to date, which is pending or threatened, is likely to have or has had a material impact on the financial position or profitability of the Company and/or Group in the past twelve months.

Risks relating to the SIIC tax regime

Since the Company has a SIIC status, it is subject to a special tax regime, referred to as the "SIIC regime". As such, and subject to certain conditions (see the Glossary in the section 11 of this Registration Document for further details), it is exempt from paying corporate income tax. Although there are significant benefits involved in adopting the SIIC status, it is a complex regime that poses certain risks for the Company and its shareholders:
— the requirement for the Company to distribute a significant proportion of the profits earned in each fiscal year, which could, for example, affect its financial position and liquidity;
— the Company is exposed to the risk of future changes to the SIIC scheme, and certain changes could have a significant negative impact on the Company's business, financial position and results;
— the Company is also exposed to the risk posed by future interpretation of the SIIC scheme provisions by the French tax and accounting authorities.

Legal monitoring

The Klépierre Legal department, supported by the relevant functions, works in partnership with outside counsels to ensure that information regarding new laws and regulations that could have a material impact on the Group's financial position and growth is gathered, processed and disseminated throughout the Group. This intelligence-gathering process extends to legislation and regulations in every country in which the Group has equity interests.

3.4. Risks related to subsidiary companies

Steen & Strøm is 43.9% owned by ABP Pension Fund and 56.1% by Klépierre. The equity percentage, together with certain provisions contained in the shareholders agreement between the two shareholders, gives ABP Pension Fund significant influence in certain areas of strategic decision-making, such as major investment and divestment transactions involving Steen & Strøm. Under the terms of the agreement, certain decisions may be made on the basis of an 85% qualified majority vote, the effect of which is to give ABP Pension Fund an effective reto right over these decisions. For certain Steen & Strøm development decisions, the interests of ABP Pension Fund may diverge from those of Klépierre. The successful growth of Steen & Strøm's business therefore depends to a certain extent on good relations between its shareholders. The possibility of some divergence of approach occurring between the shareholders cannot be excluded, which could disrupt the operation of Steen & Strøm, with a negative impact on the results, financial position and prospects of Klépierre.

3.5. Environmental risks

In all its operating countries, Klépierre must comply with environmental protection laws applying to the presence or use of hazardous or toxic substances, and the use of facilities capable of generating pollution and impacting public health.

Regulations on the control and maintenance of wastewater networks, domestic supply water stations and distribution networks, and hydrocarbon evacuation and storage facilities exist in all countries.

Internal measures have been implemented to cover certain risks that are not covered by regulatory obligations. These good practices include building structure audits, energy audits, analyses to control rates of legionnaire's disease, and thermal checks on electrical installations.

The families of risks identified could have a range of different consequences:
— the health risks resulting, for example, from internal pollution would produce a hazard to users and neighbors. A failure of this kind would have immediate local consequences in terms of footfall, reduced revenues for retailers and the loss of rent for Klépierre on the site concerned, as well as a negative impact on the Group's reputation;
— an environmental incident caused by human error could reflect badly on the image of the Group and its management. The damage caused to the image of the Company as a result of an environmental incident is a risk whose potential consequences are hard to quantify;
— under current environmental laws and regulations, Klépierre, as the current or previous owner and/or operator of an asset, may be liable for identifying hazardous or toxic substances affecting an asset or a neighboring asset, and removing and cleaning up any such contamination found. The existence of contamination or the failure to take measures to resolve it may also impact negatively Klépierre's ability to sell, rent, or redevelop an asset, or to use it as a security for a loan.

In addition to the civil liability insurance cover taken out to cover the risk of accidental pollution, Klépierre also subscribed to specific policies increasing its coverage for damages to the environment, and in particular to cover Klépierre's liability in respect of damages resulting from gradual pollution. Depending on its intensity, extreme weather may also impact the business activity of one or more assets. Exceptional snowfall could, for example, result in buildings being evacuated or pose a structural risk resulting in cessation of business on a given site. Property damage insurance addresses this type of risk by covering harm to assets.

Any failure to comply with safety measures or control procedures could result in an official shutdown of the site, with local consequences for the future of the business and image of the site concerned.

Risks are managed by means of permanent and periodic compliance measures. The permanent compliance measures use a "risk matrix" to check the procedures implemented and the monitoring points fundamental to the full coverage of the assets and the claims history. The periodic compliance measures ensure compliance with the regulations and procedures implemented (drafting of reports, recommendations and implementation plans) (see report of the Chairman of the Supervisory Board in section 4 of this Registration Document).

3.6. Insurance risks

Klépierre and its subsidiaries (including Steen and Strom) are covered by Group-wide international insurance programs underwritten by prime insurers allowing:
— provide identical protection for all assets, irrespective of their location. Insured values are determined based on replacement cost assessments by independent appraisers, which are carried out at five-year intervals;
— cover the consequences arising from Group companies' civil liability in relation to their business activities or professional misconduct, including the mandatory cover for subsidiaries falling within the scope of the *loi Hoguet* on professional licensing requirements.

The level coverage is determined with regard to the Group's actual record of losses and any legal requirements.

The Group's construction activities are covered by specific construction policies (property and civil liability), in compliance with the legal requirements in force in each country and in particular in France as regards the obligation to arrange *Dommages Ouvrage* policies, which provide cover against non-payment by builders for major structural defects. No comprehensive insurance policies have been arranged, although the risks not covered are negligible or would be the result of a deliberate act by the policyholder for which it would be criminally liable.

Depending on the type of risk, the Group is reliant on the financial strength of insurers and may have to contend with the limitations of the insurance market and thus may no longer be fully or even totally covered against certain risks.

The occurrence of exceptional and/or a very high frequency of losses may have an impact on the amount of insurance cover available to the Group. The possibility of an increase in the cost of insurance arising from market conditions cannot be discounted.

It is also possible that insurers may become insolvent, or insurers may experience financial difficulties impairing their insurance capabilities and thus no longer be able to settle the claims covered by the Group's insurance policies.

The expert appraisers conducting replacement cost assessments may have underestimated the value insured, causing claim settlements to fall short of the losses incurred or, conversely, may have overstated the value insured, causing the Group to pay unduly high insurance premiums.

In connection with its investments, Klépierre may encounter situations where third parties have arranged insurance insufficient to cover losses or even have no insurance in certain cases; it being specified that, as far as possible, Klépierre takes steps to establish additional policies to prevent the risk of insufficient insurance coverage.

Left
Grand Littoral, Marseille (France)
Above
Porta di Roma, Rome (Italy)

4. Corporate governance

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4.1. Management and oversight of the Company

The Company refers to the corporate governance code for listed companies published by the French Association of Private Businesses (AFEP) and the French Employers Association (MEDEF) (the AFEP-MEDEF Code). The AFEP-MEDEF Code may be consulted at the AFEP's website at the following address: www.afep.com.

This chapter includes, in accordance with Article L. 225-68 paragraphs 6 to 10 of the French Commercial Code, the report by the Chairman of the Supervisory Board on the composition, conditions of preparation, and organization of the work of the Supervisory Board, as well as the internal control procedures.

In accordance with the AFEP-MEDEF Code recommendations, and pursuant to Article L. 225-68 of the French Commercial Code, this report states the provisions of the AFEP-MEDEF Code that are currently not applied, and the reasons for such non application. These are summarized in a table in paragraph 4.2.9.

4.1.1. Operation and composition of the Executive Board of the Company as of the filing date of the Company's registration document

The Executive Board is appointed by the Supervisory Board for three years. The members of the Executive Board may be dismissed, in accordance with the law and the Company bylaws, by the Supervisory Board or by the General Meeting of Shareholders.

The Supervisory Board elects one of the Executive Board members as its Chairman. The Chairman carries out his duties throughout his term as a member of the Executive Board. The Chairman of the Executive Board represents the Company in its relations with third parties.

The Executive Board meets as often as the Company’s interests require. These meetings are held at the head office or at any other venue as indicated in the notice of meeting.

At least half of the Executive Board members must be present for proceedings to be considered valid. Decisions are adopted by the majority of votes of members present and represented. The Executive Board is vested with the most extensive powers to act on the Company’s behalf in all circumstances. It exercises these powers within the limits of the corporate purpose, subject however to those expressly attributed by law and the bylaws to the Supervisory Board or general meetings of shareholders.

Under the control of the Supervisory Board, it must, in particular:
— present the Supervisory Board with a report on the Company’s business at least once every quarter;
— present the Supervisory Board with the corporate financial statements, and where applicable, the consolidated financial statements for audit and control, within three months of each reporting date;
— communicate the management documents used for budgeting and forecasting purposes as well as an analysis report, within eight days of their completion and within four months of the start of the reporting period at the latest.

Biographies of the Executive Board members[1]

LAURENT MOREL – Business address: 26, boulevard des Capucines, 75009 Paris
Chairman of the Executive Board
Date of first appointment as Chairman of the Executive Board: January 1, 2009
Date of first appointment as member of the Executive Board: June 1, 2005
Period of appointment as member of the Executive Board: June 22, 2013 – June 21, 2016
Number of shares : 62,407

Career

Laurent Morel has been Chairman of the Executive Board of Klépierre since January 1, 2009. He has been a member of the Executive Board since June 2005, the year he joined the Group to manage its Shopping Center segment. Since then, his focus has been on strengthening Klépierre's shopping center development and management businesses as well as the Group's expansion in Europe. Previously, Laurent Morel held a number of executive leadership positions, mainly in the commercial facilities financing business. After beginning his career with Compagnie Bancaire, Laurent Morel took part in the 1989 founding of the Arval group, where he was head of international business development and then Chief Financial Officer. In 1999, he became the first CEO of the newly created Artegy, a subsidiary of BNP Paribas specializing in industrial vehicle leasing. He was in charge of business development in France and in the United Kingdom.

54 years old – Engineering degree from the École centrale de Paris – French nationality

JEAN-MICHEL GAULT – Business address: 26, boulevard des Capucines, 75009 Paris
Member of the Executive Board
Date of first appointment : June 1, 2005
Period of appointment: June 22, 2013 – June 21, 2016
Number of shares : 29,429

Career

Jean-Michel Gault has served as Deputy CEO of Klépierre in charge of Finance since January 1, 2009. He has been a Member of the Executive Board since June 1, 2005. Jean-Michel Gault joined Klépierre in 1998 as Chief Financial Officer, after a ten-year career in the Paribas group. In 2009, his role was expanded to include the Office Property division. He notably supervised Klépierre merger with Compagnie Foncière for which he was acting as Chief Financial Officer within the real estate Investment division of Paribas. Previously, he was Head of Financial Services and then appointed Chief Financial Officer at Cogedim, a Paribas subsidiary at that time. Jean-Michel Gault began his career with GTM International (Vinci group) as a financial controller.

55 years old – A graduate of the École supérieure de commerce de Bordeaux – French nationality

[1] In accordance with Commission Regulation (EC) no. 809/2004 of April 29, 2004, this does not include those Klépierre subsidiary companies in which the corporate officers are also, or have been in the previous five years, a member of the governing, management or supervisory body.

JEAN-MARC JESTIN – Business address: 26, boulevard des Capucines, 75009 Paris

Member of the Executive Board

Date of first appointment: October 18, 2012

Period of appointment: June 22, 2013 – June 21, 2016

Number of shares : 9,151

Career

Jean-Marc Jestin has served as Chief Operating Officer and is Member of the Klépierre Executive Board since October 18, 2012. Previously, Jean-Marc Jestin held a number of positions in real estate companies. He was Chief Financial Officer and then Chief Operating Officer of the pan-European platform Simon Ivanhoe from 1999 to 2007. He then changed to Unibail-Rodamco International team, acting as Deputy Chief Investment Officer in charge of acquisitions, sales and M&A transactions. Jean-Marc Jestin started his career in 1991 at Arthur Andersen in an audit function where he contributed to the development of the Real Estate Practice.

47 years old – A graduate of HEC – French nationality

Appointments in companies outside the Group expired during the last five years

Chairman and Deputy CEO
- SAS Immobilière Lidice
- Rodamco France

Non-Partner Manager of Société Foncière Immobilière

Chairman of Uni-Commerces

Deputy CEO
- Alba
- SAS Immobilière Château Garnier
- Unibail Management

Co-Managing partner
- Unibail Rodamco SIF France
- Groupe BEG
- Foncière d'Investissement
- Unibail Rodamco SIF Services
- BAY 1 BAY 2
- BEG Investissements
- TC Design

Managing Partner
- Rodamco Česká republika s.r.o. (renamed Unibail-Rodamco Česká republika s.r.o.) (Czech Republic)
- CENTRUM ČERNÝ MOST a.s. (Czech Republic)
- Centrum Praha Jih - Chodov s.r.o. (Czech Republic)
- Rodamco Pankrác a.s. (Czech Republic)
- Moravská Obchodní, a.s. (Czech Republic)
- EURO-MALL Kft (Hungary)
- Vezér Center Kft (Hungary)
- Rodamco Deutschland GmbH (Germany)
- Arkadia Centrum Handlowe Sp. z o.o. (Poland)
- Wileńska Centrum Handlowe Sp. z o.o. (Poland) (Poland)
- Gdańsk Station Shopping Mall Sp. z o.o. (Poland)
- Wileńska Station Shopping Mall Sp. z o.o. (Poland)
- Łódź Nord Shopping Mall Sp. z o.o. (liquidated) (Poland)
- Wroclaw Garage Shopping Mall Sp. z o.o. (liquidated) (Poland)
- Bydgoszcz Shopping Mall Sp. z o.o. (liquidated) (Poland)
- Gliwice Shopping Mall Sp. z o.o. (liquidated) (Poland)
- Polskie Domy Handlowe Sp. z o.o. (liquidated) (Poland)

Supervisory Board Member
- Rodamco CH1 Sp. z o.o. (Poland)

Director
- Union Internationale Immobilière
- Rodamco France
- "ANDRAKA" BeteiligungsverwaltungsgmbH (Austria)
- DONAUZENTRUM Betriebsführungsgesellschaft m.b.H. (Austria)
- DX - DONAUPLEX Betriebsgesellschaft m.b.H (Austria)
- SCS Infrastruktur GmbH (Austria)
- SCS Liegenschaftsverwertung GmbH (Austria)
- SCS Motor City Süd Errichtungsges.m.b.H. (Austria)
- SCS Werbegesellschaft mbH (Austria)
- Shopping Center Planungs- und Entwicklungsgesellschaft mbH (Austria)
- Unibail-Rodamco Austria Verwaltungs GmbH (former Shopping Center Vösendorf Verwaltungsgesellschaft m.b.H.) (Austria)
- Unibail-Rodamco Invest GmbH (Austria)
- Unibail-Rodamco Austria Beteiligungsverwaltung GmbH (Austria)
- Aupark a.s. (Austria)
- Immobilien-Kommanditgesellschaft Dr. Muhlhauser & Co
- Einkaufs-Center Magdeburg (after disposal renamed "Allee-Center Magdeburg KG") (Germany)
- Kommanditgesellschaft Schliebe&Co Geschäftszentrum FrankfurterAllee (Friedrichshein) (today renamed to "Ring-Center I Berlin KG") (Germany)
- Rodamco Europe Beheer B.V. (Netherlands)
- Rodamco Russia B.V. (Netherlands)
- Rodamco Nederland B.V. (Netherlands)
- Unibail-Rodamco Nederland B.V. formerly RNN Monumenten B.V. (Netherlands)
- Rodamco Nederland Winkels B.V. (Netherlands)
- Rodamco Central Europe B.V. (Netherlands)
- Rodamco España B.V. (Netherlands)
- Rodamco Austria B.V. (Netherlands)
- Rodamco Czech B.V. (Netherlands)
- Unibail-Rodamco Poland 1 B.V. (Netherlands)
- Unibail-Rodamco Poland 2 B.V. (Netherlands)
- Rodamco Deutschland B.V. (Netherlands)
- Rodamco Hungary B.V. (Netherlands)
- Rodamco Project 1 B.V. (Netherlands)
- Cijferzwaan B.V. (Netherlands)
- Dotterzwaan B.V. (Netherlands)
- European Retail Enterprises II B.V (Netherlands)
- UR Steam SLU (Spain)
- Essential Whites SLU (Spain)
- Proyectos Immobiliarios Time Blue SLU (Spain)
- Promociones Immobiliarias Gardiner SLU (Spain)
- UR Inversiones SLU (Spain)
- UR Proyecto Badajoz SLU (Spain)
- UR Spain SAU (Spain)
- UR Ocio SLU (Spain)
- Proyactos Immobiliaros New Visions SLU (Spain)

4.1.2. Supervisory Board of the Company as of the filing date of this registration document

As of the filing date of this registration document, the Supervisory Board consists of the ten following members:

	Main position	Expiration of term
David Simon	Chairman of the Board and Chief Executive Officer of Simon Property Group, Inc.	2018
John Carrafiell	Co-founder of GreenOak Real Estate	2018
Jeroen Drost	Managing Director of NPM Capital NV	2018
Bertrand de Feydeau	Chairman of the Board of Directors of Foncière Développement Logements	2016
Steven Fivel	Assistant General Counsel and Assistant Secretary of Simon Property Group, Inc.	2018
Bertrand Jacquillat	Professor Emeritus at Institut d'Études Politiques de Paris	2016
Stanley Shashoua	Senior Vice President of International Development and Investment of Simon Property Group, Inc.	2017
Catherine Simoni	Former Director France and Belgium of the European real estate fund of the Carlyle Group	2017
Rose-Marie Van Lerberghe	Chairman of the Board of Directors of Fondation Institut Pasteur	2016
Florence Von Erb	Representative of Afammer (NGO) at the United Nations Organization	2017[1]

[1] Mrs. Florence Von Erb has been coopted as Supervisory Board member on February 17, 2016, in replacement of Mrs. Dominique Aubernon, who resigned. The ratification of this cooptation is proposed to the general meeting of shareholders of April 19, 2016.

The mandates of Mrs. Dominique Aubernon and Mr. François Kayat have ended during fiscal year 2015.

Biographies of Supervisory Board members

A biography of Mrs. Béatrice de Clermont-Tonnerre, whose appointment is proposed to the general meeting of shareholders of April 19, 2016, is available in Part 9 of this registration document.

DAVID SIMON – Business address: 26, boulevard des Capucines, 75009 Paris

Career

David Simon is Chairman of the Board and Chief Executive Officer of Indianapolis-based Simon Property Group, Inc. He joined the organization in 1990. In 1993 he led the efforts to take Simon Property Group public. He became CEO in 1995. Before joining the organization, he was a Vice President of Wasserstein Perella & Co., a Wall Street firm specializing in mergers and acquisitions and leveraged buyouts. He is a member and former Chairman of the National Association of Real Estate Investment Trusts (NAREIT) Board of Governors and is a former trustee of the International Council of Shopping Centers (ICSC).

54 years old – BS degree from Indiana University and MBA from Columbia University's Graduate School of Business – American nationality

Main position outside the Company:
Chairman of the Board and Chief Executive Officer of Simon Property Group, Inc.

Main position within the Company: Chairman of the Supervisory Board

Date of first appointment: March 14, 2012
Period of appointment: April 14, 2015 - 2018 AGM

Chairman of the Investment Committee

Number of shares: 62

Current appointments as per December 31, 2015

Director, Chairman of the Board of Directors and Chief Executive Officer:
- Simon Property Group, Inc. (listed company)
- Simon Property Group (Delaware), Inc.
- The Retail Property Trust
- M.S. Management Associates, Inc.

Chairman of the Board and Chief Executive Officer:
- Simon Management Associates, LLC
- CPG Holdings, LLC

Appointments expired during the last five years

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JOHN CARRAFIELL – Business address: 26, boulevard des Capucines, 75009 Paris

Career

From 1987 to 2009, John Carrafiell worked at Morgan Stanley: from 1995, as Head of Real Estate Europe and from 1999, as a member of the Operating Committee of the European Investment Banking Division. From 2009 to 2010, he was Founder and Managing Partner of Alpha Real Estate Advisors (UK). Since 2010 he has been a Co-Founder and Managing Partner of GreenOak Real Estate.

50 years old – Graduate of Arts degree from Yale University (Bachelor) – American nationality

Main position outside the Company: Co-founder of GreenOak Real Estate
Main position within the Company: Member of the Supervisory Board – Independent

Date of first appointment: December 11, 2014 (with effect from January 15, 2015)
Period of appointment: December 11, 2014 – 2018 AGM

Member of the Audit Committee as of February 11, 2015

Number of shares: 60

Current appointments as per December 31, 2015

–

Appointments expired during the last five years

Member of Supervisory Board of Corio NV (the Netherlands)
Member of the Board of Directors of Grupo Lar (Spain)

JEROEN DROST – Business address: 26, boulevard des Capucines, 75009 Paris

Career

In 1986, Jeroen Drost began his career with ABN AMRO in Amsterdam where he held several positions. Particularly from 1992 to 1994, he was the Head of Merger and Acquisitions of Central and Eastern Europe. From 1995 to 1996, he worked as Head of Corporate Finance of Central and Eastern Europe. In 2000, he was the Director of Investment Banking and special finance of the Dutch division. Finally from 2006 to 2008, he worked as Chief Executive Officer Asia at ABN AMRO Bank of Hong Kong. From 2008 to 2014, he was the Chief Executive Officer of NIBC Bank NV in The Hague. Since February 2015, he is Managing Director of NPM Capital NV.

54 years old – Master in Economies and Master of Dutch Law from Erasmus University Rotterdam (the Netherlands) – Dutch nationality

Main position outside the Company: Managing Director NPM Capital NV
Main position within the Company: Member of the Supervisory Board

Date of first appointment: December 11, 2014 (with effect from January 15, 2015)
Period of appointment: December 11, 2014 – 2018 AGM

Member of the Investment Committee as of February 11, 2015

Number of shares: 60

Current appointments as per December 31, 2015

Supervisory Board Member:

– Dura Vermeer NV (the Netherlands)
– AON Groep Nederland BV (the Netherlands)
– NL Healthcare (the Netherlands)
– NVDU Acquisition BV (the Netherlands)
– Vanderlande Industries Holding BV (the Netherlands)

Appointments expired during the last five years

Chief Executive Officer of NIBC Bank NV, The Hague (the Netherlands)
Board member of Nederlandse Vereniging van Banken (Dutch Bankers Association)**, the Netherlands**
Non-executive member Managing Board of Fidea NV (Belgium)
Supervisory Board member of Vesteda Residential Fund (the Netherlands)
Board member of Strichting WTC The Hague (the Netherlands)

BERTRAND DE FEYDEAU – Business address: 26, boulevard des Capucines, 75009 Paris

Career

Bertrand de Feydeau has held, and continues to hold, a number of positions in companies whose focus is real estate. Currently the Chairman of Foncière Développement Logements, he is also Chairman of both the Fondation Palladio and the Fondation des Bernardins.

67 years old – Master of Law degree and graduate of the Institut d'études politiques de Paris – French nationality

Main position outside the Company: Chairman of the Board of Directors of Foncière Développement Logements
Main position within the Company: Member of the Supervisory Board – Independent

Date of first appointment: July 21, 1998
Start and end dates of term: April 11, 2013 – 2016 AGM
It is proposed that the General Meeting of Shareholders of April 15, 2016 renew his term of office for one year.

Chairman of the Nomination and Compensation Committee
Member of the Investment Committee

Number of shares: 939

Current appointments as per December 31, 2015

Chairman of the Board of Directors of Foncière Développement Logements (listed company)
Chairman and CEO of Société des Manuscrits des Assureurs Français (SMAF)
Director:
- Foncière des Régions (listed company)
- Affine (listed company)
- Société Beaujon SAS
- Sefri Cime

Associative Board appointments:
- Chairman of the Fondation des Bernardins
- Chairman of the Fondation Palladio
- Vice Chairman of the Fondation du Patrimoine
- Vice Chairman of the Vieilles Maisons Françaises
- Director of the Fédération des Sociétés Immobilières et Foncières (FSIF)
- Director of the Club de l'Immobilier

Appointments expired during the last five years

Member of the Supervisory Board of Klémurs

STEVEN FIVEL – Business address: 26, boulevard des Capucines, 75009 Paris

Career

Steven Fivel began his career as Deputy Attorney General at the Office of the Attorney General of the State of Indiana. In 1988 he handled shopping center finance transactions, real estate development and re-development transactions, joint ventures and corporate transaction as an Attorney. In 1997, he joined BrightPoint and occupied the functions of Executive Vice President, General Counsel and Secretary. In March 2011 he joined Simon Property Group as Assistant General Counsel and Assistant Secretary where he is in charge of the Development Legal department, Operations Legal Department and Tax Department.

55 years old – BS degree from Indiana University and J.D. from The John Marshall Law School of Chicago – American nationality

Main position outside the Company: Assistant General Counsel and Assistant Secretary of Simon Property Group, Inc.
Main position within the Company: Member of the Supervisory Board

Date of first appointment: March 14, 2012
Period of appointment: April 14, 2015 - 2018 AGM

Chairman of the Sustainable Development Committee
Member of the Investment Committee
Member of the Nomination and Compensation Committee

Number of shares: 62

Current appointments as per December 31, 2015

Assistant General Counsel:
- Simon Property Group, Inc.
- Simon Property Group (Delaware), Inc.
- The Retail Property Trust
- M.S. Management Associates, Inc.
- Simon Management Associates, LLC

Appointments expired during the last five years

Chairman of the Supervisory Board of SCA Klémurs
Executive Vice President, General Counsel & Secretary:
- BrightPoint, Inc.
- BrightPoint North America, Inc.

Chief Executive Officer, Executive Vice President, General Counsel & Secretary of BrightPoint International Ltd

Director of BrightPoint Latin America, Inc.
Managing Director of BrightPoint Holdings, B.V.

BERTRAND JACQUILLAT – Business address: 26, boulevard des Capucines, 75009 Paris

Career

Honorary Chairman of Associés en Finance and Vice Chairman of the Cercle des Économistes, and Professor Emeritus at Institut d'études politiques de Paris, Bertrand Jacquillat has published several books and over a hundred articles, many of them in peer-reviewed scientific journals.
71 years old – Graduate of HEC, Institut d'études politiques de Paris, Harvard MBA, a doctorate in economics and financial management from the University Paris-Dauphine, and a law degree – French nationality

Main position outside the Company: Professor emeritus at Institut d'études politiques de Paris
Main position within the Company: Member of the Supervisory Board – Independent

Date of first appointment: April 12, 2001
Period of appointment: April 14, 2015 - 2016 AGM

Chairman of the Audit Committee

Number of shares: 1,300

Current appointments as per December 31, 2015

Honorary Chairman of Associés en Finance
Member of the Supervisory Board of the Presses Universitaires de France

Appointments expired during the last five years

Director of Total

STANLEY SHASHOUA – Business address: 26, boulevard des Capucines, 75009 Paris

Career

Mr. Stanley Shashoua is Senior Vice President of International Development at Simon Property Group Inc. Prior to Simon Property Group, Mr. Shashoua managed LionArc Capital LLC, a private investment firm, which has invested in and advised on over $500 million of international, real estate and private equity transactions since 2007. Prior to this, he was a Partner with HRO Asset Management where he acquired and managed over $1 billion of properties comprising over three million square feet on behalf of institutional clients. He also worked at Dresdner Kleinwort Wasserstein.
45 years old – Bachelor of Arts in international relations from Brown University and MBA in finance from The Wharton School – American nationality

Main position outside the Company: Senior Vice President of International Development of Simon Property Group Inc.
Main position within the Company: Member of the Supervisory Board

Date of first appointment: April 14, 2015
Period of appointment: April 14, 2015 - 2017 AGM

Member of the Investment Committee
Member of the Audit Committee
Member of the Sustainable Development Committee

Number of shares: 60

Current appointments as per December 31, 2015

Director:
– Simon Canada Management Limited (Canada)
– Mitsubishi Estate Simon Co. Ltd (Japan)
– Shinsegae Simon Co Inc (Korea)
– Genting Simon Sdn Bhd (Malaysia)
– Premier Outlets de Mexico, S. de RL de CV (Mexico)
– CPGOM Partners de Mexico, S. de RL de CV(Mexico)
– Outlet Services HoldCo Ltd (Jersey Islands)

Manager:
– Outlet Site JV Sarl (Luxembourg)
– HBS Global Properties LLC (USA)

Appointments expired during the last five years

–

CATHERINE SIMONI – Business address: 26, boulevard des Capucines, 75009 Paris

Career

During 14 years, Catherine Simoni was Director France and Belgium of the European real estate fund of the Carlyle Group. She was previously a Director at SARI Development, the Development division of Nexity, where she was responsible for implementing business plans on several major French office developments, including leasing and sale of such developments. Prior to SARI Development, Catherine Simoni was a Manager at Robert & Finestate, a subsidiary of J.E. Robert Company, where she worked on transactions in real estate and real estate-backed loan portfolios in France, Spain, Belgium and Italy.

51 years-old – Engineering degree from the university of Nice (France) – French nationality

Main position outside the Company: –
Main position within the Company: Member of the Supervisory Board – Independent

Date of first appointment: December 20, 2012
Period of appointment: April 10, 2014 - 2017 AGM

Member of the Sustainable Development Committee

Number of shares: 60

Current appointments as per December 31, 2015

–

Appointments expired during the last five years

Managing Director France/The Carlyle Group

ROSE-MARIE VAN LERBERGHE – Business address: 26, boulevard des Capucines, 75009 Paris

Career

Rose-Marie Van Lerberghe began her career as an Inspector at IGAS (General Inspectorate, Social Affairs) and then became Assistant Director for the defense and promotion of jobs at the French Labor Ministry. In 1986 she joined the Danone group, where she was notably General Director of Human Resources. In 1996 she became Executive Director in charge of employment and professional training at the French Ministry of Labor and Solidarity. She then became Executive Director of APHP (Public Assistance – Hospitals of Paris). From 2006 to 2011 she was Chairman of the Executive Board of Korian. From 2010 to 2014 Rose-Marie Van Lerberghe was a member of the Conseil Supérieur de la Magistrature.

69 years old – Graduate of ENA (École nationale d'administration), of Institut d'études politiques of Paris and of École normale supérieure, graduate teaching in philosophy and undergraduate degree in history – French nationality

Main position outside the Company: –
Main position within the Company Member: of the Supervisory Board – Independent

Date of first appointment: April 12, 2012
Start and end dates of term: April 14, 2015 – 2016 GMS
It is proposed that the General Meeting of Shareholders of April 19, 2016 renew her term of office for three years.

Member of the Audit Committee
Member of the Nomination and Compensation Committee

Number of shares: 100

Current appointments as per December 31, 2015

Director:
– Bouygues (listed company)
– CNP Assurances (listed company)
– Fondation Hôpital Saint-Joseph

Chairman of the Board of Directors of Fondation Institut Pasteur

Mandats échus au cours des cinq derniers exercices

Chairman of the Executive Board of the Korian group
Board member of Air France
Board member of Casino Guichard-Perrachon

FLORENCE VON ERB – Business address: 26, boulevard des Capucines – 75009 Paris, France

Career

Florence von Erb began her finance career in 1980 working at JP Morgan's Paris, London and New York offices specializing in international securities markets. She held positions in the firm's Treasury Department, Merchant Bank division, Latin America Debt Restructuring Unit and Equity Derivatives Group. In 2000, she joined Adair Capital, a New-York based investment management firm, where she served as managing director. She switched her focus to the not-for-profit world in 2004 when she became president and United Nations Representative of Make Mothers Matter International. In 2006, she co-founded Sure We Can Inc. a community-based not-for-profit in New York City recyclable container redemption center. She is a member of the United Nations NGO Social Development Committee, the Commission on the Status of Women and the UN Family Committee. She has been serving as an independent director of Ipsos SA., since 2014.

56 years old – Graduate of HEC Paris, specializing in finance – French nationality

Main position outside the Company: Representative of Afammer (NGO) at the United Nations, Member of the United Nations NGO Committee for Social Development and the Committee on the Status of Women

Main position within the Company: Member of the Supervisory Board – Independent

Current appointments as per December 31, 2015

Director :
- IPSOS (listed company)
- IPSOS Foundation
- Fourpoints

Appointments expired during the last five years

President of Make Mothers Matter International
Co-Founder of Sure We Can Inc.

4.2. Report by the Chairman of the Supervisory Board

Pursuant to Article L. 225-68 of the French Commercial Code and in my capacity as Chairman of Klépierre's Supervisory Board, I have the honor of presenting to you this report, as approved by the Supervisory Board, which notably includes the following information relating to:

— the composition of the Supervisory Board and the application of the principle of gender balance on the Board;
— the preparation and organization of the Board's work, as well as the internal control and risk management procedures,
— the corporate governance code that the company uses and the provisions that are currently not applied, along with the reasons why they are not;
— the special arrangements regarding shareholder participation in the General Meeting of Shareholders;
— the principles and rules established by the Supervisory Board to determine all types of compensation and benefits granted to the Executive Corporate Officers;
— the limitations that the Supervisory Board places on the Executive Board's powers.

I have tasked the internal control team and the Legal and Human Resources Department with the preparatory work and due diligence necessary for the preparation of this report. Accordingly, the Legal and Human Resources Department conducted a review of the texts applicable to the drafting of the first part of this report and the internal control team reviewed the internal control and risk management procedures in the second part of this report.

4.2.1. Structure with an Executive Board and Supervisory Board

It is worth noting that the Company has had the corporate form of a société anonyme (joint stock corporation) with an Executive Board and Supervisory Board since July 21, 1998. This corporate form provides for a clear separation between the Company's management bodies and the oversight of that management, which is provided by the Supervisory Board. This choice as to form of corporate governance structure has made it possible to retain a proactive and effective structure together with a versatile and rapid mode of operation for the executive bodies, in accordance with the prerogatives of the Supervisory Board, the balanced composition of which safeguards the independence of the control and balance of its powers.

4.2.2. Principles applicable to the composition of the Supervisory Board

Balanced composition

When the merger with Corio was completed in 2015, the Supervisory Board was comprised of ten members. The ten members were as follows:
— three members appointed upon the proposal of Simon Property Group. Currently, these members are David Simon, Steven Fivel and Stanley Shashoua;
— one member appointed upon the proposal of APG. Currently, this member is Jeroen Drost;
— five independent members (listed below);
— one member appointed upon the proposal of BNP Paribas: Mrs.

Dominique Aubernon, who resigned on December 11, 2015 as a result of the disposal by BNP Paribas of its stake in the capital of Klépierre.

Following a recruitment process conducted through a specialized consulting firm launched by the Nomination and Compensation Committee to propose to replace Mrs. Dominique Aubernon, it has been decided to co-opt Mrs. Florence Von Erb as independant Board member on February 17, 2016.

The Supervisory Board believes that the skills of the members of the Board are varied and complementary, with some members of the Board having strategic skills and others financial skills or more specific skills (communication, financial, social and legal, knowledge of the real estate or commercial sector, management experience).

The skills matrix of the various members of the Board as of December 31, 2015 appears below.

Name	International background	Real estate	Finance	Retail/ Consumer	Managerial Experience	Employment and governance
David Simon	x	x	x	x	x	
John Carrafiell	x	x	x		x	
Jeroen Drost	x		x		x	
Bertrand de Feydeau		x		x	x	x
Steven Fivel	x	x	x		x	x
Bertrand Jacquillat	x		x		x	
Stanley Shashoua	x	x	x	x	x	
Catherine Simoni	x	x			x	
Rose-Marie Van Lerberghe			x		x	x

Given all these elements, the Supervisory Board believes that its present composition is satisfactory with regard to the diversity criteria under examination. Nevertheless, it remains attentive to the fact that all possible improvements that could be in the interest of the company or its development must be considered.

Increased representation of women

As of today and following co-optation of Mrs. Florence Von Erb, three out of ten members (30%) of the Supervisory Board are women.

For the Annual General Meeting of Shareholders called to approve the 2015 financial statements, it is proposed that (i) the term of Mrs. Rose-Marie Van Lerberghe, an independent member of the Supervisory Board, be renewed for a period of three years, (ii) Mrs. Beatrice de Clermont-Tonnerre, an independent member of the Supervisory Board, be appointed for a period of three years to replace Mr. Bertrand Jacquillat, whose term will not be renewed, (iii) the term of Mr. Bertrand de Feydeau, and independent member of the Supervisory Board, be renewed for a period of one year and (iv) the cooptation of Mrs. Florence Von Erb, an independent member of the Supervisory Board, be ratified for the remaining duration of Mrs. Dominique Aubernon's mandate, i.e. for a period of one year.

As a result, should the General Meeting of Shareholders of the Company adopt all of the abovementioned resolutions, the Supervisory Board would, at the end of the Meeting, consist of four women, for a proportion of 40%. This will allow the Company to comply with legal requirement on gender representation one year ahead of schedule.

A strong international profile

The Supervisory Board consists of three different nationalities and has five foreign members (David Simon, Jeroen Drost, John Carrafiell, Steven Fivel and Stanley Shashoua).

60% of the Board members are independent

The Supervisory Board has adopted in full the definition of independence contained in the AFEP/MEDEF Corporate Governance Code to determine member independence.

The definition of independent member of the Supervisory Board is reviewed annually by the Nomination and Compensation Committee with respect to these independence criteria. On this basis, the Supervisory Board examines the status of each member of the Supervisory Board.

At the annual review of the definition of independent member of the Supervisory Board, the Supervisory Board concluded that the following members of the Supervisory Board are independent:

Criteria for independence	Bertrand de Feydeau	John Anthony Carrafiell	Bertrand Jacquillat	Catherine Simoni	Rose-Marie Van Lerberghe	Florence Von Erb	Explanation of exception to length-of-term criterion
Is not or was not at any time over the past five years: — an employee or executive officer of the Company or an employee or Board member of a Group company, — an executive officer for a company in which the Company is member of the Board or in which an employee or executive officer of the Company (currently or during the past five years) is serving a term of office	Yes	Yes	Yes	Yes	Yes	Yes	
Is not a customer, vendor, investment banker, or significant lending banker of the Company or its Group or for which the Company or its Group represents a significant portion of business activity	Yes	Yes	Yes	Yes	Yes	Yes	
Has no close family ties to a corporate officer	Yes	Yes	Yes	Yes	Yes	Yes	
Has not been the Statutory Auditor of the Company during the past five years	Yes	Yes	Yes	Yes	Yes	Yes	
Has not been a director of the Company for more than 12 years	No	Yes	No	Yes	Yes	Yes	Although they have served for more than twelve years, Messrs. Bertrand de Feydeau and Bertrand Jacquillat have always demonstrated complete independence in their contribution to the work of the Board. Given the advanced stage of their careers, there should be no concerns that this independence will wane in the future and there are no suspicions that the close ties they have developed to the Company and its officers would compromise their independence.

Following the recommendation made by the AMF, a table showing the list of the Supervisory Board members considered independent, as of February 17, 2016, with regard to the Supervisory Board's evaluation and the AFEP-MEDEF Code is given below.

	Independence of elected Board members with regard to	
	the Supervisory Board's evaluation	the AFEP-MEDEF Code
David Simon	No	No
John Carrafiell	Yes	Yes
Jeroen Drost	No	No
Bertrand de Feydeau	Yes	No
Steven Fivel	No	No
Bertrand Jacquillat	Yes	No
Stanley Shashoua	No	No
Catherine Simoni	Yes	Yes
Rose-Marie Van Lerberghe	Yes	Yes
Florence Von Erb	Yes	Yes

With regard to the Specialized Committees of the Board:
— the Investment Committee is currently composed of five members, one of whom is independent (20% independent members);
— the Audit Committee consists of four members, three of whom are independent (75% independent members);
— the Nomination and Compensation Committee consists of three members, two of whom are independent (66.67% independent members);
— the Sustainable Development Committee consists of three members, one of whom is independent (33.33% independent members).

Changes in the composition of the Supervisory Board during fiscal years 2015 and 2016

For the Annual General Meeting of Shareholders called to approve the 2015 financial statements, it is proposed that (i) the term of Mrs. Rose-Marie Van Lerberghe, an independent member of the Supervisory Board, be renewed for a period of three years, (ii) Mrs. Beatrice de Clermont-Tonnerre, an independent member of the Supervisory Board, be appointed for a period of three years to replace Mr. Bertrand Jacquillat, whose term will not be renewed, (iii) the term of Mr. Bertrand de Feydeau, and independent member of the Supervisory Board, be renewed for a period of one year and (iv) the cooptation of Mrs. Florence Von Erb, an independant member of the Supervisory Board, be ratified for the remaining duration of Mrs. Dominique Aubernon's mandate, i.e. for a period of one year.

Pursuant to AMF Recommendation no. 2012-02, the table below summarizes the changes that occurred in 2015.

	Changes/renewals that occurred during the year
David Simon - Chairman	The April 14, 2015 General Meeting of Shareholders renewed his term for three years.
John Carrafiell **Jeroen Drost**	The December 11, 2014 General Meeting of Shareholders appointed Messrs. John Carrafiell and Jeroen Drost as new members of the Supervisory Board subject to the effective completion of Klépierre's public exchange offer for Corio N.V. and its settlement. They have been members of the Board since January 15, 2015 (the settlement date).
Bertrand de Feydeau	—
Steven Fivel	The April 14, 2015 General Meeting of Shareholders renewed his term for three years.
Bertrand Jacquillat	The April 14, 2015 General Meeting of Shareholders renewed his term for one year.
Catherine Simoni	—
Stanley Shashoua	The April 14, 2015 General Meeting of Shareholders appointed Mr. Stanley Shashoua to replace Mr. François Kayat.
Rose-Marie Van Lerberghe	The April 14, 2015 General Meeting of Shareholders renewed his term for one year.
Philippe Thel	Mr. Philippe Thel resigned from his office as Supervisory Board member subject to the effective completion of Klépierre's public exchange offer for Corio N.V. and settlement-delivery thereof. He has not been a member of the Board since January 15, 2015 (the settlement date).
Dominique Aubernon	Mrs. Dominique Aubernon resigned on December 11, 2015 as a result of the disposal by BNP Paribas of its stake in the capital of Klépierre.

The following table summarizes the changes planned for 2016 in the composition of the Supervisory Board:

Date	Departure	Appointment	Renewal	Ratification of co-optation
April 19, 2016	Bertrand Jacquillat	Béatrice de Clermont-Tonnerre for a term of three years.	Rose-Marie Van Lerberghe for a term of three years. Bertrand de Feydeau for a term of one year.	Florence Von Erb for a term of one year

Subject to the approval by the April 19, 2016 General Meeting of Shareholders of the appointments, renewals and ratification of cooptation mentioned above ratifications of terms where required, the Supervisory Board will be comprised as follows:

	Composition after the 2015 General Meeting of Shareholders		Composition after the 2016 General Meeting of Shareholders
	before Mrs. Aubernon's resignation	after Mrs. Aubernon's resignation	
Percentage of independent members	50%	55.55%	60%
Percentage of feminine members	30%	20%	40%
Percentage of Supervisory Board members of foreign nationalities	50%	55.55%	50%

Provision of the bylaws and internal rules of the Supervisory Board applicable to the composition of the Supervisory Board

The Company bylaws and the internal rules of the Supervisory Board define the following principles:
— number of Supervisory Board members: The Supervisory Board is composed of at least three members and no more than twelve members;
— term of office of members of the Supervisory Board: the term of office is three years. However, the Ordinary General Meeting of Shareholders may, by exception, elect one or more Supervisory Board members for a term of less than three years for the sole purpose of establishing a system of retirement by rotation such that only a proportion of the Supervisory Board members stands for re-election at any one time;
— ownership of Klépierre shares: each member of the Supervisory Board must hold at least 60 shares throughout his/her term in office;
— chairmanship and Vice Chairmanship of the Supervisory Board: the Supervisory Board elects a Chairman and a Vice Chairman among its members.

Conflict of interests

As of the date of this registration document and to the knowledge of the Company, no member of the Supervisory Board of the Company has:
— a family connection with another director of the Company;
— been convicted for fraud during the past five years;
— been involved in a bankruptcy, receivership or liquidation during the past five years;
— been convicted of a crime and/or received an official public sanction from a statutory or regulatory authority (including designated professional bodies);
— been prevented by a court from acting as a member of an administrative, executive or supervisory body of an issuing company or from managing or running the affairs of an issuing company in the last five years.

The internal rules of the Supervisory Board of the Company state that the members of the Board shall inform the Supervisory Board of any conflict of interest, potential or otherwise, with the Company and abstain from voting on the corresponding deliberations.

4.2.3. Operation of the Supervisory Board

The Supervisory Board of the Company has internal rules that set forth the rules for its meetings, its powers and the distribution of directors' fees among members. The internal rules of the Supervisory Board may be consulted at the Company's website: www.klepierre.com.

The internal rules of the Supervisory Board were amended during fiscal year 2015 by decisions adopted on April 14 and July 28, 2015. These modifications aimed at:
— including (i) rules to limit the powers of the Executive Board that were originally stated in the bylaws, (ii) rules to manage conflicts of interest, (iii) a requirement that any member of the Executive Board seek the approval of the Supervisory Board before agreeing to serve at another a listed company. It is understood that no member of the Executive Board may serve at more than two listed companies, both French and foreign, outside of the Group;
and,
— change the amount of the directors' fees referred to in the internal rules to make it coincide with what was adopted by the April 14, 2015 General Meeting of Shareholders as part of the change from nine to ten Board members and accordingly change the rules for the distribution of such fees.

Missions of the Supervisory Board

The Supervisory Board shall exercise permanent oversight over the management of the Company by the Executive Board.

At any time of the year, it shall carry out any such audits and controls as it may deem appropriate, and may be communicated any such documents as it may deem useful to fulfill its assignment.

The Supervisory Board:
— appoints the members of the Executive Board; it shall set their compensation;
— appoints and dismisses the Chairman of the Executive Board and, possibly, appoints among the members of the Executive Board, one or more Managing Directors and puts an end to their term of office, as the case may be;
— receives a report from the Executive Board on the corporate business each time it deems it necessary and at least once a quarter;
— audits and controls the financial statements and the consolidated financial statements, if any, prepared by the Executive Board and presented by the latter within three months following the end of the fiscal year, along with a written report on the company's position and its business during the past fiscal year;
— presents to the General Meeting of Shareholders called to rule on the corporate financial statements and the consolidated financial statements, its comments on the Executive Board's report as well as on the financial statements for the fiscal year;
— calls the General Meeting of Shareholders, if necessary, and determines its agenda;
— decides the transfer of the registered office within the same department or a neighboring department, subject to ratification by the next Ordinary General Meeting of Shareholders;
— authorizes the agreements contemplated between the company and a member of the Supervisory Board or the Executive Board and assimilated agreements, in accordance with Article L. 225-86 of the French Commercial Code;
— authorizes the sale of buildings by nature as well as the full or partial sale of interest and creation of guarantees on the corporate properties; the Supervisory Board may, up to an amount it sets for each of them, authorizes the Executive Board to carry out the transactions referred to above; when a transaction exceeds the amount so set, the authorization of the Supervisory Board is required in each case.

The Chairman of the Supervisory Board shall grant the Executive Board his/her prior consent to the appointment of persons called to exercise the position of permanent representative of the Company at the Board of Directors or Supervisory Board of another *société anonyme*, except as far as companies dependent upon the Klépierre Group are concerned.

It may decide the creation of Committees in charge of studying the issues that itself or its Chairman submit to their review for comment.

The Supervisory Board draws up rules of procedure governing the ways in which it exercises its powers and grants authorizations to its Chairman. These internal rules specify the list of decisions for which the Executive Board must obtain the prior approval of the Supervisory Board. As a result:
— the Supervisory Board gives to the Executive Board its prior consent on the proposed allocation of the profits or losses for the past fiscal year;
— the following decisions of the Executive Board shall be submitted to the prior authorization of the Supervisory Board:
  · transactions likely to affect the strategy of the company and its group, and to modify their financial structure and their scope of activity,
  · the issuances of securities, of any nature whatsoever, likely to entail a modification in the share capital,
  · the following transactions to the extent that they each exceed €8,000,000 or its equivalent in any other currencies:
   – acquire or sell, directly or indirectly, all assets (including buildings by nature or holdings), with the exception of all transactions between Klépierre Group entities,
   – in case of dispute, to enter into any agreements and settlements, to accept any arrangement.

The Supervisory Board alone has the authority to amend its internal rules.

Meetings of the Supervisory Board

The Supervisory Board meets as often as the interests of the Company require, at least four times a year, either at the head office or in any other location it is convened by the Chairman and examines any item included in the agenda by the Chairman or by a simple majority of the Supervisory Board.

Meetings may be called by the Secretary of the Board or the Group Company Secretary, and this shall be done by letter, telex, telegram fax or verbally.

However, the Chairman of the Supervisory Board shall convene the Board on a date that shall not be more than 15 days later if at least one member of the Executive Board or at least one third of the members of the Supervisory Board present a reasoned request to that effect. If the request goes unaddressed, those who submitted it may call the meeting themselves and determine the agenda.

For the Supervisory Board to deliberate validly, at least half of its members must be present.

Members of the Supervisory Body may participate in the Board's deliberations by video link or by any other means of telecommunication identifying them and guaranteeing that they can participate, except for deliberations involving the verification and control of the annual and consolidated financial statements.

Executives may attend meetings of the Board in an advisory capacity, at the initiative of the Chairman, but no internal provision of the Company shall mandate the attendance of the members of the Executive Board at meetings of the Supervisory Board. As a result, meetings may be held without the members of the Executive Board in attendance. This shall always be the case when their compensation is being discussed.

Meetings of the Supervisory Board shall be held in English and French, with, at the request any member of the Supervisory Board, a simultaneous translation into French and English by an interpreter.

Decisions are made based on a majority of votes cast by members present or represented. If votes are evenly split, the Chairman of the meeting holds the casting vote. A copy or an extract of the minutes of deliberation shall constitute sufficient proof of the number of members of the Supervisory Board in office as well as their attendance or representation at a meeting of the Supervisory Board. A member of the Supervisory Board may, by letter, telex or telegram, give proxy to another member of the Supervisory Board to represent him or her at a meeting of the Board. No member of the Supervisory Board may, during the same meeting, hold more than one proxy thus received. The members of the Supervisory Board, and any person attending the meetings of the Supervisory Board, are bound by discretion with regard to the deliberations of the Board with respect to information that is of a confidential nature or presented as such by the Chairman.

A register of attendance signed by the members of the Supervisory Board participating in the meeting, in their name or for the other members of the Supervisory Board that they represent, shall be kept at the head office. Proxies given by letter, fax, telex or telegram shall be attached to the register of attendance.

Assessment of the Supervisory Board

At least once a year, one item on the agenda shall devoted to evaluating the operation of the Supervisory Board, and this shall be reported in the Company's annual report, so that the shareholders may be kept informed every year of the performance of the assessments and, where appropriate, any subsequent actions.

A formal assessment in questionnaire form was undertaken in 2014. The major areas of improvement expressed during this self-evaluation focused on the time spent on the Group's strategy and quality and deadlines for prior transmission of preparatory documents for Supervisory Board meetings.

In order to improve the timeliness of transmission of the documents submitted to the Board, Board members may now use a digital Supervisory Board management solution (Diligent Board) that allows them to view/download those documents on a secure platform as they become available.

For 2015, the Supervisory Board decided once again to conduct a formalized evaluation in questionnaire form with 25 questions accompanied by a rating scale that primarily invites members to state their views on the operating procedures of the Supervisory Board, the preparation and holding of Board meetings, the quality and effectiveness of discussions and the effective contribution of each Member to the work of the Board. Members are also asked to express an opinion on Board composition, the number of meetings, their role and the performance of their tasks by the Specialized Committees.

The result of the self-assessment will be discussed by the Supervisory Board and communicated in the registration document relating to the fiscal year 2016.

4.2.4. Work of the Supervisory Board during the 2015 fiscal year

The Board met ten times during the 2015 fiscal year, with an attendance rate of 93.94%.

The main points debated during these meetings were:

— **the financial statements and budget**
- (i) The corporate and consolidated financial statements for the year ended December 31, 2014
- (ii) The June 30, 2015 interim consolidated financial statements
- (iii) The management documents used for budgeting and forecasting purposes
- (iv) The Executive Board's quarterly business review
- (v) The updated 2015 Budget and the adoption of the 2016 Budget

— **authorizations granted to the Executive Board**
- (i) The authorization granted annually to the Executive Board to issue guarantees and endorsements
- (ii) Authorizations to invest and divest in France and abroad
- (iii) Regulated agreement authorizations
- (iv) Authorizations regarding financing

— **corporate governance**
- (i) Evaluation of its own operation/composition of the Board and its Specialized Committees
- (ii) Compensation of the Executive Board members
- (iii) Proposals for renewal/appointment of Supervisory Board members
- (iv) Amendment of the internal rules

— **preparation for the 2015 Annual General Meeting of Shareholders**

— **the 2015 bonus share allocation plan**

— **the Dutch FBI tax regime**

4.2.5. Committees of the Supervisory Board

To fulfill its duties, the Supervisory Board has set up Specialized Committees. Within its area of expertise, each Committee issues proposals, recommendations and opinions, where required, and reports on its duties to the Supervisory Board.

The Committees are:
— the Investment Committee;
— the Audit Committee;
— the Nomination and Compensation Committee;
— the Sustainable Development Committee.

The composition of the Committees will be reviewed by the Supervisory Board after the general meeting of the shareholder to be held on April 19, 2016 to reflect the changes made to the composition of the Supervisory Board.

Operation of the Committees

The Nomination and Compensation Committee meets at least once a year and the other Committees at least twice a year. The schedule for their meetings is set by the Board. Even so, each Committee may meet at the request of at least two of its members.

The members of each Committee may participate in the meetings of said Committees by video link or by any other means of telecommunication that identify them and guarantee that they can participate.

For it to be able to deliberate validly, at least half of said Committee's members must be present. One Committee member cannot be represented by another.

Meetings of the Committees are held in English and French, with, at the request any member of a Committee, a simultaneous translation into French and English by an interpreter.

The Investment Committee

Composition

This Committee has at least three and no more than six members chosen by the Supervisory Board from among its members.

As of the filing date of this registration document, this Committee consists of:

Names	Changes that occurred during the year
	Resignation of Mrs. Dominique Aubernon on December 11, 2015.
David Simon Chairman	—
Bertrand de Feydeau	—
Steven Fivel	—
Jeroen Drost	Mr. Jeroen Drost was appointed as a member of the Investment Committee on February 11, 2015, to replace Mrs. Catherine Simoni.
Stanley Shashoua	Mr. Stanley Shashoua was appointed as a member of the Investment Committee on April 14, 2015, to replace Mr. François Kayat whose term as a Member of the Supervisory Board was not renewed.

The Investment Committee is currently composed of five members, one of whom is independent (20% independent members).

Missions

The role of this Committee is to consider potential investments and disposals proposed to it before they are formally authorized by the Supervisory Board. To this end, it reviews the real estate, commercial, legal and financial aspects of the transactions. In particular, it ensures that these transactions are consistent with the strategy and satisfy the investment criteria of the Klépierre group. Before giving the go-ahead, the Investment Committee may, if needed, ask for additional information about or recommend changes in some or all of the real estate, commercial, legal or financial aspects.

Work of the Investment Committee in 2015

It met five times during the 2015 fiscal year, with an attendance rate of 93.33%.

The most significant proposals related to:
— acquisition of the Plenilunio shopping center in Madrid;
— disposal of the Krakow Plaza shopping center in Poland;
— disposal of an office building in Borås, Sweden;
— disposal of a portfolio of 18 Buffalo Grill assets;
— disposal of a portfolio of 9 Dutch assets;
— acquisition of a shopping center in Oslo, Norway.

The Audit Committee

Composition

This Committee has at least three and no more than six members chosen by the Supervisory Board from among its members.

As of the filing date of this registration document, this Committee consists of:

Names	Changes that occurred during the year
	— Mr. Philippe Thel resigned from his office as Supervisory Board member subject to the effective completion of Klépierre's public exchange offer for Corio N.V. and settlement-delivery thereof. He is no longer a member of the Supervisory Board and, consequently, of the Audit Committee since January 15, 2015 (date of settlement). — The number of members of the Audit Committee increased from four to five people on February 11, 2015. — Mrs. Dominique Aubernon resigned from her duties as a member of the Supervisory Board on December 11, 2015. — Pending the decision of the Board concerning the replacement for Mrs. Dominique Aubernon, the Committee currently has four members.
Bertrand Jacquillat Chairman	—
John Carrafiell	—
Rose-Marie Van Lerberghe	—
Stanley Shashoua	Mr. Stanley Shashoua was appointed as a member of the Investment Committee on April 14, 2015, to replace Mr. François Kayat, whose term as a Member of the Supervisory Board was not renewed.

The Audit Committee currently consists of four members, three of whom are independent (75% independent members).

In accordance with the report of the Working Group of the *Autorité des Marchés Financiers* on Audit Committees, the Supervisory Board has determined the criteria to be taken into account to determine whether a person has particular competence in financial and/or accounting matters for listed companies.

The Board takes into account a person's professional experience and/or academic training in order to judge if he or she has particular competence in financial and/or accounting matters for listed companies.

In light of their professional experience in particular, all members of the Audit Committee are considered by the Board to have particular competence in financial matters.

Missions

This Committee is tasked by the Board to:
— examine and evaluate the financial documents distributed by the Company for the preparation of the annual financial statements;
— examine the Company's risk exposure;
— guarantee oversight of:
· the Company's external controls:
– by evaluating the proposed appointments of the Statutory Auditors of the Company and their compensation,
– by examining each year with the Statutory Auditors:
- their action plans,
- the conclusions drawn from them,
- their recommendations and subsequent actions;
· the Company's internal controls:
– by assessing the Klépierre internal control systems with those responsible for internal controls at Klépierre,

– by examining with them:
  - the action and contingency plans for the internal controls,
  - the conclusions drawn from their actions,
  - their recommendations and subsequent actions.
– by examining the conditions for the application of regulatory requirements with regard to internal control.

The following people attend the Committee meetings: the Chairman of the Executive Board, the members of the Executive Board (including the Chief Financial Officer), representatives of the Statutory Auditors. The Deputy Chief Financial Officer, the Head of Accounting and the Director of Internal Control also attend the meetings.

The Audit Committee may also, in accordance with its internal rules, hear any person it wishes, including all external experts, and ask the Executive Board to conduct any hearing and give it any information that it requests.

Work of the Audit Committee in 2015
The Board met four times during the 2015 fiscal year, with an attendance rate of 94.44%. Its work focused mainly on:
— reviewing the annual and interim individual and consolidated financial statements, reviewing material subsequent events and their impact and reviewing off-balance sheet commitments and risks;
— monitoring the principal indicators: cash flow, net asset value and EPRA Earnings;
— monitoring of financial ratios;
— keeping track of areas of expertise and expert methodology;
— conducting a tax review of the Group;
— review of capital gains on disposals;
— the terms of the Statutory Auditors and the fee income budget proposed for fiscal year 2016;
— reviewing the audit conclusions issued by the Statutory Auditors, their budget for 2015 and their declaration of independence;
— the review of 2015 internal control actions (risk management, internal audit and ethics) and approval of its 2016 action plan.

The Nomination and Compensation Committee

Composition
This Committee has at least two and no more than five members chosen by the Board from among its members.

As of the filing date of this registration document, this Committee consists of:

Names	Changes that occurred during the year
	Resignation of Mrs. Dominique Aubernon on December 11, 2015
Bertrand de Feydeau Chairman	—
Steven Fivel	—
Rose-Marie Van Lerberghe	—

The Nomination and Compensation Committee consists of three members, two of whom are independent (66.67% independent members).

Missions
This Committee is tasked by the Board to prepare recommendations for the Supervisory Board concerning the nomination and compensation of Executive Board and Supervisory Board members and the compensation policy of the Chairman and Vice Chairman of the Supervisory Board and the members of the Executive Board (including grants of performance shares or stock options).

Work of the Appointments Selection and Compensation Committee in 2015
It met five times during the 2015 fiscal year, with an attendance rate of 100%.

Its work focused mainly on:
— the governance of the Supervisory Board;
— the renewal of the terms in office of the Chairman and members of the Supervisory Board;
— the composition of the Specialized Committees;
— the assessment of the Supervisory Board's operations;
— directors' fees;
— the compensation of members of the Executive Board and arrangements for determining their 2015 variable compensation (and in particular, a review of the criteria for determining the qualitative component of variable compensation);
— review of a 2015 bonus share allocation plan;
— amendment of the internal rules of the Supervisory Board.

As part of its work related to the composition of the Supervisory Board and specialized committees, the Committee takes account of diversity, independence, skills and gender parity criteria prior to proposing to the Board the renewals of terms of members or the appointments of new members to the Board or its committees. As part of its recommendation to appoint Mrs. Beatrice de Clermont-Tonnerre and to coopt Mrs. Florence Von Erb to replace Mrs. Dominique Aubernon, the Nomination and Compensation Committee used the services of a specialized recruitment firm.

The Sustainable Development Committee

Composition
This Committee has at least two and no more than four members chosen by the Board from among its members.

As of the filing date of this registration document, this Committee consists of:

Names	Changes that occurred during the year
	— Mr. Philippe Thel resigned from his office as Supervisory Board member subject to the effective completion of Klépierre's public exchange offer for Corio N.V. and settlement-delivery thereof. He is no longer a member of the Supervisory Board and, consequently, of the Sustainable Development Committee since January 15, 2015 (date of settlement). — The number of members of the Sustainable Development Committee decreased from four to three people on January 15, 2015 following the departure of Mr. Philippe Thel.
Steven Fivel Chairman	—
Catherine Simoni	—
Stanley Shashoua	Mr. Stanley Shashoua was appointed as a member of the Sustainable Development Committee on April 14, 2015, to replace Mr. François Kayat, whose term as a Member of the Supervisory Board was not renewed.

The Sustainable Development Committee consists of three members, one of whom are independent (33.33% independent members).

Missions
This Committee is tasked by the Board with:
— cataloguing the principal categories of risk to which Klépierre's business is exposed;
— monitoring the action program drawn up to contend with these;
— and reviewing the Klépierre Group's contribution to sustainable development.

Work of the Sustainable Development Committee in 2015
It met three times during the 2015 fiscal year, with an attendance rate of 77.78%.

Its work focused mainly on:
— the environmental, social and societal performance of the Group during 2014 and the current year through quarterly monitoring;
— the integration of new assets and new countries into the sustainable development strategy and the deployment of the Group's tools and methodologies;
— the results of the main indicators and non-financial rating agencies;
— the Group's consumption of electrical and other energy and ways to improve efficiency.

4.2.6. Arrangements for shareholders to participate at the Company's Annual General Meetings

The rules applicable to general meetings and in particular to shareholder participation are laid down in Section V of the Company's bylaws and in the section "General Information" of this registration document.

4.2.7. Information about factors that may have an impact in the event of a public offer

Information about factors that may have an impact in the event of a public offer is mentioned in the section "General Information regarding capital" of this registration document and in Note 8.2 "Liquidity risk" to the consolidated financial statements.

4.2.8. Corporate officer compensation policy

The rules pertaining to the corporate officer compensation policy are described in part 4.4 of this registration document.

4.2.9. Application of the AFEP/MEDEF Corporate Governance Code: Summary table

The company applies the AFEP/MEDEF Corporate Governance Code with the exception of the following recommendations:

AFEP-MEDEF Code recommendations	Implementation
Section 22 – Termination of employment contract in case of appointment as corporate officer When an employee is appointed as Executive Corporate Officer, it is recommended to terminate his or her employment contract with the Company or with a company affiliated to the Group, whether through contractual termination or resignation.	Mr. Laurent Morel's employment contract with Klépierre Management was suspended as soon as the Company found that his duties as Chairman of the Executive Board took much more of his time than when he first assumed the office. Furthermore, it was decided to suspend the employment contract and not terminate it because of Klépierre's desire to maintain pension rights for this executive officer considering his seniority in the BNP Paribas Group as well as the services that he rendered to Klépierre. Mr. Laurent Morel was elected the Chairman of the Executive Board of Klépierre for the first time on January 1, 2009. On that date, Laurent Morel had already been employed by the BNP Paribas Group, which then owned Klépierre, for 21 years (Laurent Morel joined Compagnie Bancaire, a subsidiary of the BNP Paribas Group, on August 31, 1987). In addition, Laurent Morel receives no compensation or benefits in the event of a termination or change of duties or under a non-compete clause (and no severance compensation under his employment contract), with the exception of the compensation and benefits granted by law and the applicable collective agreement.
Section 23 – Compensation of Executive Officers Sub-section 23.2.4 – Stock 'options and performance shares [...] — in accordance with terms determined by the Board and publicly announced at the time of the award, performance shares awarded to executive officers are conditional on the purchase of a defined quantity of shares when the awarded shares vest.	In accordance with Article L.225-197-1 of the French Commercial Code, Executive Board members must hold, until such time as they leave office, registered shares equivalent to 50% of the capital gain after taxes and charges as calculated at the time of delivery of the shares. Given the obligation to hold a substantial portion of the shares acquired through vesting of performance shares, it was decided not to require that Executive Board members purchase additional shares with their own funds. As such, members of the Executive Board will come to hold a significant, growing number of shares.

4.2.10. Internal control and risk management framework

The Klépierre group's internal control framework is predicated on the general risk management and internal control principles laid down in the reference framework published by the *Autorité des Marchés Financiers* in July 2010.

Objectives and principles

Internal control is the organization of processes, procedures and controls implemented by management for the ultimate purpose of ensuring overall control of risks and providing reasonable assurance that strategic goals will be achieved. In particular, this organization is predicated on:
— applying instructions and guidelines laid down by the Executive Board;
— making operations as efficient as possible and ensuring the Group's internal processes work smoothly;
— the reliability of internal and external information;
— complying with the laws and regulations.

Every manager needs to implement effective controls over the activities for which s/he is responsible. Every Klépierre Group employee contributes to the internal control framework in an environment in which:
— the description of the Group's governance and organization of its business lines and functions provides the general framework for achieving its objectives;
— there is a repository of guidelines laying down and circulating the internal rules and procedures to be followed while systematically incorporating instructions about the controls to be carried out;
— the principle of delegation represents the cornerstone of the system. It is reflected in the use of correspondents who are responsible for consistent implementation of the Group's policies;

— duties are segregated by keeping the operational roles separate from supervisory roles;
— compliance with the laws and regulations is assured by the introduction of professional conduct rules for employees, especially in relation to data confidentiality, a good practice code for relationships with third parties and the use of information system resources.

The internal control framework applies to all the (operational and corporate) entities in the Klépierre Group.

The internal control framework designed to meet the various objectives outlined above does not, however, provide any certainty that the objectives set will be achieved owing to the inherent limitations of all procedures. Even so, it aims to make a major contribution towards attaining them.

Organization of risk management and internal control

The Group's risk management and internal control framework is overseen by an Internal Control division. It reports to the Executive Board and encompasses the permanent control, periodic control and ethics & compliance functions.

The Internal Control division is ultimately responsible for ensuring the consistency and efficacy of internal control. Within the business lines and foreign subsidiaries, it has direct access to the risk and internal control officers, who form a functional network reporting to it. It is responsible for implementing risk monitoring and mitigation tools and systems, such as risk mapping and an incident database. It is also in charge of work on business continuity planning (BCP) and the crisis management unit. Lastly, it handles reporting to the Executive Board and the Audit Committee.

Risk management

The Klépierre Group aims to anticipate and manage the major risks likely to affect attainment of its objectives and compromise the compliance with the laws and regulations. Risks are catalogued as part of a risk mapping process conducted by means of business processes and support functions and updated periodically. During each update, the Internal Control division ensures that the following objectives are achieved:
— identify and assess the risks from strategic to operational level to protect the value, assets and reputation of the Group covering both the inherent risks and the controllable risks;
— guarantee the existence of an owner for each risk identified, a risk treatment policy, and a treatment plan to achieve the target;
— evaluate the oversight in place: risk indicators, risk reassessments at an appropriate frequency, advancement of treatment actions;
— learn lessons from incidents and risks that have arisen and continuously improve the internal control framework.

Overall internal control plan

The Internal Control division draws up the overall permanent control and periodic control plan.

The role of the permanent control function is to coordinate a framework in which operational staff plays the leading role. To this end:
— it raises their awareness and trains them in the principles of internal control;
— it coordinates the measures they take;
— it ensures that first and second-level control plans exist and are integrated within formally defined procedures; and
— it oversees the Group's regulatory watch.

The periodic control function is handled by the Internal Audit division, which is responsible for assessing the operation of the risk management and internal control frameworks, regularly monitoring and making recommendations to enhance them. It plays a part in raising awareness and training managers in internal control, but is not involved in introducing the framework or implementing it on a daily basis. Its analyses and observations help to guide the work of the permanent control function and to identify areas for improvement and strengthen procedures.

The periodic control function's scope of action encompasses all the Group's activities and risks across all of its units, including the activities of subsidiaries and those outsourced contractually. In addition, the identification of a risk automatically justifies the use of the periodic control function's power to launch any investigation it deems necessary. The Internal Audit function conducted 11 assignments during 2015.

The Ethics & Compliance function ensures that the Group complies with ethical and professional standards, prevents insider trading and controls the anti-money-laundering and corruption measures taken. The Group introduced the Business Whistleblowing framework under which any employee can raise questions about the risk of compliance breaches that s/he may encounter.

Oversight and supervision

Under the supervision of the Supervisory Board, the Executive Board is responsible for the Group's overall internal control framework. The Executive Board's role is to lay down the general principles for the internal control framework, design and implement the appropriate internal control system and the corresponding roles and responsibilities and make sure that it works smoothly, improving it where necessary.

At least once every year, it reports to the Audit Committee on the Group's internal control framework, any changes in it and the findings of the work performed by the various framework participants. A presentation was given to the Audit Committee on activities during 2015 and the action plan for 2016.

Under the responsibility of the Internal Control division, the Risk and Internal Control Committee meets at least once a year and consists of representatives from the business lines and support functions across all regions. Its work and conclusions will be reported to Klépierre's Executive Board, as well as to the Audit Committee.

Supervision also makes use of the comments and recommendations made by the Statutory Auditors or by the regulatory/supervisory bodies. Implementation of remedial action plans is monitored centrally by the Internal Control division and the Accounting division.

Control measures addressing major risks

The control measures are described by major risk area.

Security and safety of individuals and assets
The Klépierre Group attaches great importance to ensuring the safety and security of individuals and assets across its entire portfolio.

During a project construction or extension phase, a dedicated team from the Legal Affairs division is responsible for consulting insurance companies and negotiating and arranging insurance policies covering every development, all aspects of project contracting and all project risks in line with a formal procedure. Suppliers are selected using an internal process based on various criteria concerning their qualification, reputation and financial position.

Assets in service undergo security and safety checks performed by local teams, which report back to head office in a standardized format at least once every quarter. Technical managers conduct annual inspections of shopping centers, leading to the preparation of action plans and a lifting of restrictions procedure. Furthermore, external control organizations also conduct safety and security checks. Every shopping center manager has an annual schedule of inspection visits. A Monitoring committee is held on a monthly basis to examine the weekly management chart on follow-up of the action plan. In addition, a Risk Management Committee meeting three times every year is charged with learning the lessons from incidents reported and performing the regulatory watch.

Incident escalation tools are deployed at shopping centers. These tools, which are updated on a daily basis, help to monitor the risks associated with the security of individuals and assets in the shopping centers. These indicators are monitored by the Risk Management Committee.

At the same time, the Internal Audit function conducts audits in the Group of compliance with the regulations and internal procedures in connection with the management of retail galleries every three years using standard reference frameworks covering the safety and security of individuals and assets and in particular compliance with the regulations applicable to facilities open to the general public.

Investments
All proposals to acquire, develop or sell assets are studied during a pre-committee with the Investment Director and the Development Officer before they are reviewed by the Commitments Committee. Next the Commitments Committee selects projects for further analysis and approves a research budget. For transactions of less than 8 million euros, the decision is made by the Executive Board. Transactions in excess of 8 million euros are authorized by the Supervisory Board after they have been reviewed by the Investment Committee composed of certain members of the Supervisory Board.

To identify all aspects of the risks during the due diligence process, it calls on the services of a large number of specialized and highly reputed advisors (lawyers, notaries, technical experts, etc.). To gain greater insight into the competitive environment, an internal department handles the competitor watch – a role sometimes entrusted to external firms outside France. The Legal Affairs division reviews all aspects of compliance with the laws and regulations.

To keep a tighter grip on costs, a technical team dedicated to supporting the project leader jointly determines the specifications and budget with the assistance of construction analysts and highly reputed project managers. The project's progress and use of the budgeted funds are tracked on a weekly basis by the operational team, which reports regularly to the regional managers and on a quarterly basis to the Operations Committee.

All Klépierre's assets are valued by external firms twice a year. The asset managers in each area are tasked with providing checked data to experts, who may ask for explanations in the event of major fluctuations in values. The figures duly verified by expert assessments are then controlled and analyzed by the Investment Department and by the Accounting Department.

All Klépierre's assets are scored each year using an internal qualitative and quantitative tool. Assets considered as sensitive are subject to extensive and regular tracking.

Commercialization
The performance and returns on Klépierre's portfolio as a whole are monitored regularly. The Group has performance indicators covering its portfolio, revenues, footfall, etc., which are produced automatically. In the event of an abrupt or severe deterioration, meetings are held and an action plan is then drawn up.

The Commitments Committee approves the budget and rental grid for new projects and monitors the progress of lettings. For existing centers, a commercialization budget is submitted to the Executive Board for the coming year and adjusted twice during the year. This budget is tracked on a monthly basis by the Group Chief Operating Officer. The Group Chief Operating Officer also approves the financial terms and conditions of each business transaction in France at a weekly meeting.

Business continuity
Under its risk management policy, Klépierre has to:
— identify its business continuity requirements;
— draw up the corresponding action plans;
— perform regular tests to measure the efficiency of this plan;
— define and implement a specific crisis management framework.

The Group updated and tested its Business Continuity Plan (BCP) following the relocation of the Group's head office in September 2014. The framework is predicated on a set of organizational and functional procedures geared to the possible types of incident. The following scenarios are covered:
— a central building is damaged, partially or totally inaccessible, which totally or partially affects employee activity;
— the Group's server room is damaged, resulting in a long-term unavailability of computing resources, thus blocking any use of IT tools such as messaging and applications;
— an external crisis situation (pandemic, instructions from public authorities restricting travel and/or closing schools, etc.) is declared, making it impossible for employees to go to their places of work (central buildings and shopping centers), etc.

The BCP is fleshed out by individual divisions and departments: each manager defines the activities covered, the relevant staff and requisite requirements for ensuring continuity of business. If a central building is affected, teams are transferred to a failover site.

In the event of a crisis, a crisis unit is responsible for coordinating the overall response to the situation that has occurred, ensuring the safety of the Group's entire staff and business continuity. It also has to make sure that its response to the crisis helps to create confidence in the Group and to reduce the public's potential concerns.

During periods of crisis, the crisis unit makes any decisions necessary for the smooth operation of the Group, until the situation reverts to normal.

Treasury and financing

Klépierre identifies and assesses on a regular basis its exposure to the various sources of risk (interest rate, liquidity, currency and counterparty). The interest-rate hedging strategy was outlined in the financial report, including the quantitative results of interest-rate sensitivity tests.

Financial risk management and in particular the Group's financial position, financing requirements and interest-rate risk hedging are handled by the Treasury and Financing division. From a financing standpoint, a specialized tool has been rolled out across Europe to record and value financing and derivative products. The Treasury and Financing division also has a system monitoring the capital markets in real time.

The Treasury and Financing division reports to the Deputy CEO in charge of Finance (Executive Board member), bearing in mind that all major financing and hedging transactions are validated in advance by the Supervisory Board. The Supervisory Board validates the projected financing plan, which lays down the major guidelines in terms of determining the size and type of borrowings and hedging interest-rate risk. During the year, the principal decisions in terms of financial transactions are presented individually for approval to the Supervisory Board, and a report on these transactions is given to it once they have been completed. Trends in the covenant situation (financial ratios) are monitored on a semi-annual basis and in particular when new transactions are arranged.

Treasury is managed by the Treasury and Financing division, which coordinates the reporting and monitoring of the subsidiaries' cash projections, supporting a cash pooling system for the entire Group. Reporting takes place on a monthly basis.

The Treasury & Financing division also drafts internal procedures stating the roles of the Group's various participants in relation to cash management and the implementation of Klépierre's share buyback programs. In addition, it validates the choice of banks and financial terms every time the Group requests the opening of, changes to or closing of bank accounts for the whole Group.

Legal affairs and regulations

The Group Legal Affairs division, which reports to the Executive Board and has functional responsibility for the legal affairs units in each country, ensures that legal risks arising from the business lines and functions are managed properly in line with the integrated risk management process. The regulatory watch is carried out in constant liaison with specialized external firms.

The Group Legal Affairs division has developed a reporting procedure covering disputes. It works closely together with the relevant legal affairs units to defend the Group's interests. Accordingly, it helps to curb and to manage the legal risks to which the Group is exposed owing in particular to its owner/manager status.

It drafts and verifies the contractual undertakings given by the Group and ensures that they comply with the provisions of the law and the regulations. The Group Legal Affairs division is working together with the legal affairs units in various countries to harmonize legal practices and establish unified positions vis-à-vis international retail chains.

The Group Legal Affairs division assists operational staff with the arrangement of specific contracts and generally speaking with any out-of-the-ordinary requests to ensure that the applicable regulations are complied with, irrespective of the country in which the Group is operating.

Likewise, the procedures implemented by the Group Legal Affairs division to curb the risks to which the Group's operations are exposed and to ensure the proper completion of the requisite legal formalities.

The Group Legal Affairs division is also in charge of arranging delegations of authority governing the actions of all the Group's employees. It also ensures compliance with the selection procedures for the Group's corporate officers. Finally, as a listed company, Klépierre also has to abide by the rules concerning publications (see the "Financial Reporting" section below), corporate governance (see the first part of this report) and insider trading. To prevent the risk of insider trading, the Company has adopted a code of conduct governing transactions in its shares, which is updated regularly. Accordingly, permanent insiders are authorized to carry out transactions in the Company's shares only during clearly defined periods.

Information system

Klépierre oversees its entire information system for all European subsidiaries of the Group centrally from the Group's headquarters in Paris.

This information system is mainly based on an SAP Core Model supplemented by satellite tools that meet specific operational needs.

Klépierre's IT strategy is based on three pillars:
— oversight of new projects to improve functional coverage of the information system;
— coverage of Klépierre's expansion through the IT integration of new subsidiaries;
— making operations in countries currently in production more reliable.

Consolidated reporting at Group scale on the basis of a common language allows for reliable, coherent and effective financial communications.

In addition, Klépierre's information system currently facilitates the integration of new scopes of activity. One year after the Klépierre Corio merger, the teams are working on a shared network in a common working environment in accordance with the Group's standardized processes and tools.

In terms of controls, control measures through segregation of tasks were established, as was the electronic verification of many flows.

All the data is backed up on a daily basis, with the storage media being kept away from operating sites.

Preparation and processing of financial and accounting data

The reliability of financial and accounting data, as well as compliance with the regulations in force and internal instructions form two of the principal internal control objectives of the accounting production process.

To ensure adequate coverage of the major accounting risks, accounting internal control is predicated on knowledge of the operational processes and how they are translated in the financial statements, on the definition of the responsibilities of the various participants in the process and on information system security.

Accounting organization

Accounting tasks are carried out by the Finance department in each country in which Klépierre has a presence. The individual and consolidated financial statements are prepared by the accounting, management control and information system division, which reports directly to the Executive Board.

The deployment of an ERP system across the Group makes it possible to record day-to-day transactions and enter accounting data in an integrated and automated manner. The whole process, which aims to deliver reliable and consistent data for internal and external users, is designed and built around a single repository and common rules, to guarantee data integrity and enhance the consistency of the quality of the accounting data and its traceability. Furthermore, the integration of what traditionally were manual controls in the ERP system helps to reduce sources of error. The restrictions on manual entries help to boost the quality of the data in the system.

All the processes used to prepare accounting data are subject to accounting control programs at various levels, including validation rules, authorizations and instructions concerning supporting evidence for and documentation of accounting tasks. The "accounting internal control" unit, which reports directly to the Deputy CFO is in charge of defining and distributing the accounting control rules and ensuring the smooth operation of the internal control environment. In particular, it is involved in the payment process at Group level with defining the segregation of duties and authorizations.

The quarterly reporting system for management control (present at the head office and at the subsidiaries) is used to track trends in the principal key performance indicators by country and by asset and to ensure that these are properly geared to the objectives laid down in the annual budget approved by management. In addition, global reconciliation is handled by Group management control to ensure the consistency of the accounting results with the consolidated management results.

The clarity of financial reporting and the pertinence of accounting methods are overseen by the Audit Committee, in tandem with the Statutory Auditors. Financial reporting and accounting data is then presented to and commented on by the Supervisory Board.

Account closing process and consolidation

The accounts are consolidated by the Consolidation division for the entire scope of the Group. Data for the consolidation system used at almost all Klépierre's main subsidiaries is provided by the Finance department in each country via interfaces with the local accounts. Off-balance sheet commitments are also held centrally in it by consolidated unit.

The consolidated financial statements are prepared using a process laid down in instructions and predicated on a detailed schedule circulated to all the Finance departments to ensure that the deadlines are met and that the data produced complies with the Group's accounting standards.

The principal accounting controls carried out at each quarterly close in the consolidation process are:
— controls on changes in the scope of consolidation;
— analysis of and supporting evidence for all consolidation adjustments;
— analysis of and explanations for all deviations from budgets and projections.

At each quarterly close, the Accounting division coordinates an internal certification process for the accounting data reported by country, as well as the controls performed, in which the finance director for each country certifies:
— the reliability and compliance of the accounting data provided compared to the regulations in force and the Group standards;
— smooth operation of the accounting internal control system, safeguarding the quality of the accounting data;
— significant events that occurred after the close of the accounts and their financial impact on the consolidated financial statements.

Financial reporting
(press releases, theme-based presentations, etc.)

The Financing and Financial Reporting department within the Finance division is responsible for managing the Group's financial reporting obligations vis-à-vis the market authorities. It is tasked with producing, drafting and distributing the financial reporting documents published with a view to presenting the Group's various activities to shareholders, institutional investors and financial analysts, explaining its results and outlining its expansion strategy.

The financial reporting team continuously monitors its reporting obligations. The disclosure of information to the financial markets takes place according to a precise schedule that is circulated internally. With support from various departments, the team designs the financial press releases, and the earnings and theme-based presentations. It coordinates the preparation of all the various parts of the annual report and ensures that it is distributed. In conjunction with the Legal Affairs division, it makes sure that information is provided in line with the required deadlines and in compliance with the relevant laws and regulations.

4.3. Statutory auditors' report prepared in accordance with article L. 225-235 of the French Commercial Code on the report prepared by the Chairman of the company's Supervisory Board — Year ended December 31, 2015

This is a free translation into English of the statutory auditors' report prepared pursuant to article L.225-235 of the French Commercial Code on the report prepared by the Chairman of the company's Supervisory Board issued in the French language and is provided solely for the convenience of English speaking users. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the shareholders,

In our capacity as statutory auditors of Klépierre and in accordance with article L. 225-235 of the French Commercial Code (Code de Commerce), we hereby report to you on the report prepared by the Chairman of the Supervisory Board of your company in accordance with article L. 225-68 of the French Commercial Code, for the year ended December 31, 2015.

It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by article L. 225-68 of the French Commercial Code, particularly in terms of corporate governance.

It is our responsibility:
— to report to you on the information contained in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information; and
— to attest that the report contains the other disclosures required by article L. 225-68 of the French Commercial Code, it being specified that we are not responsible for verifying the fairness of those disclosures.

We conducted our work in accordance with the professional standards applicable in France.

Information on the internal control and risk management procedures relating to the preparation and processing of accounting and financial information

The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control and risk management procedures relating to the preparation and processing of accounting and financial information. These procedures mainly consisted in:
— obtaining an understanding of the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based, as well as of the existing documentation;
— obtaining an understanding of the work involved in the preparation of that information, and of the existing documentation;
— determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of accounting and financial information noted in the course of our engagement have been properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control and risk management procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code.

Other disclosures

We hereby attest that the Chairman's report includes the other disclosures required by article L. 225-68 of the French Commercial Code.

Paris La Défense and Neuilly-sur-Seine, March 4, 2016

The statutory auditors
French original signed by

Mazars
Gilles Magnan

Deloitte & Associés
José-Luis Garcia **Joël Assayah**

4.4. Compensation and benefits

4.4.1. Compensation paid to Executive Board members

Executive corporate officer compensation policy

In accordance with paragraph 23.1 of the AFEP-MEDEF Code, the compensation policy and all compensation and benefits allocated to each executive corporate officer are determined by the Supervisory Board, acting on the recommendation of the Nomination and Compensation Committee. When determining compensation, the Board and the Committee take into account all of the various items that comprise it and the balance between these items by using transparent and intelligible principles.

A general review of the various items of compensation is carried out at the beginning of the year by the Nomination and Compensation Committee with the purpose of:
— analyzing the level of relevance of fixed annual compensation, taking into account events that affect the company and other items of compensation,
— determining the amount of short-term variable compensation on the basis of performance criteria established at the beginning of the previous year,
— establishing the performance criteria and the calculation method for variable compensation for the coming year,
— determining the amount of long-term variable compensation and the performance criteria for it.

The Nomination and Compensation Committee also provides regular oversight during the year of the various performance criteria for the establishment of variable compensation.

In its various operations, the Nomination and Compensation Committee seeks to base its analysis and recommendations to the Supervisory Board with regard to the principles of the November 2015 AFEP-MEDEF Code on the determination of the compensation and benefits granted to the corporate officers.

The compensation policy thus established by the Supervisory Board on the recommendation of the Nomination and Compensation Committee is based on the criteria and principles defined below.

Compensation must be in line with shareholders interests

In its compensation policy and in accordance with paragraph 23.2 of the AFEP-MEDEF Code, the Company ensures that executive corporate officer compensation is aligned with shareholders interests by taking into account changes in the profitability of Klépierre stock.

Accordingly, executive corporate officer compensation is very preponderantly subject to performance conditions, be it for the short-term variable portion or the long-term variable portion, for the allocation of performance shares. The portion representing long-term variable compensation is particularly important and accounts for approximately one third of total compensation. It is notably based on total shareholder return, which measures return on investment with regard to market performance and dividends received by shareholders, in line with shareholders interests.

Compensation must be based on performance

The purpose of the compensation policy is to reward performance. As such, a significant portion of the variable compensation of executive corporate officers is subject to the achievement of financial and operational criteria and is determined annually by the Supervisory Board on the proposal of the Nomination and Compensation Committee.

The two categories of criteria used are quantitative and qualitative:
— criteria common to the three members of the Executive Board are more specifically used to determine their quantitative variable compensation. These criteria reflect the performance of the Company under the chairmanship of those executives;
— criteria specific to each member of the Executive Board, which are determined based on their areas of activity. These specific criteria will be used to determine the qualitative portion of the variable compensation.

These criteria are reviewed annually to verify that they are still suitable for the Company's strategy and its relevance, and the Nomination and Compensation Committee further ensures the stability of performance condition assessment over several years.

Compensation takes into account areas of responsibility

In accordance with paragraph 23.2 of the AFEP-MEDEF Code, the compensation of executive corporate officers is based on work performed, results obtained, responsibility assumed and the tasks entrusted to the executive corporate officers. Changes in the size of the Group and, correlatively, areas of responsibility, influence executive compensation and the Company's competitive positioning if they are especially significant, result in structural changes and cause a profound change to the Company.

Compensation must attract and retain people with the best skills

Adequate compensation, both fixed and variable, is essential to attract, retain and motivate the best talents and thus guarantee the growth of the Company. The compensation offered should be in line with market practices for comparable companies.

Items of compensation common to the members of the Executive Board

Fixed compensation

In order to assess the relevance and competitiveness of the annual fixed compensation of the members of the Executive Board, the Nomination and Compensation Committee took into account the following considerations:

First of all, it must be remembered that the size of the Group and the responsibilities arising from its larger size have been changed substantially as a result of the 2015 merger with the Corio group.

As a result, the total value (group share) of Klépierre's assets, which totaled €10.956 billion at December 31, 2014, totaled €18.824 billion at December 31, 2015, for an increase of 71.81%.
Correlatively, Klépierre's market capitalization also grew, from €7.127 billion at December 31, 2014, to €12.885 billion at December 31, 2015, for an increase of 80.79%.

Furthermore, in order to verify the proper implementation of the above principles, the Nomination and Compensation Committee decided to resort to a study by Towers Watson of a panel of companies comparable in size to Klépierre to verify (i) the adequacy of Executive Board member compensation with regard to the Group's size and (ii) the competitiveness of the compensation offered to the members of the Executive Board vis-à-vis to comparable companies.

The results of this study show that the fixed annual compensation of the Klépierre group's three executive corporate officers for 2014 lies in the lowest quartile compared with other SBF 120 companies on the panel (which was comprised of (i) the ten CAC40 companies with the lowest market capitalization, (ii) the 20 Next 20 companies and (iii) the ten SBF 80 companies with the highest market capitalization), with the median gap being superior to 40% for fixed annual compensation. In addition, the study confirms that the total compensation for the three executive corporate officers (including short-term and long-term variable compensation and excluding exceptional compensation) lies below the median for the companies included in the panel.

This important discrepancy is notably explained by the fact that Klépierre was, historically, a BNP Paribas subsidiary, in which the compensation of the Executive Board members was determined in consistence with the compensation policy applicable to BNP Paribas group's executives.

Following the sale by BNP Paribas of its stake, initiated in March 2012 and ended in November 2015, the Company has become a non-controlled company, whose strategic positioning (refocusing of the portfolio of the Company on core assets) has noticeably evolved.

In this context, from 2013, Klépierre has started an upgrade of the Executive Board members' compensation which was, for those historical reasons, set at low levels, not consistent with the new size of the Group.

In light of the continuation in the change of the Group's size, which accelerated in 2015, and the recognized lack of competitiveness of the Executive Board members' fixed compensation compared to the one offered in comparable companies, the Supervisory Board has considered that it was necessary to continue the overhaul of the level of the annual fixed compensation of the Executive Board members.

Consequently, for the 2015 fiscal year, the Supervisory Board has decided, on the recommendation of the Nomination and Compensation Committee, to increase the fixed annual compensation of the three members of the Executive Board, in the following proportions:
— the fixed annual compensation of Laurent Morel increased by €80,000, from €320,000 to €400,000, and
— the fixed annual compensation of Jean-Michel Gault and Jean-Marc Jestin increased by €64,550, from €250,450 to €315,000.

It is important to note that even after this increase, the fixed compensation paid to Executive Board members remains in the lowest quartile compared with the median fixed annual compensation for the corporate officers of the companies considered in the panel mentioned above.

However, in order to avoid a too significant variation of the fixed compensation from one year to another, the Supervisory Board has decided to favor a progressive approach and reserves the option to continue, over the next years, the overhaul of the fixed annual compensation now underway, to bring it closer to the median and thus make it relevant and competitive.

Short-term variable compensation

Short-term variable compensation rewards executive performance for the previous year and aims to establish a link between the interests of executives and the Group's operational strategy over the period in question pursuant to paragraph 23.2.3 the AFEP-MEDEF Code. This compensation is conditioned by the achievement of clear and ambitious objectives, which were determined at the beginning of the year by the Supervisory Board on the recommendation of the Nomination and Compensation Committee. The results are evaluated after the end of the fiscal year on the basis of the consolidated financial statements for that year and the evaluation of the performance of each member of the Executive Board by the Supervisory Board.

Short-term variable compensation is determined based on two types of components:

— a quantitative component, which measures company performance in relation to a target net current cash flow per share. This financial indicator, which measures changes in income using internal growth and external growth effects, efficiency of cost management (operating costs and financial costs) and tax exposure of current transactions, is particularly relevant for a real estate company like Klépierre. It is one of the main indicators that the Company communicates to the market biannually for each six-month period. The net current cash flow per share growth momentum and the regularity thereof are fundamental parameters for the valuation of Klépierre stock. At each publication of net current cash flow per share, a reconciliation with the EPRA Earnings per share is also published.
The quantitative component is applied identically to the three members of the Executive Board because it measures their performance as an executive team, since the Executive Board is intended to function as a collective entity. The quantitative portion of variable compensation is capped at 80% of fixed annual compensation.

— a qualitative component that individually measures the performance of each member of the Executive Board on the basis of specific objectives and on the basis of their particular area of involvement. The quantitative portion of variable compensation is capped at 50% of fixed annual compensation.

In total, therefore, the short term variable compensation paid to Executive Board members is capped at 130% of fixed annual compensation.

The terms for the caps will remain unchanged in 2016.

The quantitative and qualitative components of the variable compensation of the three members of the Executive Board are detailed below.

Quantitative component of variable compensation

The quantitative component of the variable compensation of the three members of the Executive Board is determined on the basis of net current cash flow per share. The quantitative component is indexed to the objective announced to the market in February 2015 of 2.12 euros per share. The members of the Executive Board are entitled to 55% of fixed annual compensation if the objective is achieved. In addition, a minimum has been set at 97% of the objective. Variable compensation for this component is capped at 80% of fixed annual compensation.

For 2015, since the net current cash flow per share totaled 2.16 euros, the quantitative portion of variable compensation amounts to 65% of the fixed annual compensation of each Member of the Executive Board.

Qualitative component of variable compensation

The Supervisory Board decided, on the recommendation of the Nomination and Compensation Committee, to base the qualitative component of variable compensation on several criteria that apply to the members of the Executive Board based on each of their profiles. These criteria are organized around the following themes:
— disposals, acquisitions, development: achievement of the objectives set in the budget,
— social and environmental responsibility: improvement of certain criteria that contribute to the creation of value and responsible, long-term oriented growth,
— implementation of the Klépierre/Corio integration plan and achievement of synergies expected for 2015; and
— company image and management leadership: deployment of actions that contribute to the development of these themes.

In order to individualize the executive performance measurement criteria, these themes resulted in the establishment of specific objectives assigned to each of the members of the Executive Board, on the recommendation of the Nomination and Compensation Committee.

The results were analyzed by the Nomination and Compensation Committee on February 10, 2016.

For fiscal year 2016, a variable quantitative and qualitative portion is to be maintained, and the relative weight of each of these two components will remain unchanged.

Long-term variable compensation

Since 2012, the Supervisory Board has authorized the allocation of performance shares to executive corporate officers and the chief executives of the Group, under the authorization granted by the General Meeting of shareholders. In accordance with the recommendations of the AFEP-MEDEF Code, performance shares are not reserved solely for executive corporate officers. The general policy for the distribution of performance shares is discussed each year by the Nomination and Compensation Committee, which then makes recommendations to the Supervisory Board.

The purpose of these allocations of performance shares is to encourage the achievement of the Group's operational and financial objectives and thus enable an increase in the resulting creation of value for shareholders. They encourage the executive corporate officers and the senior management of the Group to have a long-term view of their shares, thereby engendering loyalty and promoting the alignment of their interests with the corporate interests of the Company and the interests of the shareholders.

The performance conditions are established by the Supervisory Board, on the recommendation of the Nomination and Compensation Committee, based on ambitious goals, and they are evaluated at the end of a period of three years after their allocation. These performance conditions apply to all allocations made for these plans.

In accordance with the compensation policy approved by the Supervisory Board, annual allocations made to members of the Executive Board may not represent more than 125% of the short-term compensation (fixed annual compensation plus short-term variable compensation) for the precedent year of the members of the Executive Board.

The features of the 2015 plan may be summarized as follows:
— share vesting period: 3 years (except in cases of early exercise)[1];
— share holding period: 2 years;
— settlement of plan with performance conditions identical to last year's;
— measurement of performance: the level to which performance conditions are fulfilled is determined once, at the end of the three-year vesting period. It is calculated based on the average of the 40 share prices prior to the anniversary date (as compared with the average of 40 share prices prior to the date of allocation);
— service conditions: the final vesting of the performance shares requires that the beneficiary serve within the group until the end of the vesting period, unless otherwise decided by the competent bodies, which can, under the plan, decide on an exceptional basis to preserve the right to performance shares;
— performance condition:
  · absolute performance of Klépierre stock calculated with regard to the rate of return on Klépierre stock (total shareholder return or TSR: price + dividends), which affects 30% of shares,
  · performance of the Klépierre shares relative to the FTSE EPRA EURO ZONE index, which includes the largest real estate companies in Europe and affects 70% of shares.

—Performance grid :

Absolute performance: 30% weighting		Relative performance: 70% weighting	
Performance	% of shares delivered	Performance	% of shares delivered
≤ 16.5%	0%	Index - 1%	0%
20%	33.3%	Index	33.3%
22.5%	50%	Index + 1%	50%
25%	66.7%	Index + 2%	66.7%
27.5%	83.3%	Index + 3%	100%
≥ 30%	100%		

If the result obtained is between two thresholds, the number of performance shares vested is calculated by linear interpolation.

The requirement of these two criteria allows all of the shares to be allocated only in the event that Klépierre shares outperform these two criteria, thus confirming the particularly high bar set for the performance conditions.

Accordingly, with respect to absolute performance, the percentage of shares allocated is zero if the increase in the TSR is less than or equal to 16.5%. Achievement of the maximum target (100%) implies TSR growth of 30% or more.

With respect to relative performance, even if Klépierre share performance is equal to the index, only 33.3% of the shares will be obtained. To achieve the maximum target (100%), the share would have to perform at a rate 3% above the index.

[1] Death or disability of the beneficiary, transactions resulting in a change of control, delisting.

Pursuant to Article L. 225-197-1 of the French Commercial Code as developed in the AFEP-MEDEF Code, members of the Executive Board must retain in registered form a number of shares equivalent to 50% of the gain on acquisition net of tax and expenses when the shares are delivered until their appointment ends. The members of the Executive Board are thus encouraged to retain a large and increasing number of shares.

In accordance with the revised AFEP-MEDEF Code of November 2015, this amount will be reviewed and fixed by the Supervisory Board in light of the situation of each executive corporate officer periodically and, at least, every time they are reappointed. Because of these stringent retention requirements imposed on members of the Executive Board, the Supervisory Board does not require them to buy shares from their own capital at the time the performance shares are delivered.

The members of the Executive Board cannot make any hedging arrangements until the end of the holding period imposed by the performance share plans.

The General Meeting of Shareholders of April 10, 2014 capped the number of shares that can be awarded at 0.5% of the share capital for a period of 38 months and, within this limit, capped the number of shares that can be awarded to members of the Executive Board at 0.2% of the share capital.

On October 23, 2015, the Executive Board measured the performance conditions for the 2012 Plan. Under the absolute performance condition (representing 30% of the shares), 100% of performance shares were vested. Under the relative performance (representing 70% of the shares), 87.88% of performance shares were vested.

For 2016, and subject to the approval of the new authorization which will be submitted to the annual general meeting, a renewal of the performance criteria used for the last plan implemented by the Company is contemplated, as they are considered as especially relevant as they allow (i) to assess the profitability incurred by the shareholder in light of the stock market performance and dividends received and (ii) to compare this profitability to the others' one.

In addition to these two criteria, the addition of a third criteria, operational and directly related to the Company's business, aiming at measuring the Company's performance in light of the evolution of its net rental incomes, will be proposed.

As a consequence, the grant of shares which would be made on the basis of this new authorization would be subject to three performance conditions, assessed over a three-year period:
— absolute performance of Klépierre stock calculated with regard to the rate of return on Klépierre stock (total shareholder return or TSR: stock price + dividends), which affects 30% of shares,
— performance of the Klépierre shares relative to the FTSE EPRA EURO ZONE index, which includes the largest real estate companies in Europe and affects 50% of shares,
— internal performance condition, based on the average evolution over three years of the net rental income, net of the indexation, at constant scope (the average being calculated on the basis of the annual evolution of the net rental income calculated by the Group in the context of its annual consolidated accounts over the last 3 financial years preceding the reference date), which affects 20% of shares.

Thus, and unless in case of modification of the economic conditions or exceptional circumstances, the performance grid for these three criteria would be the following:

Absolute performance: 30% weighting		Relative performance: 50% weighting		Internal performance: 20% weighting	
Performance	% of shares delivered	Performance	% of shares delivered	Performance	% of shares delivered
≤ 16.5%	0%	Index -1%	0%	< 1%	0%
20%	33.3%	Index	33.3%	1%	30%
22.5%	50%	Index +1%	50%	≥ 3%	100%
25%	66.70%	Index +2%	66.7%		
27.5%	83.30%	Index +3%	100%		
≥ 30%	100%				

Suspension of Laurent Morel's employment agreement

As the Company found that Laurent Morel's duties as Chairman of the Executive Board took up more of his time than initially, the Supervisory Board deemed it appropriate to suspend his employment agreement with Klépierre Management effective as of November 30, 2011.

A decision was made to suspend, rather than terminate, his contract. It was based on the Company's desire to preserve his pension entitlement, taking into account his seniority as an employee of the BNP Paribas group and the services he has rendered to the Company. This executive corporate officer was elected to his first term as Chairman of the Executive Board on January 1, 2009. On that date, Laurent Morel had already been employed by the BNP Paribas group, which owned Klépierre, for 21 years (Laurent Morel joined Compagnie Bancaire, a subsidiary of the BNP Paribas group, on August 31, 1987). In addition, Laurent Morel is not entitled to receive any compensation or benefits in the event of a termination or change of duties or under a non-compete clause (and no severance compensation under his employment contract), with the exception of the compensation and benefits granted, as applicable, by law and the relevant collective agreement.

Other benefits

Laurent Morel and Jean-Michel Gault benefit from the supplementary pension scheme for senior managers of the former Compagnie Bancaire which may entitle them to additional pension payments with a maximum amount determined on the basis of a compensation and a seniority reference set as of December 31, 2000. This maximum amount is capped (subject to the application of an increase based on the growth rate of the AGIRC point's value), and no increase of the conditional rights can be acquired as a result of the seniority or increase of compensation acquired after December 31, 2000. Apart from this, the members of the Executive Board receive the same pension plan as other Group managers. The compensation packages of Laurent Morel and Jean-Michel Gault take these benefits into account.

The members of the Executive Board also have a corporate vehicle at their disposal.

Starting in 2015, the members of the Executive Board no longer receive directors' fees for their participation in various Group company bodies.

Determination of the compensation of Laurent Morel, Chairman of the Executive Board, in accordance with the principles described in paragraph 4.4.1

Fixed annual compensation

On February 11, 2015, the Supervisory Board decided, upon recommendation of the Nomination and Compensation Committee, to increase the fixed annual compensation of the Chairman of the Executive Board to €400,000.

This raise, which occurred as total shareholder return continued to increase in 2015, is justified by the significant increase in the size of the Klépierre group following the merger with Corio and the large discrepancy between the Chairman's fixed annual compensation and compensation in companies of comparable size (see section 4.4.1, page 76).

Short-term variable compensation

In accordance with the rules described above (see this section 4.4.1, page 77), short-term variable compensation is based on a quantitative component (capped at 80% of the fixed salary) and a qualitative component (capped at 50% of the fixed salary), for a total cap equal to 130% of fixed annual compensation.

Quantitative component

Chairman of the Executive Board quantitative component's compensation was determined by the Supervisory Board on the recommendation of the Nomination and Compensation Committee in accordance with the calculation rules set at the beginning of the year (see this section 4.4.1, page 77).

Taking into account the achievement of a net current cash flow per share of 2.16 euros at December 31, 2015, the short-term variable compensation of the Chairman of the Executive Board for the quantitative component is 65% of fixed annual compensation, or 260,000 euros.

Qualitative component

The qualitative component of 2015 variable compensation for the Chairman was determined based on the following objectives:

Themes that triggered the setting of objectives	Objectives	Main Achievements
Disposals, acquisitions, developments	Operations conducted within budget Weight: 70%	Acquisition of two assets with high value creation potential: — acquisition of the Oslo City shopping center in Oslo (Norway) for €336 million. — acquisition of Plenilunio shopping center in Madrid (Spain) for €375 million. Sale of portfolio of nine Dutch assets classified as non-core in accordance with the Group's strategy (value of €730 million).
Social and environmental responsibility	1) Improved access to training by Group employees 2) Ethical commitment Weight: 30%	1) European deployment of Klépierre University, the Group's in-house University, as a tool to promote access to training and the sharing of knowledge and expertise for all group employees. 2) Deployment of Professional Ethics Code among Group employees in all countries.

The results achieved have been compared to the target results and have lead to the determination of a completion rate for each of the objectives of the qualitative component.

Detailed figures for qualitative objectives are not made public for reasons of confidentiality.

After examining the results, on February 17, 2016, the Supervisory Board decided, from the recommendation of the Nomination and Compensation Committee, to set at 45% the qualitative component of the variable compensation of Laurent Morel, which on the basis of his fixed salary represents the sum of €180,000.

Laurent Morel's global variable short term compensation (quantitative and qualitative components) for 2015 represents 110% of his fixed compensation.

Long-term variable compensation

In a decision dated April 14, 2015, the Supervisory Board authorized, upon recommendation of the Nomination and Compensation Committee, the allocation of 30,000 shares to Laurent Morel under the 2015 Plan, which was established by the Executive Board on May 4, 2015[1].

These shares are fully subject to performance conditions, in accordance with the rules described in section 8.4.

Others benefits

Laurent Morel is granted with a benefit that is intended to compensate for the loss of the collective employee savings plans resulting from the suspension of his employment agreement. This amount is determined, with regard to the profit sharing plan, according to the legal formula and, with regard to incentive plans, on the basis of changes in the rents managed by Klépierre.

[1] Plus 7,353 performance shares corresponding to the exceptional compensation of €125,000 allocated for fiscal year 2014.

Determination of the compensation of Jean-Michel Gault and Jean-Marc Jestin, members of the Executive Board, by application of the principles described in paragraph 4.4.1

The compensation of Jean-Michel Gault and Jean-Marc Jestin is paid pursuant to their employment agrement with Klépierre Management.

Fixed compensation

On February 11, 2015, the Supervisory Board decided, on the recommendation of the Nomination and Compensation Committee, to increase the fixed annual compensation of the two others members of the Executive Board to 315,000 euros.

As with the Chairman of the Executive Board, this increase is justified by the significant increase in the size of the Klépierre Group following the merger with Corio and the large discrepancy between the fixed annual compensation of members of the Executive Board and the compensation of corporate officers in companies of comparable size (see above, page 76).

Short-term variable compensation

In accordance with the rules described above (see page 77), short-term variable compensation is based on a quantitative component (capped at 80% of the fixed salary) and a qualitative component (capped at 50% of the fixed salary), for a total cap corresponding to 130% of fixed annual compensation.

Quantitative component

The quantitative component of short-term variable compensation of the members of the Executive Board was determined by the Supervisory Board on the recommendation of the Nomination and Compensation Committee in accordance with the calculation rules set at the beginning of the year (see page 77).

Taking into account the net current cash flow per share of 2.16 euros by the Company as at December 31, 2015, the short-term variable compensation of the members of the Executive Board for the quantitative component is 65% of fixed annual compensation, i.e.:
— for Jean-Michel Gault: 204,750 euros,
— for Jean-Marc Jestin: 204,750 euros.

Qualitative component

The qualitative component of 2015 variable compensation for the members of the Executive Board was determined based on the following objectives:

Jean-Michel Gault

Themes that triggered the setting of objectives	Objectives	Main Achievements
Implementation of the Klépierre/Corio integration plan and achievement of synergies expected for 2015	Achievement of financial synergies, improvement of financial profitability Weight: 70%	Early refinancing (at a lower cost and for a longer term) of 60% of Corio debt and of all Corio credit lines, causing planned financial synergies to be exceeded. Reduction of Group debt costs.
Company image and management leadership	Deployment of actions that contribute to the development of these themes Weight: 30%	Maintenance of the Company rating in the A- category following the merger with Corio.

The results achieved have been compared to the target results and have lead to the determination of a completion rate for each of the objectives of the qualitative component.

Detailed figures for qualitative objectives are not made public for reasons of confidentiality.

After consideration of the level of achievement of the above criteria, on February 17, 2016, the Supervisory Board decided, on the recommendation of the Nomination and Compensation Committee, to set the qualitative component of the variable compensation of Jean-Michel Gault at 41%, which on the basis of his fixed salary represents the sum of 129,150 euros.

Jean-Michel Gault's global variable short term compensation (quantitative and qualitative components) for 2015 represents 106% of his fixed compensation.

Jean-Marc Jestin

Themes that triggered the setting of objectives	Objectives	Main Achievements
Implementation of the Klépierre/Corio integration plan and achievement of synergies expected for 2015	Achievement of operational synergies Weight: 70%	Completion of mergers of country entities during the first half of the year, thus enabling a speedy combination of workforces and the implementation of uniform processes for the Group. Achievement of operational synergies above the synergies expected in the 2015 budget. Exceeding of objectives in terms of general expenses.
Social and environmental responsibility	Position of the Group among the best-ranked companies on non-financial criteria Weight: 20%	GRESB (Global Real Estate Sustainability Benchmark) ranking: awarding of the Green Star prize for the 3rd consecutive year, 2nd place out of 31 companies (ranking of listed companies in the retail sector) and 7th out of 378 (ranking of all companies). EPRA BPR: Gold Award for the 4th consecutive year
Company image and management leadership	Deployment of actions that contribute to the development of these themes Weight: 10%	Deployment of the "Let's Play" marketing concept, which improved marketing positioning and the image of the centers, as well as several events such as: — exclusive partnership with TF1 for the filming of the "The Voice" program, — launch of the "Crazy Show" (Nickelodeon) tour, — deployment of XXL Days in 40 shopping centers.

The results achieved have been compared to the target results and have lead to the determination of a completion rate for each of the objectives of the qualitative component.

Detailed figures for qualitative objectives are not made public for reasons of confidentiality.

After consideration of the level of achievement of the above criteria, on February 17, 2016, the Supervisory Board decided, on the recommendation of the Nomination and Compensation Committee, to set the qualitative component of variable compensation of Jean-Marc Jestin at 49.5%, which on the basis of his fixed salary represents the sum of 155,925 euros.

Jean-Marc Jestin's global variable short term compensation (quantitative and qualitative components) for 2015 represents 114.5% of his fixed compensation.

Long-term variable compensation

In a decision dated April 14, 2015, the Supervisory Board authorized, on the recommendation of the Nomination and Compensation Committee, the allocation of 25,000[1] shares to Jean-Michel Gault and Jean-Marc Jestin respectively for the 2015 Plan, which was established by the Executive Board on May 4, 2015.

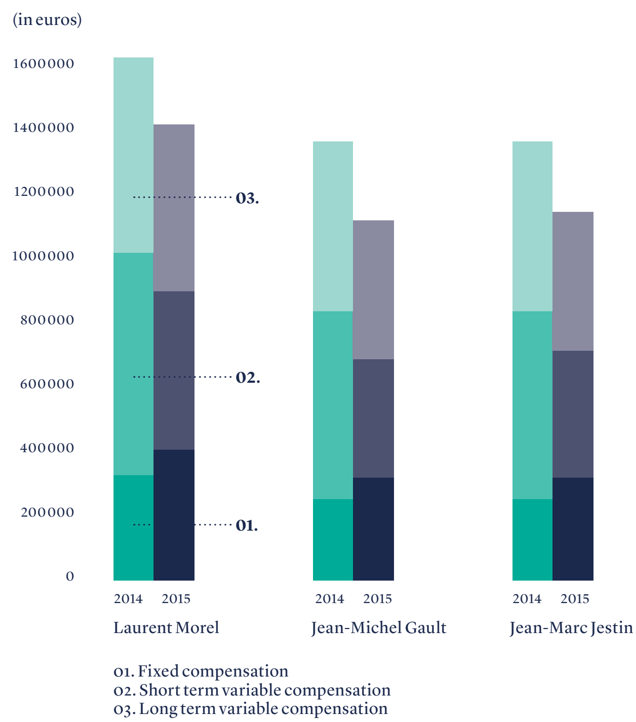
These shares are fully subject to performance conditions, in accordance with the rules described on page 79.

Others benefits

Jean-Michel Gault and Jean-Marc Jestin benefits from collective employee savings plans applicable to Klépierre Management's employees. This amount is determined, with regard to the profit sharing plans, according to the legal formula and, with regard to incentive plans, on the basis of changes in the rents managed by Klépierre.

Changes in total compensation of the members of the Executive Board

As the graph below demonstrates, the total compensation of the Executive Board members for the fiscal year 2015 decreased compared to fiscal year 2014 (it being specified that an exceptional part was granted for fiscal year 2014) and is predominantly composed of a variable part subject to performance conditions.



[1] Plus the 7,353 performance shares corresponding to the exceptional compensation of €125,000 allocated for fiscal year 2014.

4.4.2. Items of compensation due or attributed for fiscal year 2015 submitted to the advisory vote of the General Meeting of Shareholders of April 19, 2016

4.4.2.1 Items of compensation due or attributed to Laurent Morel, Chairman of the Executive Board, for the fiscal year ended on December 31, 2015 (9th Resolution submitted for shareholder approval on April 19, 2016)

Items of compensation	Amounts (in euros)	Comments
Fixed annual compensation	400,000	Fixed annual compensation was determined with regard to: — the significant increase in the size of the Klépierre group (following the merger with the Corio group), and — the fixed annual compensation of the Klépierre group's three executive corporate officers the fact that for 2014 was not in line with what was offered to executives of comparable companies as it lies in the lowest quartile compared with a panel of SBF120[(1)] companies, with the gap with the median being more than 40% for fixed annual compensation. It is important to note that even after the increase, the fixed annual compensation of Laurent Morel is still in the lowest quartile compared to the fixed compensation granted to corporate officers of companies included in the panel mentioned above. For these reasons, his fixed annual compensation was increased by 80,000 euros to keep it competitive with the practices of companies comparable in size.
Annual variable compensation	440,000	The variable portion is limited to 130% of fixed annual compensation. **Quantitative component** The quantitative component of variable compensation, which is capped at 80% of fixed annual compensation is determined based on net current cashflow per share. This financial indicator, which measures changes in income using internal growth and external growth effects, efficiency of cost management (operating costs and financial costs) and tax exposure of current transactions, is particularly relevant for a real estate company like Klépierre. The calculation grid for the quantitative component, which was indexed to an objective of 2.12 euros, provides for a payment of 55% of fixed annual compensation if the objective is achieved. It has a floor at 97% of the objective and a cap set at 80% of fixed annual compensation. For 2015, on the basis of a net current cashflow per share of 2.16 euros, the quantitative component of Laurent Morel's variable compensation for the year 2015 amounted to 65% of his fixed annual compensation, i.e. 260,000 euros. **Qualitative component** The qualitative component of variable compensation, which is also calculated as a percentage of fixed annual compensation, may be as high as 50% of fixed annual compensation, based on the following themes and objectives set for 2015: — disposals, acquisitions, developments: operations conducted within budget; — social and environmental responsibility: · improved access to training by group employees; · ethical commitment. The relative weight and the breakdown of the results achieved for each of these objectives are listed on page 80. The achievement of the qualitative objectives lead to a variable compensation of 180,000 euros equal to 45% of fixed annual compensation. Overall, the short term compensation represented 110% of the annual fixed compensation.

(1) Comprised of (i) the ten CAC40 companies with the lowest market capitalization, (ii) the 20 Next 20 companies and (iii) the ten SBF 80 companies with the highest market capitalization.

Items of compensation	Amounts	Comments
Deferred variable compensation	Nil.	No deferred variable compensation
Long-term variable compensation	Nil.	No long-term variable compensation
Exceptional compensation	Nil.	No exceptional compensation
Performance shares	510,000	Allocation of performance shares is discussed in relation to the total annual compensation of an executive corporate officer while ensuring that the interests of shareholders are respected. The shares are allocated as part of annual plans, whose terms are set at pre-determined times. **2015 Plan** Attribution to Laurent Morel of 30,000 shares representing 0.01 % of the share capital of the company, 35.7% of his maximum total compensation, on the basis of a valuation of performance shares in accordance with IFRS. Absolute and relative performance conditions assessed using two criteria: — rate of return on Klépierre stock ("total shareholder return" or TSR: evolution of the stock price + dividends) (for 30% of shares allocated); — performance of the Klépierre shares relative to the FTSE EPRA EURO ZONE index (for 70% of shares allocated). The performance grid is reproduced on page 78. If the result obtained is between two thresholds, the number of performance shares vested is calculated by linear interpolation. Accordingly, with respect to absolute performance, the percentage of shares allocated is zero since the increase in the TSR is less than or equal to 16.5%. Achievement of the maximum target (100%) implies TSR growth of 30% or more. With respect to the second criterion (relative performance), even if Klépierre share performance is equal to the index, only 33.3% of the shares will be obtained. To achieve the maximum target (100%), the share would have to perform at a rate 3% above the index. **Other conditions** — The plan also contains service conditions. — Obligation to retain in registered form a number of shares equivalent to 50 % of the gain on vesting net of taxes and charges calculated during the delivery of the shares until their term of office expires.
Stock-options	Nil.	No allocation of stock options
Directors' fees	Nil.	No directors' fees
Value of benefits of all kinds	4,560	Provision of a Company car
Severance package: severance pay/non-compete benefit	Nil.	No severance pay, no non-compete benefit[1]
Supplementary pension plan	11,005	Laurent Morel has a supplemental defined-benefit pension plan for senior executives of the former Compagnie Bancaire that provides for an additional pension with a maximum amount determined on the basis of a compensation and seniority reference set as of December 31, 2000. This maximum amount is capped (subject to the application of an increase based on the growth rate of the AGIRC's point value) at €11,005, and no increase of the conditional rights can be acquired as a result of the seniority or increase of compensation acquired after December 31, 2000. This plan has been closed since December 31, 2000.
Others	36,984	Compensation based on the profit sharing, according to the legal formula in force and incentive plans on the basis of changes in the rents managed by Klépierre.

[1] Excluding legal and contractual compensation that may be due in the event of the termination of the suspended employment agreement.

4.4.2.2 Elements of compensation due or awarded to Jean-Michel Gault and to Jean-Marc Jestin, members of the Executive Board, for the year ended December 31, 2015 (10th Resolution submitted to shareholders' vote on April 19, 2016).

Items of compensation	Jean-Michel Gault	Jean-Marc Jestin	Comments
	Amounts (in euros)		
Fixed annual compensation	315,000	315,000	Fixed annual compensation was determined with regard to: — the significant increase in the size of the Klépierre group (following the merger with the Corio group), and — the fact that the fixed annual compensation of the Klépierre group's three executive corporate officers for 2014 was not in line with what was offered to executives of comparable companies as it lies in the lowest quartile compared with a panel of SBF120 companies(1), with the gap with the median being more than 40% for fixed annual compensation. It is important to note that even after this increase, the fixed annual compensation paid to Jean-Michel Gault and Jean-Marc Jestin remains in the lowest quartile compared with the fixed compensation granted to the corporate officers of the companies considered in the panel mentioned above. For these reasons, their fixed annual compensation was increased by €64,550 to keep it competitive with the practices of companies comparable in size.
Annual variable compensation	333,900	360,675	The variable portion is limited to 130% of fixed annual compensation. **Quantitative component** The quantitative component of variable compensation, which is capped at 80% of fixed annual compensation, determined based on net current cashflow per share, so that the growth in the Group's activity can be taken into account. This financial indicator, which measures changes in income using internal growth and external growth effects, efficiency of cost management (operating costs and financial costs) and tax exposure of current transactions, is particularly relevant for a real estate company like Klépierre. The calculation grid for the quantitative component, which was indexed to an objective of €2.12 euros, provides for a payment of 55% of fixed annual compensation if the objective is achieved. It has a floor at 97% of the objective and a cap equal to 80% of fixed annual compensation. For 2015, on the basis of a net current cashflow per share of 2.16 euros, the quantitative component of Jean-Michel Gault's and Jean-Marc Jestin's variable compensation amounted to 65% of their fixed annual compensation, i.e., 204,750 euros. **Qualitative component** The qualitative component of variable compensation, which is also calculated as a percentage of fixed annual compensation, may be as high as 50% of fixed annual compensation. The applicable percentage is based on individual performance criteria adjusted according to the specific targets and responsibilities associated with the member of the Executive Board's functions. — For 2015, the qualitative component of **Jean-Michel Gault's** variable compensation was evaluated on the basis of the achievement of the following themes and objectives, which had already been set by the Supervisory Board: · implementation of the Klépierre/Corio integration plan: achievement of financial synergies; · Company image and management leadership: deployment of actions that contribute to the development of these themes. The relative weight and the breakdown of the results achieved for each of these objectives are listed on page 80. The achievement of the qualitative objectives lead to a variable compensation of 129,150 euros equal to 41% of fixed annual compensation. Overall, Jean-Michel Gault's short term compensation represented 106% the annual fixed compensation. — For 2015, the qualitative component of **Jean-Marc Jestin's** variable compensation was evaluated on the basis of the achievement of the following themes and objectives, which had already been set by the Supervisory Board: · implementation of the Klépierre/Corio integration plan and achievement of synergies expected: achievement of operational synergies; · social and environmental responsibility: position of the group among the best-ranked companies on non-financial criteria; · Company image and management leadership: deployment of actions that contribute to the development of these themes. The relative weight and the breakdown of the results achieved for each of these objectives are listed on page 80. The achievement of the qualitative objectives lead to a variable compensation of 155,925 euros equal to 49.5% of fixed annual compensation. Overall, Jean-Marc Jestin's short term compensation represented 114.5% of the annual fixed compensation.
Deferred variable compensation	Nil.	Nil.	No deferred variable compensation
Long-term variable compensation	Nil.	Nil.	No long-term variable compensation
Exceptional compensation	Nil.	Nil.	No exceptional compensation

(1) Comprised of (i) the ten CAC40 companies with the lowest market capitalization, (ii) the 20 Next 20 companies and (iii) the ten SBF 80 companies with the highest market capitalization.

Items of compensation	Jean-Michel Gault	Jean-Marc Jestin	Comments
	Amounts (in euros)		
Performance shares	425,000	425,000	Allocation of performance shares is discussed in relation to the total annual compensation of an executive corporate officer while ensuring that the interests of shareholders are respected. The shares are allocated as part of annual plans, whose terms are set at pre-determined times. **2015 Plan** — Attribution to Jean-Michel Gault of 25,000 bonus shares representing 0.008% of the share capital of the Company, and 37% of his maximum total annual compensation, on the basis of a valuation of performance shares in accordance with IFRS. — Attribution to Jean-Marc Jestin of 25,000 bonus shares representing 0.008% of the share capital of the Company, and 37% of his maximum total annual compensation, on the basis of a valuation of performance shares in accordance with IFRS. — Absolute and relative performance conditions assessed using two criteria: · rate of return on Klépierre stock ("total shareholder return" or TSR: evolution of the stock price + dividends) (for 30% of shares allocated); · performance of the Klépierre shares relative to the FTSE EPRA EURO ZONE index (for 70% of shares allocated). The performance grid is reproduced on page 78. If the result obtained is between two thresholds, the number of performance shares vested is calculated by linear interpolation. Accordingly, with respect to absolute performance, the percentage of shares allocated is zero since the increase in the TSR is less than or equal to 16.5%. Achievement of the maximum target (100%) implies TSR growth of 30% or more. With respect to the second criterion (relative performance), even if Klépierre share performance is equal to the index, only 33.3% of the shares will be obtained. To achieve the maximum target (100%), the share would have to perform at a rate 3% above the index. **Other conditions** The plan also contains service conditions. Obligation to retain in registered form a number of shares equivalent to 50 % of the gain on vesting net of taxes and charges calculated during the delivery of the shares until their term of office expires.
Stock options	Nil.	Nil.	No allocation of stock options
Directors' fees	Nil.	Nil.	No directors' fees
Value of benefits of all kinds	5,195	4,392	Provision of a company car to Jean-Michel Gault and Jean-Marc Jestin
Severance package: severance pay/ non-compete benefit	Nil.	Nil.	No severance pay, no non-compete benefit[1]
Supplementary pension plan	7,265	0	Jean-Michel Gault has a supplemental defined-benefit pension plan for senior executives of the former Compagnie Bancaire that provides for an additional pension with a maximum amount determined on the basis of a compensation and seniority reference set as of December 31, 2000. This maximum amount is capped (subject to the application of an increase based on the growth rate of the AGIRC's point value) at € 7,265, and no increase of the conditional rights can be acquired as a result of the seniority or increase of compensation acquired after December 31, 2000. This plan has been closed since December 31, 2000. Jean-Marc Jestin does not have the benefit of a supplementary pension plan.
Others	20,176	19,528	Profit sharing, according to the legal formula in force and incentive plans on the basis of changes in the rents managed by Klépierre. Service award of €648 (in accordance with the national collective bargaining agreement for the real estate industry) for Jean-Michel Gault.

[1] Excluding legal and contractual compensation that may be due in the event of the termination of the suspended employment agreement.

4.4.3. Compensation of Supervisory Board members

Summary table for all non-executive corporate officers in office in 2015
(Table No. 3 – AMF/AFEP-MEDEF recommendations)
The compensation of Supervisory Board members only consists of directors' fees paid by Klépierre for their service.

In euros	Amounts paid during fiscal year 2014		Amounts paid during fiscal year 2015	
	Directors' fees	Other compensation	Directors' fees	Others compensation
David Simon	49,654	-	53,952	-
Steven Fivel	39,880	-	46,814	-
Bertrand de Feydeau	37,267	-	41,490	-
Bertrand Jacquillat	32,042	-	33,814	-
Catherine Simoni	20,753	-	18,505	-
Rose-Marie van Lerberghe	17,498	-	19,433	-
Vivien Lévy-Garboua[1]	34,012	-	18,134	-
Philippe Thel[2]	0.00	-	7,469	-
François Kayat[3]	20,753	-	27,419	-
Dominique Aubernon[4]	18,141	-	32,968	-
John Carrafiell[5]	0	-	0	-
Jeroen Drost[5]	0	-	0	-
Stanley Shashoua[6]	0	-	0	-
TOTAL	**270,000**	**-**	**300,000**	**-**

[1] Resignation with effect from July 1, 2014.
[2] Co-opted on July 17, 2014 – Resignation with effect from January 15, 2015.
[3] End of term: April 14, 2015.
[4] Resignation with effect from December 11, 2015.
[5] Appointment with effect from January 15, 2015 – no directors' fees for fiscal year 2014.
[6] Appointment with effect from April 14, 2015 – no directors' fees for fiscal year 2014.

On April 14, 2015, the Supervisory Board decided to allocate the total amount of directors' fees for fiscal year 2015 of 400,000 euros as follows:

1) 90,000 euros to be distributed between the relevant members of the Board for service as Chairman of the Supervisory Board, Vice Chairman of the Supervisory Board, Chairman of the Audit Committee, Chairman of the Investment Committee, Chairman of the Nomination and Compensation Committee or Chairman of the Sustainable Development Committee, i.e.:

— 15,000 euros for the fixed portion per office as Chairman or Vice Chairman (fixed portion prorated, where appropriate, to take into account the actual duration of the term of office in a given year).

2) 198,000 euros, to be distributed between the members of the Board for service as Supervisory Board members, of which:

— 86,000 euros, for the fixed portion, distributed between the members of the Board (fixed portion prorated, where appropriate, to take into account the actual duration of the term of office in a given year).

— 112,000 euros, for the variable portion, based on the actual attendance of members at Board meetings.

3) 112,000 euros, to be distributed between the relevant members of the Board for service as members of one or more Committees, for the variable portion, based on the actual attendance of members at meetings of the Committees to which they were appointed.

4.4.4. Summary tables established based on AMF Recommendations and AFEP-MEDEF Code

Table No. 1 — Summary of compensation in stock options and shares awarded to each executive corporate officer (in euros)

Laurent Morel, Chairman of the Executive Board	2014	2015
Compensation due for the fiscal year (itemized in Table 2)	999,089	881,544
Value of options granted during the fiscal year	-	-
Value of performance shares granted during the fiscal year	470,100	510,000
Value of performance shares granted under the 2015 plan for exceptional compensation related to the Corio transaction	125,001	
Total	**1,594,190**	**1,391,544**

Jean-Michel Gault, Deputy CEO, member of the Executive Board	2014	2015
Compensation due for the fiscal year (itemized in Table 2)	822,690	674,271
Value of options granted during the fiscal year	-	-
Value of performance shares granted during the fiscal year	391,750	425,000
Value of performance shares granted under the 2015 plan for exceptional compensation related to the Corio transaction	125 001	
Total	**1,339,441**	**1,099,271**

Jean-Marc Jestin, Chief Operating Officer, member of the Executive Board	2014	2015
Compensation due for the fiscal year (itemized in Table 2)	822,826	699,595
Value of options granted during the fiscal year	-	-
Value of performance shares granted during the fiscal year	391,750	425,000
Value of performance shares granted under the 2015 plan for exceptional compensation related to the Corio transaction	125,001	
Total	**1,339,577**	**1,124,595**

Table No. 2 — Table summarizing compensation of each executive corporate officer (in euros)

Laurent Morel, Chairman of the Executive Board	2014		2015	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	320,000	320,000	400,000	400,000
Short-term variable compensation	400,000	305,000	440,000	400,000
Exceptional compensation				
Awarded for the disposal of 126 galleries to Carmila	100,000	100,000		
Awarded for the Corio merger	125,000			125,000
Directors' fees	25,000	25,000	0	0
Benefits in kind	4,560	4,560	4,560	4,560
Others [1]	24,529	49,058	36,984	36,984
Total	**999,089**	**803,618**	**881,544**	**966,544**

Jean-Michel Gault, Deputy CEO, member of the Executive Board	2014		2015	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	250,450	250,450	315,000	315,000
Short-term variable compensation	312,500	275,000	333,900	312,500
Exceptional compensation				
Awarded for the disposal of 126 galleries to Carmila	100,000	100,000		
Awarded for the Corio merger	125,000			125,000
Directors' fees	15,000	15,000	0	0
Benefits in kind	5,040	5,040	5,195	5,195
Others [1]	14,700	14,700	20,176	20,176
Total	**822,690**	**660,190**	**674,271**	**777,871**

Jean-Marc Jestin, Chief Operating Officer, member of the Executive Board	2014		2015	
	Amount due	Amount paid	Amount due	Amount paid
Fixed compensation	250,450	250,450	315,000	315,000
Short-term variable compensation	312,500	275,000	360,675	312,500
Exceptional compensation				
Awarded for the disposal of 126 galleries to Carmila	100,000	100,000		
Awarded for the Corio merger	125,000			125,000
Directors' fees	15,000	15,000	0	0
Benefits in kind	5,824	5,824	4,392	4,392
Others [1]	14,052	14,052	19,528	19,528
Total	**822,826**	**660,326**	**699,595**	**776,420**

[1] Employee savings and profit-sharing scheme for Jean-Michel Gault and Jean-Marc Jestin, and compensation in absence of employee saving scheme for Laurent Morel. The amount due in year 1 is an estimate based on the amount paid in year 1 for the year 0. Pursuant to the National Collective Agreement of the Real Estate Industry, Jean-Michel Gault also received a €648 seniority bonus.

Table No. 3 — Directors' fees and other compensation

Not Applicable

Table No. 4 — Options to subscribe for new shares or to purchase existing shares granted during the fixed year

Not Applicable

Table No. 5 — Options to subscribe for new shares or to purchase existing shares exercised during the fixed year

Only the plans mentioned in the tables below were exercised during the fiscal year

Laurent Morel	Number of options exercised during the fiscal year	Exercise price
2009 Plan — Performance 2009	8,750	€ 22.60
2009 Plan — Performance 2010	8,750	€ 22.60
2009 Plan — Performance 2011	8,750	€ 24.86
2009 Plan — Performance 2012	8,750	€ 22.60
2010 Plan — Performance 2013	8,700	€ 22.31

Jean-Michel Gault	Number of options exercised during the fiscal year	Exercise price
2009 Plan - Performance 2009	7,500	€ 22.60
2009 Plan - Performance 2010	7,500	€ 22.60
2009 Plan - Performance 2012	5,000	€ 22.60

By way of further information, the chart below indicates the exercise price of the options granted to the members of the Executive Board in their quality of corporate officers, which have become exercisable during the fiscal year :

Laurent Morel	Availability date	Number of shares exercisable	Exercise price
2011 Plan - Performance 2011	May 27, 2015	10,500	€ 30.73
2011 Plan - Performance 2012	May 27, 2015	10,500	€ 27.94
2011 Plan - Performance 2013	May 27, 2015	10,500	€ 27.94
2011 Plan - Performance 2014	May 27, 2015	10,500	€ 29.33

Jean-Michel Gault	Availability date	Number of shares exercisable	Exercise price
2011 Plan - Performance 2011	May 27, 2015	9,000	€ 30.73
2011 Plan - Performance 2012	May 27, 2015	9,000	€ 27.94
2011 Plan - Performance 2013	May 27, 2015	9,000	€ 27.94
2011 Plan - Performance 2014	May 27, 2015	9,000	€ 29.33

Jean-Marc Jestin : not applicable

Table No. 6 — Performance shares awarded during the fiscal year to each executive corporate officer

	Plan date	Number of shares granted during the fiscal year	Value of shares based on method used in the consolidated financial statements	End of vesting period	End of conservation period	Performance Condition
Laurent Morel	2015 Plan of May 4, 2015	37,353[1]	€ 635,001	05/04/2018	05/04/2020	Assessed based on two criteria: — Total Shareholder Return (TSR) on the Klépierre shares; — performance of the Klépierre shares relative to the FTSE EPRA Euro Zone Index
Jean-Michel Gault	2015 Plan of May 4, 2015	32,353[1]	€ 550,001	05/04/2018	05/04/2020	Assessed based on two criteria: — Total Shareholder Return (TSR) on the Klépierre shares; — performance of the Klépierre shares relative to the FTSE EPRA Euro Zone Index
Jean-Marc Jestin	2015 Plan of May 4, 2015	32,353[1]	€ 550,001	05/04/2018	05/04/2020	Assessed based on two criteria: — Total Shareholder Return (TSR) on the Klépierre shares; — performance of the Klépierre shares relative to the FTSE EPRA Euro Zone Index

[1] Of which 7,353 shares correspond to the exceptional compensation of €125,000 due for 2014 (see 2014 Registration Document, pp. 71 and 72).

Table No. 7 — Performance shares that became available to each executive corporate officer

Beneficiaries	Plan	Number of shares that became available during the fiscal year	Vesting conditions
Laurent Morel	N/A	Nil.	N/A
Jean-Michel Gault	N/A	Nil.	N/A
Jean-Marc Jestin	N/A	Nil.	N/A

Given the applicable holding periods, no shares became available during the year for Messrs. Morel, Gault and Jestin. For further information, the chart below indicates the number of shares granted to the members of the Executive Board in their quality of corporate officers, whose vesting period ended during the fiscal year:

Beneficiaries	Plan	End date of the vesting period	Number of shares definitively granted
Laurent Morel	2012 Plan	October 23, 2015	32,030
Jean-Michel Gault	2012 Plan	October 23, 2015	27,454
Jean-Marc Jestin	2012 Plan	October 23, 2015	9,151

Table No. 10

	Employment agreement		Supplementary pension plan		Compensation or benefits due or conditionally due on termination or change of function		Compensation related to non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Laurent Morel Chairman of the Executive Board Member of the Executive Board Start of term: 06/22/2013 End of term[3]: 06/21/2016	X[1]		X[2]			X		X
Jean-Michel Gault Deputy CEO Member of the Executive Board Start of term: 06/22/2013 End of term[3]: 06/21/2016	X		X[2]			X		X
Jean-Marc Jestin Chief Operating Officer Member of the Executive Board Start of term: 06/22/2013 End of term[3]: 06/21/2016	X			X		X		X

[1] Having observed that Laurent Morel's position as Executive Board Chairman took up more of his time than initially, the Company deemed it advisable to terminate his employment agreement with Klépierre Management, with effect from November 30, 2011. Since then, and based on the Supervisory Board decision, Laurent Morel has been receiving compensation from the Company as Chairman of the Executive Board, while continuing to serve as Managing Partner of Klépierre Management for no compensation.

[2] Laurent Morel and Jean-Michel Gault are eligible for the supplemental pension plan for executives of the former Compagnie Bancaire, which calls for establishing an additive pension plan at the time of retirement in the maximum amount of 11,005 euros and 7,265 euros, respectively.

[3] As member of the Executive Board

4.5. Other disclosures

4.5.1. Loans and guarantees granted to corporate officers and Supervisory Board members

None.

4.5.2. Conflicts of interest – Convictions for fraud

As of the filing date of this document and to the best of the Company's knowledge:
— there are no family ties between members of the Executive Board and/or members of the Supervisory Board;
— none of the members of the Executive Board and/or members of the Supervisory Board have been convicted for fraud in the last five years;
— none of the members of the Executive Board or the Supervisory Board have been associated with a bankruptcy or receivership as a member of an administrative, management or supervisory body or as Chairman of the Executive Board within the last five years;
— no conviction and/or official public sanction has been recorded against any member of the Executive or Supervisory Boards; no member has been prevented by a court from acting as a member of a governing, executive or supervisory body of an issuing company or from managing or running the affairs of an issuing company in the last five years.

In accordance with the internal rules of procedure of the Supervisory Board, the members of the Supervisory Board shall inform the Supervisory Board of any conflict of interests, even potential, with the Company and abstain from voting on the corresponding deliberation.

No conflict of interests, even potential, has been brought to the attention of the Supervisory Board. To the knowledge of the Company, there is no conflict of interests between the duties towards the issuer of any member of the Executive Board or of the Supervisory Board and their private interests and/or other duties.

4.5.3. Insiders trading prevention

Supervisory Board and Executive Board members, individuals with close personal ties to executives and other management personnel, are all required under current regulations to disclose any transactions they make involving securities issued by the Company, and are prohibited from conducting any personal transactions in Klépierre securities during the following periods:
— in each quarter, for 15 days before the publication of Klépierre's consolidated revenue during the quarter concerned;
— in each half-year, for 30 days before the publication of Klépierre's consolidated annual or half-yearly financial statements during the half-year concerned;
— during the period between the date on which Klépierre comes into possession of an item of information which, if it were made public, could have a material impact on the price of the securities and the date on which this information is made public.

This prohibition on trading has been extended to include all employees with ongoing access to insider information. Lastly, employees may be identified as occasional insiders and as such be temporarily covered by the same ban during periods in which transactions may influence Klépierre's share price.

The related policies and procedures are set out in an internal procedure memo updated on a regular basis by the Business Ethics Department of the Klépierre group.


DEPART (MN)
1ER 2EME
5
4 13
7 17
10 22
LIGNE
QUAI N°2 - DESTINATIONS
A ECHIROLLES DENIS PAPIN
C3 VICTOR HUGO
C6 POLYGONE SCIENTIFIQUE
12 LES ALLOVES
PAS DESSERVIE LIGNE E

Left
Grand Place, Grenoble (France)
Above
Passages, Paris region (France)

5. Environmental, societal and social information

5.1.
A CSR approach built around the Good Choices® concept
p. 94

5.2.
Geared towards operational excellence
p. 103

5.3.
Methodology, Concordance table and verification by independent third-party
p. 126

5.1. A CSR approach built around the Good Choices® concept

2015 was an eventful year for Klépierre. Our leadership in the shopping center sector in Europe, which has now been greatly consolidated, has strengthened our resolve and our approach to our environmental, societal and social responsibilities.

Our Good Choices® approach was launched at a very early stage. We have been publishing information on sustainable development for over fifteen years and this transparency is a cornerstone of our policy. The CSR information disclosed in this document is subject to verification by the Deloitte auditors (please refer to section 5.3.4 for the report).

Our approach reached a new level of maturity in 2015. It is more pragmatic and value-enhancing for the Group.

It plays an increasing role in our business. Environmental, societal and social data are now fully integrated into the operational monitoring and oversight tools and fully contribute to the company's economic and financial performance and to its attractiveness.

Our approach also proved itself when integrating new teams and new assets following the Corio merger in early 2015. This acquisition provided a further opportunity to demonstrate its soundness and sustainability. CSR performance monitoring was, within a short space of time, applied consistently across the 16 European countries, and the information published provides identical data on all our operations and shopping centers. The current portfolio data will provide insights into the effects of our strategy of selecting the most exciting assets. The constant portfolio information is pro forma in nature and includes the performance of the assets resulting from the Corio merger since 2014, and since 2013 in the case of certain indicators.

The significance of our environmental, societal and social actions is fully recognized outside the group. Our scores have risen sharply over the past three years in the leading non-financial ratings in our sector (Carbon Disclosure Project, Global Real Estate Sustainability Benchmark or Dow Jones Sustainability indexes in particular). These results reaffirm our leadership and encourage us to make our approach even more effective.

Our Good Choices® are based on four core ideas:
— true prevention and risk management culture, simply indispensable considering that we welcome several hundred million visitors per year;
— improved environmental performance, proof of our operational excellence in the day-to-day management of our assets;
— strong local commitment of our centers, to enhance their attractiveness in the eyes of our clients, both retailers and visitors;
— diligent development of the talent and skills of our employees, to enhance their employability, strengthen their commitment and thereby improve both individual and collective performance.

These Good Choices® guide our work and represent the mainstay of our sustainable development approach.

Growing European presence

The Group's European presence was significantly strengthened in 2015 with the acquisition of Corio and three additional countries.

Klépierre now operates in 16 countries with holdings of 22.1 billion euros as of 31 December 2015 (transfer duties excluded). Klépierre thus provides leading retailers with a unique platform of 166 shopping centers that together attract 1.2 billion visitors each year.

Geographical area	Number of shopping centers
France-Belgium	47
Italy	37
Scandinavia	22
Netherlands	5
Iberia	23
Germany	5
CEE & Turkey	27
Total	**166**

This scale gives up exposure to different cultures and varied approaches and thus represents a considerable advantage.

It also confirms the strength of our approach as the tools and processes we deploy are tested and proven in different contexts.

On the environmental, societal and social front there are many benefits. European legislation and the various national transpositions provide us with a strong and ambitious regulatory framework while at the same time providing space for the emergence of best practices. These initiatives make it possible to take all countries up a notch.

The Group's sustainable development approach reflects this: a solid base and identical definitions across all our holdings, ambitious group goals broken down into specific action items and tailored to each country and to each shopping center.

5.1.1. Material issues

We need to be as focused as possible in our actions so as to optimize value creation. This goal leads us to identify the environmental, societal and social issues and to focus on the most material. It also allows us to be fully in line with the recommendations of the Grenelle 2 environmental law and the G4 guidelines of the Global Reporting Initiative (GRI) and those of the European Public Real Estate Association (EPRA).

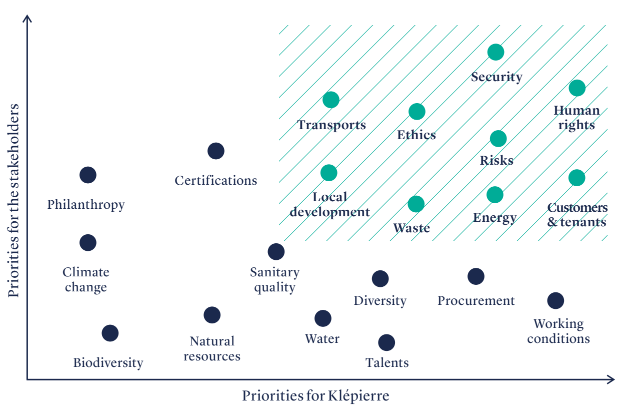
5.1.1.1. Strong commitments

The Group updated its materiality analysis in 2013. This made it possible to identify the 20 environmental, societal and social issues that have a significant impact on Group performance.

It was in particular possible to assess the relevance of each by means of an internal analysis and by also incorporating various inputs from our stakeholders. This materiality analysis was approved by the Executive Committee and by the Supervisory Board. Since then, we have regularly tested it with our various internal and external stakeholders.

Nine top priority issues grouped into three commitments in order to better structure our approach

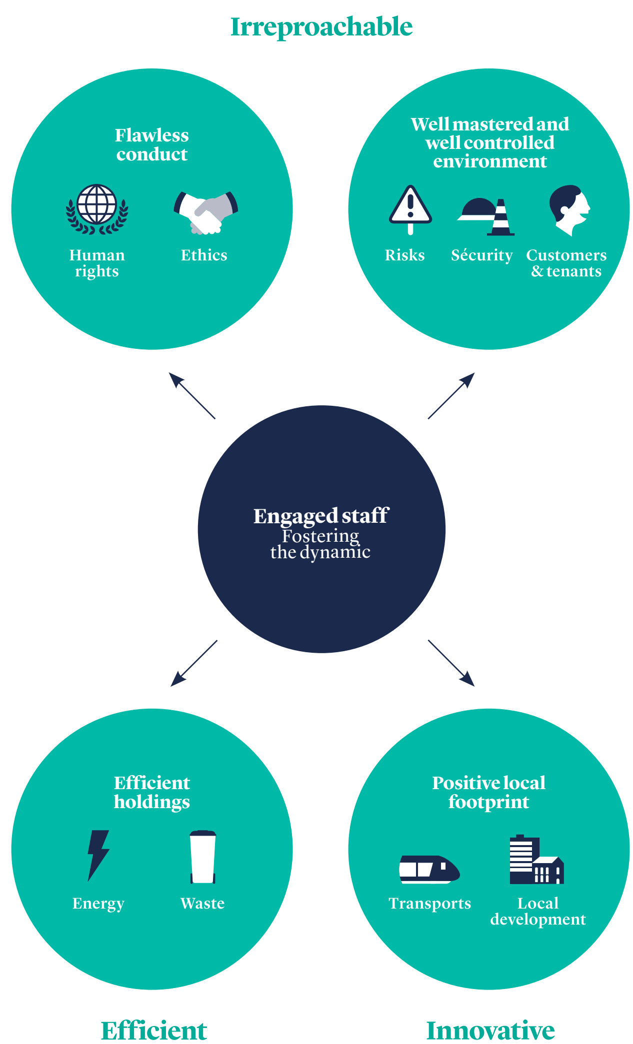
Some issues are more critical in terms of the day-to-day management of a shopping center and our goal of achieving operational excellence. We thus prioritized these issues in order to focus on the ones that matter most. Nine of them stood out.



Three commitments were identified. They help us structure our approach internally and make our actions more ambitious.

We thus endeavor to combine being irreproachable, effective and innovative:
— **irreproachable:** by adopting an exemplary attitude towards all stakeholders and ensuring optimal safety and comfort for our retailers and visitors;
— **efficient:** by setting ambitious, quantifiable and specific goals, for optimal operational management of our centers;
— **innovative:** by paying ongoing attention to best practices and by taking full advantage of the skills and innovative capabilities of the teams working in the most dynamic regions of Europe.

The implementation of these commitments is supported by a commitment to full transparency, constantly engaging staff, a solid organization and effective tools.



5.1.1.2. Positive impact for our stakeholders

Klépierre is determined that the value created through its assets will generate a positive impact for all its stakeholders and that it will play a part in the sustainable development of regions across Europe. The shopping centers designed, owned and managed by the Group serve as veritable catalysts for their urban environments. They help change and stimulate these areas. They are economic engines, places to meet friends, sources of jobs and financial flows. This positive impact is inextricably linked to meeting the expectations of all Group stakeholders.

The success of a shopping center is based on two key players: retailers, Klépierre's direct clients, and the visitors to our shopping centers, our retailers' customers are the driving force behind the performance of our assets.

It also involves significant dialog with a range of local players:
— public authorities: they are present early in the development of a shopping center, and afterwards throughout its operation, to create conditions conducive to business activities that are in the collective interest;
— voluntary associations: to create a stronger bond between the center and its local area;
— the economic partners heavily involved in our assets on a daily basis: these include project managers, consultants or other partners during the development and construction phase, or service providers providing us with site cleaning, maintenance and security services day-in day-out.

Commercial real estate is a highly capital-intensive sector in which the economic drivers are important, especially when it comes to internal or external growth. The backing of our shareholders and financial partners and the taking into account of their expectations are critical to the Group's development.

Collaboration between players in the shopping center sector makes it possible to promote shared common practices and to raise the profile of and enhance our industry.

The men and women in the Klépierre Group are our most valuable resource for delivering on our commitments on a daily basis. Driven by the HR management processes, our teams also enjoy, through Klépierre University, dedicated training programs to allow them to continually adapt to the changing environment and to anticipate new industry requirements.

5.1.2. Structural organizational resources

Our sustainable development commitments are firmly rooted in our organization. They are implemented across all countries and supported by the roll-out of dedicated tools. They are also applied in the various initiatives in which the Group participates.

5.1.2.1. Our organization

Our sustainable development governance is sound. It is managed by dedicated committees within the Supervisory Board and at executive level. The Sustainable Development Department and the Human Resources Department then rely on country management to ensure that our environmental, societal and social actions are fully operational.

Implementing strategic direction / Monitoring progress

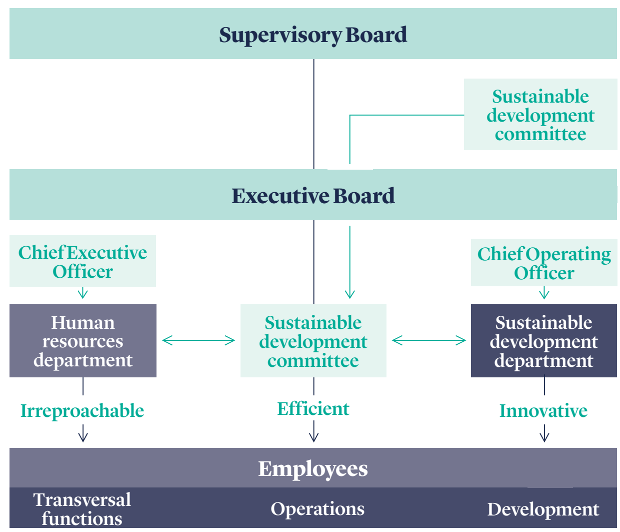
— The Sustainable Development Committee within the Supervisory Board has three members from the Supervisory Board, the Executive Board and the Head of Sustainable Development. It is chaired by Steven Fivel, Assistant General Counsel and Assistant Secretary of the Simon Property Group. It met three times in 2015.
— The Executive-level Sustainable Development Committee gathers the Executive Board and the Sustainable Development Department, as well as representatives of the departments concerned (shopping centers operations, development, human resources, etc.). Six meetings are scheduled every year.

Create momentum / Define Group goals, tools and processes

— The Sustainable Development Department has three employees. Under the leadership of the Chief Operating Officer, also a member of the Executive Board, it sets and develops the Group's policy in environmental and societal matters. It also circulates it and ensures it is implemented successfully throughout Europe.
— The Human Resources Department reports to the Chairman of the Executive Board. It is thus central to the company's strategy contributing to its talent, skills and performance challenges in line with the Group's values and social commitments.

Break down goals / Implement actions

— In the 16 countries, Management and the operational departments break down Group goals and implement the policies that are appropriate to their local environments. A special annual meeting is held between each country-specific management and the Chief Operating Officer to present future action plans on sustainable development issues. Two interim meetings are held annually between this same country-specific management and the Sustainable Development Department to jointly develop these action plans, monitor their implementation and analyze commercial center performance.
— A network of 30 correspondents covering all the local areas in which we operate is in charge of carrying out local actions and reporting on best practices. They work in close contact with the teams at the Head Office.



Finally, the Group's Good Choices® approach is systematically addressed in our communications to all employees. The Group's General Management thus shares its vision, its ambition and its requirements in these areas in a clear and decisive manner.

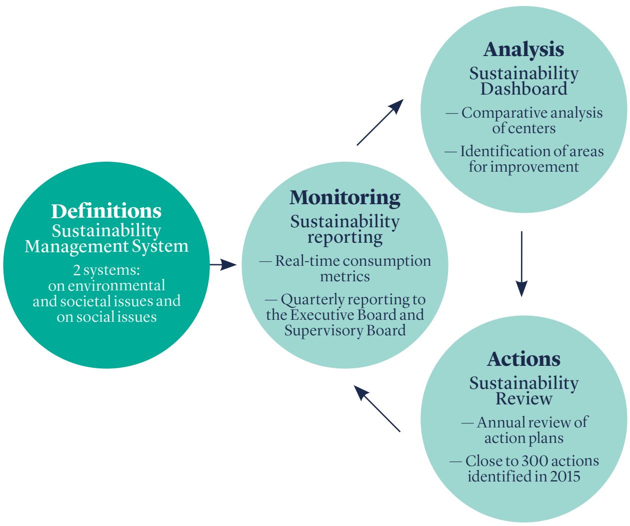
Training and awareness-raising actions on sustainable development topics, especially environmental ones, were focused in 2015 on the new teams originating from the Corio acquisition. The Sustainable Development Department held numerous exchanges with them in order to introduce Klépierre's tools, maintain the dynamic and set up new targets.

A training module dedicated to operational teams (shopping centers managers, technical managers and transversal functions) will be rolled out during the first semester 2016. The target is to remind trainees about the environmental and social issues of the Group that are directly linked to the daily operational management of a shopping center and to stakeholder engagement.

5.1.2.2. Our tools

The Group reviewed and enhanced the tools and processes used to handle environmental, societal and social issues, in order to make the sustainable development approach fully operational.

These tools are identical across Europe and are organized into four groups for greater clarity internally: definitions, monitoring, analysis and actions.



Definitions: Sustainability Management System

The set of indicators identified in environmental, societal and social matters and the data of which they are comprised are clearly defined and communicated to the teams. These definitions are identical across all 16 countries in which the Group operates and the 166 shopping centers.

These definitions are grouped into two management systems:
— one on the social aspects, sent to the human resource managers in each country, which includes both quantitative and qualitative data;
— the other on environmental and societal aspects communicated to each country and to each Group asset, which contains close to 120 data.

These documents are updated every year to adapt to the developments in our business activities.

Monitoring: Sustainability Reporting

Monitoring at Group level has intensified in recent years. Internal reporting in each country of environmental, societal and social performance has increased, more heavily involving the management and operational teams in each country.

On the environmental and societal aspects
— Within the shopping center: monitoring has become ever more frequent. The teams working at each asset (Center Managers and Technical Managers) monitor utilities consumption (energy and water) and waste production at least once a month. 61% of centers are also equipped with energy measurement systems that enable real-time control. There has been increasing use of such tools over recent years.
— At Group level: an environmental and societal report on each asset is presented to the Executive Board and to the Supervisory Board's Sustainable Development Committee at least once a year and quarterly for the Group's 65 largest assets, which represent 73% of the value of the holdings.

On the social aspects
The social data are managed in an information system shared with all Group HR players, thereby enabling standardized and structured management of the data, based on a single repository.

This information along with the qualitative data are periodically compiled by the Group Human Resources Department in order to monitor social indicators, providing oversight of the performance and well-being of employees as well as monitoring of Klépierre's HR policy. The strategic indicators regarding the social aspects of the sustainable development approach are presented annually to the Executive Board and to the Sustainable Development Committee of Klépierre's Supervisory Board.

Analysis: Sustainability Dashboard

The information collected is analyzed at different levels.

The shopping center, country and Group performance dashboards provide a clear view of the environmental and societal impact, make it possible to identify areas for improvement, identify best practices and thereby improve operational oversight. The performance dashboards are presented and discussed annually with all the country-specific departments.

For the past two years, shopping centers have also been attributed a rating. This pan-European tool incorporates two dimensions: a qualitative dimension (existence of process, presence of tools, internal responsibilities) and a quantitative dimension (indicators in the form of absolute value or of ratios). These two dimensions allow us to measure both the intrinsic quality of a building as well as the maturity of teams on subjects of sustainable development and the efforts already made. They also help stay objective when comparing national contexts or particular premises, a necessary precaution considering that the Group has operations involving 166 shopping centers in 16 countries.

Actions: Sustainability Review

The management system and the monitoring tools are designed to provide an identical platform but tailored to each shopping center. Detailed performance analysis makes it possible to identify areas for improvement.

The teams in each country thus have the tools with which to draw up specific and ambitious action plans.

Each year, these action plans are presented by country management to the Chief Operating Officer as part of the Sustainability Review. This provides an opportunity to take stock of completed actions and to approve the guidelines for the following years as put forward by the local teams, the specific actions for each shopping center and any investment needs. Close to 300 different actions were thus presented at Group level in 2015.

This step is critical to ensuring that sustainable development remains on the teams' agenda year in and year out.

5.1.2.3. The industry initiatives and charters we support

The Group's environmental, societal and social commitments are expressed via various associations and initiatives.

Klépierre is an active member of the following national and international trade associations. The Group considers them strategic for its business, and in each one holds a position on the governance body and/or sits on their key committees, including notably those dealing with sustainable development issues.

International Council of Shopping Centers (ICSC)

The Council has more than 60,000 members in over 90 countries, fostering the promotion and the development of shopping centers.

European Public Real Estate Association (EPRA)

This association has more than 200 of Europe's publicly traded real estate companies as members. It publishes recommendations intended to ensure that the financial and non-financial disclosures of publicly traded real estate companies are more detailed and more standardized.

French Council of Shopping Centers (CNCC)

French trade organization uniting all players involved in the promotion and development of shopping centers. Klépierre took an active part in the preparation and publication of the first guide on sustainable development reporting best practices for the shopping center industry published in 2013.

French Real Estate Association (FSIF)

The mission of the FSIF is to examine, promote and represent the shared business interests of French real estate companies.

Moreover, Klépierre endorses other significant environmental, societal and social charters and initiatives. These commitments reflect the priorities the Group has set for itself in terms of corporate responsibility.

The Global Compact

A signatory to the United Nations Global Compact since 2012, each year Klépierre reiterates, through the Chairman of the Executive Board, its full backing for this voluntary international CSR initiative, and its commitment to the improvement process on the 10 universal principles promoted by the Global Compact (in terms of human rights, labor standards, the environment and the fight against corruption).

Global Real Estate Sustainability Benchmark (GRESB)

GRESB's primary purpose is to assess the environmental and social performance of companies specializing in the real estate sector. Klépierre has participated in this benchmark since its beginning and is also a member.

French Charter for energy efficiency of tertiary buildings

Initiated at the end of 2013, it provides players in the real estate sector with a framework for implementing energy efficiency in their holdings and for anticipating future regulatory obligations for improving tertiary buildings' energy performance. The Group has been a signatory of this charter since November 2013.

Diversity charter

A corporate Initiative launched in late 2004, this Charter expresses the desire of companies to take steps to better reflect, in their workforces, the diversity of the French population and to also express their commitment to non-discrimination, equal opportunity and improvement of their performance. The Group signed it on July 31, 2010.

French Charter for Parenthood

Initiated by the French Monitoring Agency for Parenthood in the Workplace (OPE), this Charter promotes better work-life balance and has 3 objectives: move forward parenthood representations, create a favorable environment for working-parents and respect the principle of non-discrimination in career development for such employees. The Group has been a signatory since April 29, 2009.

The Palladio Foundation

The Palladio Foundation, under the aegis of Fondation de France, is an original initiative by companies in the real estate industry which was created in 2008 around the urban construction of the city of the future and its living areas.

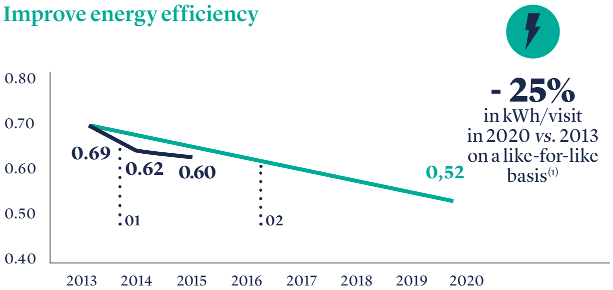
Its purpose is to gather together all current construction players (elected representatives, real estate professionals, professionals from other sectors involved in addressing urban problems, researchers, members of federations or associations and the media) and engage with them. It supports and guides the builders of tomorrow, whether they be students, researchers or young professionals. Klépierre is a founding member of the Foundation and Laurent Morel, Chairman of the Executive Board of Klépierre, is on its Board of Directors.

For all of the associations, charters or initiatives it endorses, Klépierre does not provide any funding beyond regular membership dues.

5.1.3. Convincing results

5.1.3.1. Change in the main environmental, societal and social KPIs

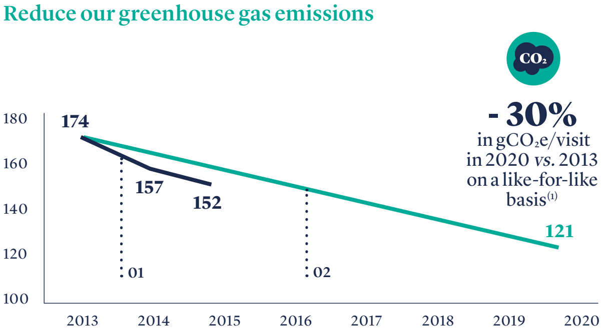
Improve energy efficiency



01. kWh/visit
02. 2020 target: **-25%** *vs.* 2013

The energy-related steps taken across the holdings have helped us achieve an ongoing reduction in our consumption despite varying climate factors from one year to the next. Energy efficiency in kWh/visit on a like-for-like basis has improved 13% since 2013, and we are therefore hopeful of achieving our goal of -25% in 2020 vs. 2013.

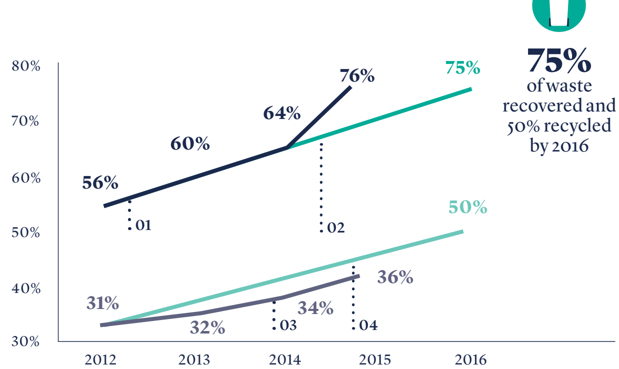
Reduce our greenhouse gas emissions



01. gCO_2e/visit
02. 2020 target: **-30%** vs. 2013

The Group's greenhouse gas emissions in gCO_2e/visit have also declined, - 13% since 2013 on a like-for-like basis. Our aim is to push forward with our energy efficiency efforts and to speed up the transition to cleaner energy in order to achieve our goal of -30% in 2020 vs. 2013.

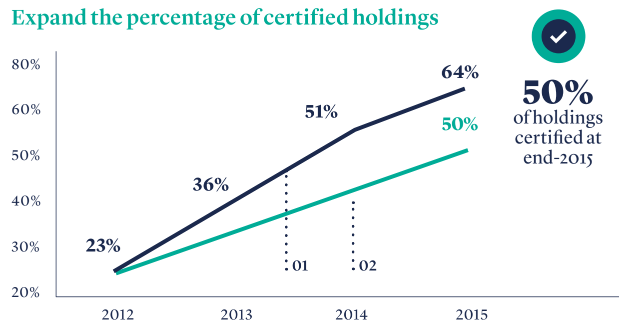
Increase waste recycling and recovery



01.% of waste recovered
02. 2016 target: **75%**
03.% of waste recycled
04. 2016 target: **50%**

The percentage of waste recycled and recovered has risen since 2012. We have reached our recovery target and we will continue our actions in the coming years to further limit the disposal of waste generated by the activities of shopping centers.
Greater effort has, however, to be made on the recycling front. The objective to achieve a recycling rate of over 50% has been postponed to end-2018.

Expand the percentage of certified holdings

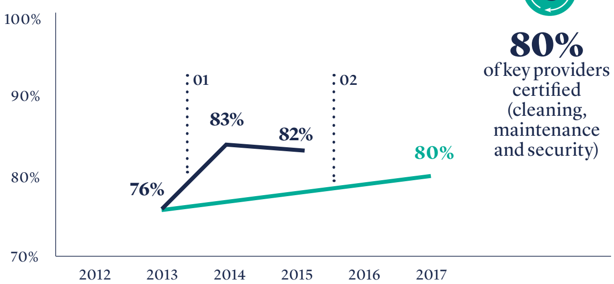


01.% of holdings certified
02. 2015 target: **50%**

The target of 50% of holdings certified in value at end-2015 has been substantially exceeded. 77 centers in 13 European countries have obtained environmental certification under the BREEAM, BREEAM In USE or ISO 14001 frameworks. We now want to consolidate this level while at the same time favorably renewing the level of existing certifications.

[1] Pro forma like-for-like basis: includes the performance of new assets from the Corio merger as if the acquisition had taken place on 1 January 2013. The energy consumption presented in the graph refers to energy of the common areas and shared equipment for heating and/or air-conditioning.

Promote responsible partners

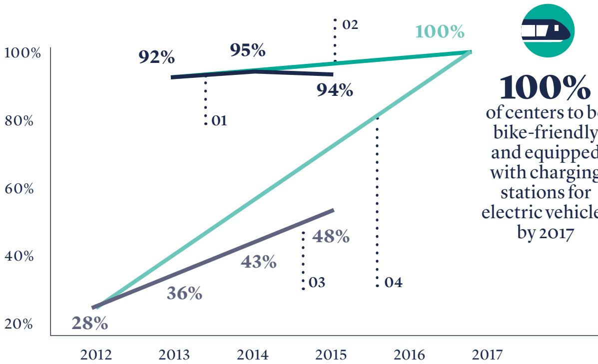


80%
of key providers certified (cleaning, maintenance and security)

01.% of key providers certified
02. 2017 target: **80%**

The goal set for end-2017 was achieved in 2014 and we remained above this level this year following the integration of new assets. We want at the very least to maintain this performance, since it guarantees that sustainable practices can be put in place by the providers who work in our centers on a daily basis.

Increase the transport options at our centers



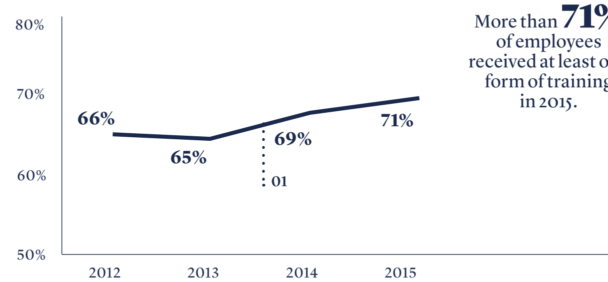
100%
of centers to be bike-friendly and equipped with charging stations for electric vehicles by 2017

01.% of centers bike-friendly
02. 2017 target: **100%**

03.% of centers equipped with charging stations for electric vehicles
04. 2017 target: **100%**

These two goals reflect our desire to increase the transport options to improve access to our shopping centers. Thus, the world's largest indoor bike park, comprising 12,500 spaces, will be built in tandem with the renovation of the Hoog Catharijne center in Utrecht in the Netherlands. With regard to electric vehicles, the Group is looking at the experiences of the countries where this market has grown quickly, such as in Norway. However, supply of and demand for electric vehicles and bike facilities vary substantially from one country to the next. These goals will have to be reviewed in light of these situations.

Improve individual development as a lever for collective performance

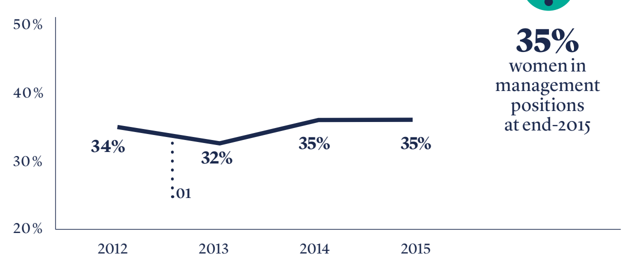


More than **71%**
of employees received at least one form of training in 2015.

01. Rate of access to training

Over the past number of years, the Group has had a pro-active training and development policy for all employees through Klépierre University. This organization plays an essential role in sharing our corporate culture, best practices and expertise. For all these reasons, Klépierre University has been a major asset in the team integration process in 2015; as a result, the Group's rate of access to training has exceeded 70%.

Promote gender equality



35%
women in management positions at end-2015

01.% women in management positions

In 2015, the year of organizational changes, the percentage of women in all levels of management remained unchanged at 35%. Promoting gender equality at work remains a priority of our diversity policy. It is worth noting that in 2015, among the entire population, female employees accounted for: 56% of recipients of variable compensation, 57% of recipients of training and 56% of internal mobility candidates.

5.1.3.2. Results of external assessments

Transparency is a key component of the Group's sustainable development approach.

To this end, Klépierre fosters ongoing relationships with the non-financial rating agencies, as well as with SRI (Socially Responsible Investment) analysts and investors, as part of its commitment to a wholly objective assessment of its sustainable development performance.

The indexes to which it belongs, the distinctions received and the steady improvement in ratings over the past number of years are proof that the measures taken have been effective.

Main ratings	Rating/100				Change vs. 2012	Distinction
	2015	2014	2013	2012		
GRESB	**88**	78	67	49	+ 80%	Klépierre: 2nd in the listed world/retail category Steen & Strøm: 1st in the non-listed world/retail category
RobecoSAM	**83**	82	74	63	+ 32%	DJSI World & Europe In the Top 3 worldwide in terms of environmental performance in particular
Carbon Disclosure Project	**99 - B**	90 - B	72 - B	57	+ 74%	-
Vigeo	**59**	-	57	44 (Nov. 2011)	+ 34%	Euronext Vigeo — France 20 — Eurozone 120 — Europe 120 — World 120

At end-2015, the Group joined the Euronext Low Carbon Europe 100 index. It is the only real estate operator to be in this index, which includes the 100 best performing European companies in terms of greenhouse gas emission reductions.

In addition, Klépierre won a Gold Award as part of the EPRA Sustainability Awards for the fourth year in a row. This award recognizes Klépierre's achievement in the application of best non-financial reporting practices as defined by EPRA. Klépierre is thus one of only four real estate companies to have received this award since its creation in 2012.

5.1.3.3. Three successes, three projects to finalize, three new objectives

Three successes in 2015

Achievement of the operational merger and integration of Corio teams

— Merger of entities, relocations, incorporation of new employees and roll-out of common languages and tools including for the new countries (IT infrastructure, business applications, single assessment tool at end-2015, etc.).

— Sharing of tools and sustainable development process across all new assets and new countries from the first half of 2015. Performance review and initial action plans in the second half.

A more operational and effective environmental and societal approach

— Energy efficiency in kWh/visit[1] has improved by 13% since 2013, an annual rate well above the target of -25% by 2020 vs. 2013.

— 77 centers certified at end-2015 in 13 countries, representing 64% of holdings in value terms, above the 50% goal set at end-2015.

Opening up of Klépierre University to all Group employees, as a forum for discussion and sharing skills and spreading the corporate culture, thereby speeding up the on-boarding process.

Three 2015 projects to be finalized

Continue installing energy measurement systems, in particular at new assets

— Following the integration of new assets, the percentage of holdings covered by such systems fell from 64 to 61% despite ongoing roll-out.

— There are still barriers to achieving full European coverage (coexistence of multiple systems, lack of players willing to operate in all the countries, legal rules of ownership applying to our buildings, etc.) that need to be gradually overcome.

Increasingly reaffirm the link between sustainable development performance and operational performance

— Aim for increasingly greater consistency between operational budgets, works budgets and sustainable development goals

— Scale up and standardize proposals for energy efficiency projects in order to speed up decision-making.

Roll out the "You&Klépierre" commitment survey to all Group employees

— This project was simultaneously launched across all countries by the Executive Board and the Human Resources Department in January 2016.

— Analysis of results and the implementation of resulting action plans will be monitored group-wide.

Three new objectives for 2016

Develop new Group initiatives to **highlight and promote Diversity.**

Increase waste recycling by taking advantage of the centers of excellence that already exist in certain countries.

Bolster the Klépierre Group's position as a leading employer, a specialist in shopping centers in Europe.

[1] Includes the consumption of the common areas and shared equipment for heating and/or air-conditioning.

5.2. Geared towards operational excellence

5.2.1. Higher performance – More cost-effective and efficient buildings

We aim for operational excellence in the day-to-day management of our assets. Energy efficiency, recycling and recovery of waste and environmental certification are an integral part of this process. They help add value by creating more efficient buildings and creating more responsible relationships with our stakeholders.

5.2.1.1. Energy

Energy efficiency is a strategic priority for the Group. It is a key indicator of the strength of our operational management and plays a major part in our controlling costs both for the Group and for the retailers operating in our centers. The improvement is thus being driven by two factors: environmental and financial. By optimizing our inputs, both in terms of volume and sources of energy, we are able to limit our exposure to energy price volatility.

The Group used 487 GWh in 2015 on a current scope basis, an increase of over 50% as a result of the Corio merger and the integration of new assets. The Group's energy bill was around €52.0 million. Close to two thirds of this energy is used in three regions: France-Belgium, Italy and Scandinavia.

Energy efficiency of the common areas and shared equipment for heating and/or air conditioning in MWh, kWh/sq.m and kWh/visit on a current scope basis (without climate adjustment)
Combined energy usage of common areas and shared equipment for heating and/or air conditioning in kWh of final energy/combined areas climate controlled by shared equipment in sq.m or number of visits. 2015 current scope (98% coverage): 129 shopping centers and 3,706,219 sq.m
EPRA: Elec-Abs - DH&C-Abs - Fuels-Abs - Energy-Int

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
MWh	2013	108,140	59,566	113,143	N/A	33,669	N/A	90,462	404,981	88%
	2014	81,474	41,325	92,115	N/A	26,041	N/A	76,861	317,816	95%
	2015	**111,265**	**101,226**	**86,579**	**32,148**	**44,380**	**27,144**	**84,191**	**486,933**	98%
kWh/sq.m	2013	146	171	121	N/A	149	N/A	154	143	88%
	2014	115	162	106	N/A	127	N/A	133	121	95%
	2015	**122**	**151**	**102**	**209**	**142**	**99**	**156**	**131**	98%
kWh/visit	2013	0.41	0.77	1.06	N/A	0.52	N/A	0.84	0.66	83%
	2014	0.39	0.72	1.05	N/A	0.52	N/A	0.71	0.62	93%
	2015	**0.42**	**0.69**	**0.98**	**0.76**	**0.47**	**0.77**	**0.65**	**0.61**	97%

Usage down 13% since 2013 on a like-for-like basis

Energy use on a pro forma like-for-like basis[1] fell sharply, from 507 to 443 GWh between 2013 and 2015. This decline was achieved across all Group regions over this period. The technical, organizational and human resources employed to improve our energy efficiency have thus proved effective across Europe. Our goal is to improve our kWh/visit ratio by 25% by 2020 vs. 2013. The 13% reduction over the past two years, which represents a cumulated total of 119 GWh over that period, reaffirms our approach and encourages us to continue our efforts.

Energy efficiency of the common areas and shared equipment for heating and/or air conditioning in MWh, kWh/sq.m and kWh/visit on a like-for-like basis (pro forma and without climate adjustment)
Combined energy usage of common areas and shared equipment for heating and/or air conditioning in kWh of final energy/combined areas climate controlled by shared equipment in sq.m or number of visits. 2015/2013 on a like-for-like basis (85% coverage): 118 shopping centers and 3,365,503 sq.m
EPRA: Elec-LfL - DH&C-LfL - Fuels-LfL - Energy-Int.

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
MWh	2013	119,553	97,336	87,021	36,119	45,836	25,685	95,047	506,997	85%
	2014	102,420	89,659	77,709	31,437	42,281	24,542	83,913	451,961	
	2015	102,424	87,726	72,283	30,268	41,404	24,444	84,191	442,741	
	2015/14	**0%**	**-2%**	**-7%**	**-4%**	**-2%**	**0%**	**0%**	**-2%**	
	2015/13	**-14%**	**-10%**	**-17%**	**-16%**	**-10%**	**-5%**	**-11%**	**-13%**	
kWh/m²	2013	148	168	118	229	151	101	175	150	85%
	2014	127	155	105	200	140	96	154	134	
	2015	127	150	99	204	137	96	156	132	
	2015/14	**0%**	**-3%**	**-6%**	**2%**	**-2%**	**0%**	**2%**	**-2%**	
	2015/13	**-14%**	**-11%**	**-16%**	**-11%**	**-10%**	**-5%**	**-11%**	**-12%**	

[1] Pro forma like-for-like basis: includes the performance of new assets from the Corio merger as if the acquisition had taken place on 1 January 2013.

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
kWh/visit	2013	0.50	0.74	1.08	1.03	0.52	0.84	0.77	0.69	83%
	2014	0.43	0.69	0.99	0.93	0.48	0.80	0.66	0.62	
	2015	0.44	0.66	0.92	0.90	0.47	0.76	0.65	0.60	
	2015/14	**1%**	**-4%**	**-7%**	**-3%**	**-2%**	**-6%**	**-2%**	**-3%**	
	2015/13	**-13%**	**-11%**	**-14%**	**-13%**	**-9%**	**-10%**	**-16%**	**-13%**	
								2020/2013 target	- 25%	
								i.e., 2015/2013 target	**- 7.1%**	

Over 50% of electricity is from renewable sources

The Group is gradually moving toward less carbon-intensive energy. 43% of the final energy used by the Group is from renewable sources (+6% on a current scope basis since 2013).
Electricity from renewable sources now accounts for 53% of our total electricity usage, representing close to 190 GWh, sharply up over the past two years (+8%). In five Group countries, 100% of the electricity used is from renewable sources.

Proportion of energy and electricity usage from renewable sources on a current scope basis

2015 current scope (98% coverage): 129 shopping centers and 3,706,219 sq.m
EPRA: Elec-Abs - DH&C-Abs - Fuels-Abs

	France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	Central Europe and Turkey	Group	Group coverage rate
Renewable energy									
2013	16%	19%	76%	N/A	76%	N/A	8%	37%	88%
2014	18%	15%	82%	N/A	69%	N/A	7%	38%	95%
2015	**18%**	**36%**	**83%**	**56%**	**72%**	**21%**	**30%**	**43%**	98%
Renewable electricity									
2013	20%	27%	92%	N/A	82%	N/A	11%	45%	88%
2014	20%	20%	91%	N/A	75%	N/A	10%	43%	95%
2015	**19%**	**43%**	**92%**	**100%**	**82%**	**31%**	**40%**	**53%**	98%

Breakdown of energy usage by energy type on a current scope basis in 2015

Combined energy usage of common areas and shared equipment for heating and/or air conditioning by energy type.
2015 current scope (98% coverage): 129 shopping centers and 3,706,219 sq.m
EPRA: Elec-Abs - DH&C-Abs - Fuels-Abs

		Group
	MWh	**%**
Electricity from renewable sources	190,249	39.1%
Electricity from non-renewable sources	172,093	35.3%
Subtotal electricity	**362,342**	**74.4%**
District heating from renewable sources	16,533	3.4%
District heating from non-renewable sources	41,616	8.5%
District cooling	17,775	3.7%
Subtotal networks	**75,924**	**15.6%**
Gas	44,526	9.1%
Fuel oil	2,298	0.5%
Bio-fuel	1,843	0.4%
Subtotal fuels	**48,667**	**10.0%**
Total in MWh	**486,933**	**100%**
Group coverage rate	98%	

Changes in breakdown of energy usage by energy type on a like-for like basis (pro forma)

Combined energy usage of common areas and shared equipment for heating and/or air conditioning by energy type.
2015/13 on a like-for-like basis (85% coverage): 118 shopping centers and 3,365,503 sq.m
EPRA: Elec-LfL - DH&C-LfL - Fuels-LfL

		2015		2014		2013	2015/14	2015/13
	MWh	%	MWh	%	MWh	%	%	%
Electricity	**326,770**	**73.8%**	**337,950**	**74.8%**	**359,487**	**70.9%**	**-3.3%**	**-9.1%**
District heating	54,862	12.4%	53,561	11.9%	70,109	13.8%	2.4%	-21.7%
District cooling	17,150	3.9%	17,444	3.9%	17,319	3.4%	-1.7%	-1.0%
Subtotal networks	**72,012**	**16.3%**	**71,005**	**15.7%**	**87,428**	**17.2%**	**1.4%**	**-17.6%**
Gas	41,459	9.4%	40,138	8.9%	56,796	11.2%	3.3%	-27.0%
Fuel oil	1,962	0.4%	2,092	0.5%	2,476	0.5%	-6.2%	-20.8%
Bio-fuel	539	0.1%	776	0.2%	811	0.2%	-30.5%	-33.5%
Subtotal fuels	**43,959**	**9.9%**	**43,006**	**9.5%**	**60,083**	**11.9%**	**2.2%**	**-26.8%**
Total in MWh	**442,741**	**100%**	**451,961**	**100%**	**506,997**	**100%**	**-2.0%**	**-12.7%**
Group coverage rate	85%							

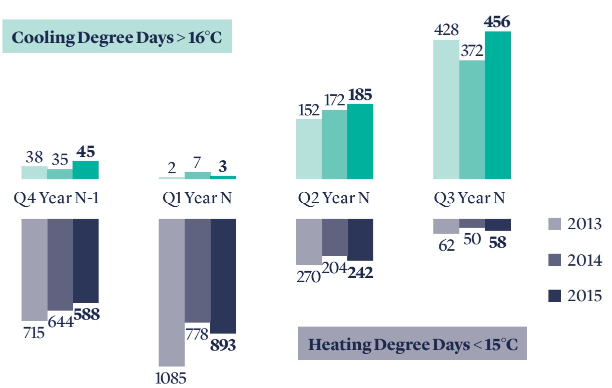
Ongoing decline in energy usage despite variable climate conditions

The energy performance presented in this report is not adjusted for climate factors. We feel that any such adjustment would complicate the analysis of our performance, and would be based on arbitrary choices given the geographic diversity of our holdings. By presenting unadjusted results, Klépierre also enables a clearer reading of the financial and environmental real benefits.

The weather impact can nevertheless be seen indirectly in the breakdown of energy and electricity usage for heating and air conditioning (see above tables), and more broadly through the information on changes in cooling and heating degree days[1].

2015/2013 change in heating (<15°C) and cooling (>16°C) degree days in the Group's regions[2]

Sum of heating degree days (T°<15°C) and cooling degree days (T°>16°C) recorded at 39 weather stations in the main regions in which the Group's shopping centers are located[3]. The degree days recorded at each station were weighted on the basis of the amount of energy used by the shopping centers located in its area.



Energy usage in 2013 was handicapped by a cold winter and spring, whereas 2014 was broadly more favorable in Europe from a weather perspective. 2015, on the other hand, is considered to be the warmest year ever recorded[4] with summer temperatures above seasonal norms. These substantial year-on-year changes represent a challenge as regards optimizing temperatures within shopping centers. They only serve to strengthen our resolve to control our energy usage as accurately as possible.

Mechanisms used to control usage

In order to reduce our energy usage, we have four major mechanisms that we operate in parallel.

Accurate metering of usage

— Roll-out of real-time, usage by usage, equipment by equipment metering systems across 61% of holdings in value at end-2015. These systems are comprised of tens of meters per site and the information is automatically reported to the centers, the country teams and the Group. The slight decline on 2014 on a current scope basis is due to the integration of new assets from the Corio merger (despite fitting out 21 new centers in 2015). The roll-out is already underway at certain sites and will speed up in 2016.
— Increased monitoring at Group level with quarterly reporting to the Executive Board and to the Supervisory Board.

Energy saving

— Constant vigilance as to the operating hours (schedule of regular visits to the shopping centers at night to check how the equipment has been programmed).
— Adjustment of temperature settings to better reflect outside temperatures.
— Raising awareness regarding best practices.

Improvement of technical equipment

— Replacement of the most energy-intensive equipment: cooling towers, mechanical linkages, ventilation pumps, etc.
— Replacing light bulbs: LED wherever relevant, lower-wattage bulbs, national directories of quality product suppliers.

Construction investments

— In the course of development: attention to building insulation and its compactness to improve thermal inertia, with particular focus on roofs, which account for the majority of energy loss.
— When renovating during operations: overhauling of thermal exchanges and recouping of heating or cooling, etc.

[1] Cooling and heating degree day: the degree day is a representative value of the difference between the daily average temperature and a pre-established level of temperature (15°C for the heating needs and 16°C for the air conditioning needs). It allows us to estimate the impact of the weather conditions on the energy, heating and air conditioning consumptions of a building.
[2] Source: Weather Underground.
[3] As a reminder, the Group energy consumption is monitored on a rolling year period from 01/10/N-1 to 30/09/N. The cooling and heating degree days are the established on the same reporting period.
[4] 2015 was the warmest year worldwide since 1900 according to the US National Oceanic and Atmospheric Administration (NOAA), and the third warmest year in France since 1900 according to Météo France.

Proportion in value of centers equipped with real-time energy measurement systems

	France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
2013	31%	0%	84%	N/A	0%	N/A	13%	37%	100%
2014	59%	22%	96%	N/A	95%	N/A	30%	64%	100%
2015	**51%**	**41%**	**95%**	**100%**	**89%**	**32%**	**39%**	**61%**	100%

Almost €10 million in cumulated savings since 2013

The Group's consolidated energy bill in 2015 is €52 million. The energy efficiency steps taken have a positive effect on our energy budgets, generating in excess of almost €10 million in cumulated savings over the past two years on a pro forma like-for-like basis. All regions have seen savings, with savings of up to €2.5 million in Italy, the Group region with the most expensive average kWh. The Netherlands and Scandinavia have seen their energy budgets fall by 15% over two years. In France and Belgium, savings totaled almost €1.3 million, even though the price per kWh of electricity rose on average 10% over the same period.

Savings from changes in energy usage and energy costs on a like-for-like basis (pro forma)

2015/13 on a like-for-like basis (85% coverage): 118 shopping centers and 3,363,503 sq.m

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
MWh	2013	119,553	97,736	87,021	36,119	45,836	25,685	95,047	506,997	85%
	2014	102,420	89,659	77,709	31,437	42,281	24,542	83,913	451,961	
	2015	102,424	87,726	72,283	30,268	41,404	24,444	84,191	442,741	
	2015/13	**-14%**	**-10%**	**-17%**	**-16%**	**-10%**	**-5%**	**-11%**	**-13%**	
€ ex. VAT/ MWh	2013	81	145	99	95	110	138	85	104	
	2014	88	148	100	98	113	133	87	107	
	2015	90	143	101	96	111	135	87	107	
	2015/13	**10%**	**-1%**	**2%**	**0%**	**1%**	**-2%**	**2%**	**3%**	
€ ex. VAT	2013	9,727,636	14,191,341	8,628,718	3,441,752	5,064,751	3,534,298	8,062,207	52,650,704	
	2014	9,016,826	13,285,437	7,743,648	3,079,109	4,771,122	3,256,051	7,328,797	48,480,989	
	2015	9,171,449	12,582,274	7,306,032	2,896,603	4,606,364	3,303,206	7,293,068	47,158,995	
	2015/13	**-6%**	**-11%**	**-15%**	**-16%**	**-9%**	**-7%**	**-10%**	**-10%**	
Total savings in € excl. VAT 2015/13		**1,266,998**	**2,514,971**	**2,207,756**	**907,792**	**752,017**	**509,340**	**1,502,549**	**9,661,423**	

Overall performance of our buildings, including tenants, known at 42 centers

An environmental appendix is incorporated into new leases all over Europe. In addition, Klépierre already has access to information on the energy usage of all buildings, including tenants, at 42 centers in 10 countries, representing 21% of holdings in value.

Overall energy efficiency of shopping centers, including tenants, in MWh, kWh/sq.m and kWh/visit, on a current scope basis

Combined energy usage of common areas and shared equipment for heating and/or air conditioning and tenant usage in kWh of final energy/combined total areas of buildings in sq.m or number of visits.
2015 current scope (21% coverage): 42 shopping centers and 1,519,707 sq.m

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
Number of centers		1	1	16	2	0	0	22	42	21%
Shared equipment	MWh	2,978	1,659	66,560	10,508	N/A	N/A	82,189	163,894	
	%	**49%**	**29%**	**43%**	**69%**	**N/A**	**N/A**	**39%**	**42%**	
Private equipment	MWh	3,126	4,100	87,054	4,659	N/A	N/A	127,704	226,643	
	%	**51%**	**71%**	**57%**	**31%**	**N/A**	**N/A**	**61%**	**58%**	
Whole building	MWh	6,104	5,759	153,614	15,167	N/A	N/A	209,893	390,537	
	kWh/sq.m	459	153	242	216	N/A	N/A	274	257	
	kWh/visite	**0.69**	**0.57**	**2.49**	**1.61**	**N/A**	**N/A**	**1.67**	**1.80**	

We are working on a number of avenues to further increase cooperation with retailers on environmental and energy matters in particular. At the centers where full usage information is available, specific communication and awareness-raising measures are put in place. These measures may take different forms and in any event require a good understanding of the technical and business characteristics of each retailer.
More broadly, the vast majority of centers have already established dialog with some or all of their tenants on environmental matters through dedicated meetings (at 55% of holdings) and written communication (at 85% of holdings), etc.

5.2.1.2. Climate change

Our efforts to respond to the challenges posed by climate change are based on ongoing efforts to reduce our greenhouse gas emissions and active planning on how our assets will need to be adapted.

Accurate measurement of our CO_2 emissions under Scopes 1 and 2 of the GHG Protocol[1] gives us an accurate picture of our direct and indirect contribution to greenhouse gas emissions, as well as of our dependence on fossil fuels.
Quantifying under Scope 3 gives a better idea of our broader carbon footprint and the effects of the activities of our stakeholders (retailers, visitors and providers in particular).

The Group's total energy usage plus leaks from the use of refrigerant gases resulted in the emission of 127,662 metric tons of CO_2e in 2015. Year-on-year changes on a current scope basis are mainly due to the various disposals and acquisitions made by the Group over the past three years.

Greenhouse gas emissions in tCO_2e from energy usage and the use of refrigerant gases (Scopes 1 and 2) on a current scope basis
Combined energy usage of common areas and shared equipment for heating and/or air conditioning in kWh of final energy multiplied by the corresponding emission factors.
2015 current scope (98% coverage): 129shopping centers and 3,706,219 sq.m
EPRA: GHG-Dir-Abs – GHG-Indir-Abs

	France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	2015 Group	2014 Group	2013 Group
Gas	2,230	3,046	273	0	1,136	0	2,433	9,118	6,158	10,325
Fuel oil	277	251	0	0	0	0	0	617	421	580
Refrigerant gases	306	3,906	312	0	547	102	1,282	6,454	5,598	6,356
Direct emissions Scope 1	2,813	7,202	585	0	1,682	102	3,715	16,189	12,177	17,261
Electricity	5,089	34,203	3,830	7,005	11,422	6,245	31,862	99,656	58,623	69,076
Heating	2,043	0	2,885	2,374	0	2,103	1,915	11,319	6,657	10,088
Cold	232	0	84	82	0	99	0	498	199	261
Indirect emissions Scope 2	7,364	34,203	6,799	9,461	11,422	8,447	33,777	111,473	65,479	79,425
Emissions Scope 1 + 2	**10,177**	**41,405**	**7,384**	**9,461**	**13,104**	**8,549**	**37,492**	**127,662**	**77,656**	**96,685**
Group coverage rate								98%	95%	88%

Greenhouse gas emissions in tCO_2e and carbon intensity in $kgCO_2e$/sq.m and gCO_2e/visit from energy usage on a current scope basis
Combined energy usage of common areas and shared equipment for heating and/or air conditioning in kWh of final energy multiplied by the corresponding emission factors/ combined areas climate controlled by shared equipment in sq.m or number of visits.
2015 current scope (98% coverage): 129 shopping centers and 3,706,219 sq.m
EPRA: GHG-Dir-Abs - GHG-Indir-Abs - GHG-Int

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
tCO_2e	2013	10,504	20,734	10,489	N/A	9,683	N/A	38,919	90,329	88%
	2014	7,390	14,767	8,066	N/A	7,506	N/A	34,329	72,058	95%
	2015	**9,871**	**37,500**	**7,162**	**9,461**	**12,557**	**8,447**	**36,210**	**121,208**	98%
$kgCO_2e$/sq.m	2013	14	59	11	N/A	43	N/A	66	32	88%
	2014	10	58	9	N/A	37	N/A	59	28	95%
	2015	**11**	**56**	**8**	**61**	**40**	**31**	**67**	**33**	98%
gCO_2e/visit	2013	41	270	101	N/A	151	N/A	363	148	83%
	2014	35	260	94	N/A	151	N/A	319	140	93%
	2015	**38**	**257**	**83**	**224**	**134**	**241**	**280**	**151**	97%

The calculation of emissions included in Scope 2 complies with the "location-based" method in the GHG Protocol. The emission factors used vary substantially from one Group country to the next[2]. Central Europe and Turkey and Italy thus generate close to two thirds of greenhouse gas emissions on a current scope basis. We pay close attention to the emission factors of the various energy sources and favor the cleanest energies.

Klépierre follows the recommendations of the "location-based method" in the GHG Protocol and does not therefore believe that electricity from renewable sources (even if it accounts for 53% of the Group's total electricity usage) can be counted with an emission factor of zero. The ongoing decline in CO_2 emissions on a like-for-like basis thus reflects real energy saving measures, and is not artificially increased by purchasing so-called "green" electricity.

[1] Klépierre calculates emissions under Scope 2 of the GHG Protocol using the "location-based" method.
[2] The emission factors used for electricity vary substantially from one country to the next. For example, they are 60 times higher in Poland compared to Norway.
Source: Emissions from Fuel Combustion (2013 Edition), IEA, Paris. CO_2 emissions per kWh from electricity generation.

A 12% decline in emissions on a like-for-like basis since 2013

On a pro forma like-for-like basis[1], emissions from energy usage in the common areas and shared equipment in our buildings have fallen 12% since 2013, representing a reduction of 16,202 metric tons of CO_2 in two years. There was a 13% decline in gCO_2/visit at Group level, well ahead, in annual terms, of the –30% goal from 2013 to 2020.

Greenhouse gas emissions in tCO_2e and carbon intensity in $kgCO_2e$/sq.m and gCO_2e/visit from energy usage on a like-for-like basis (pro forma)

Combined energy usage of common areas and shared equipment for heating and/or air conditioning in kWh of final energy multiplied by the corresponding emission factors/ combined areas climate controlled by shared equipment in sq.m or number of visits.
2015/2013 on a like-for-like basis (85% coverage): 118 shopping centers and 3,365,503 sq.m
EPRA: GHG-Dir-LfL - GHG-Indir-LfL - GHG-Int

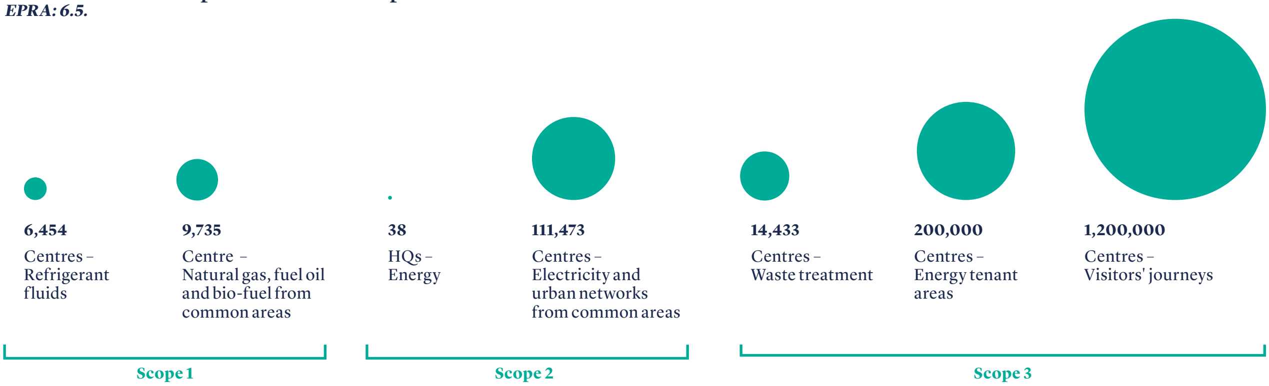
		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
	2013	12,032	35,713	8,672	10,646	13,142	7,819	41,705	129,731	85%
	2014	9,418	33,533	7,426	9,154	12,141	7,506	37,710	116,887	
tCO_2e	2015	9,525	32,814	6,456	8,710	11,871	7,675	36,478	113,530	
	2015/14	**1%**	**-2%**	**-13%**	**-5%**	**-2%**	**2%**	**-3%**	**-3%**	
	2015/13	**-21%**	**-8%**	**-26%**	**-18%**	**-10%**	**-2%**	**-13%**	**-12%**	
	2013	15	61	12	68	43	31	77	38	85%
	2014	12	58	10	58	40	29	69	35	
$kgCO_2e/m^2$	2015	12	56	9	59	39	30	68	34	
	2015/14	**1%**	**-3%**	**-13%**	**1%**	**-2%**	**2%**	**-2%**	**-2%**	
	2015/13	**-20%**	**-9%**	**-25%**	**-13%**	**-10%**	**-2%**	**-12%**	**-12%**	
	2013	51	267	107	304	148	255	341	174	83%
	2014	40	256	95	270	137	246	300	157	
	2015	41	245	83	258	134	237	282	152	
gCO_2e/ visite	**2015/14**	**2%**	**-4%**	**-13%**	**-4%**	**-2%**	**-3%**	**-6%**	**-4%**	
	2015/13	**-20%**	**-8%**	**-23%**	**-15%**	**-9%**	**-7%**	**-17%**	**-13%**	
								2020/2013 target	- 30%	
								i.e. , 2015/2013 target	**- 8.6%**	

Develop awareness of the broader carbon footprint beyond the scope of direct responsibility

Our awareness of our impact in terms of greenhouse gas emissions is not limited to the scope of the Group's direct responsibility. The business of the retailers and the journeys made by visitors to the shopping centers has a major impact on the Group's broader carbon footprint[2] .

Broader carbon footprint in tCO_2e – Scopes 1 to 3

EPRA: 6.5.



We are taking specific steps to limit the impacts relating to Scope 3 (see Energy and Transportation chapters).
We communicate with the retailers on environmental issues at over 90% of our holdings in value.
Similarly, 96% of our shopping centers in Europe are accessible by public transportation and, in 2015, 41% of visitors went to the centers by public transportation or by green modes of transportation - walking or bicycling (+3% compared to 2013).

[1] Pro forma like-for-like basis: includes the performance of new assets from the Corio merger as if the acquisition had taken place on January 1, 2013.

[2] Journeys by visitors were estimated asset-by-asset using an average distance of 10 to 22 km for a round trip journey depending on the type of asset and applying an emission factor specific to each mode of transportation according to the breakdown of visits. Emissions from retailer energy usage were estimated by extrapolating the CO2 impact of energy usage for centers for which we have usage information on tenants across all holdings. Head office emissions include energy usage associated with French head office buildings.

Anticipating the adaptation required due to the effects of climate change

Adapting to the effects of climate change presents some challenges for the Group.
— The main impacts of this adaptation are financial. The actions mentioned above all limit the consequences. They are designed to reduce our dependence on fossil fuels and will notably enable us to guard against overly large fluctuations in energy costs.
— The physical impacts are more limited, as our assets are located in the major cities in Europe.
Anticipating them involves dynamic risk management (see Risks chapter). Structural audits are systematically performed to warn of the impacts of extreme weather events (storms, heavy rainfall or snowfall, etc.) and our energy saving efforts will help the Group to protect itself against changes in average temperatures and higher heating or air conditioning requirements. Finally, the Group's holdings are not really affected by drought (see Water chapter).
— Possible regulatory changes associated with combating climate change are mainly examined by the dedicated working groups within the professional organizations to which the Group belongs.

5.2.1.3. Waste

We aim for effective waste management by offering tailored sorting solutions for our tenants and visitors, and then ensuring with the service providers responsible for removing and processing the waste that it reaches the proper destination.

The operation of the Group's shopping center generated over 55,000 metric tons of waste. 99% of this waste was deemed non-hazardous. Bulbs, fluorescent tubes, electronic waste, electrical appliances and paint constitute the bulk of the hazardous waste. They are separated from other types of waste on site and processed through special recovery channels.

Increasing the number of sorting solutions

The Group is endeavoring to increase the number of sorting solutions in order to grow the proportion of waste sorted on site and thereby reduce the overall processing cost. Over 30 different types of waste can thus be sorted at the best-performing centers.

The measures taken at the centers are designed to emphasize the environmental and financial benefits of on-site separation. They involve raising awareness among employees and working closely with retailers. The Group has veritable specialists, in Scandinavia and Portugal for example. We endeavor to capitalize on these experiences and disseminate best practices.

On average in Europe, 46% of waste is sorted directly at our centers, representing more than 25,000 metric tons in 2015. 15,976 metric tons of cardboard, 1,657 metric tons of cooking oil and fat, and 1,274 metric tons of food waste were thus sorted on site.

Waste sorted in the centers by type in metric tons and as a% on a current scope basis
2015 current scope (85% coverage): 104 shopping centers and 3,748,755 sq.m
EPRA: Waste-Abs

	In metric tons	As %
1. Cardboard	15,976	29.0%
2. Paper	76	0.1%
3. Glass	564	1.0%
4. Hangers	16	0.0%
5. Plastic	877	1.6%
6. Cooking oil and fat	1,657	3.0%
7. Metals	249	0.5%
8. WEEE	78	0.1%
9. Pallets	287	0.5%
10. Food and organic waste	1,274	2.3%
11. Wood	500	0.9%
12. Batteries	6	0.0%
13. Bulbs and fluorescent tubes	11	0.0%
14. Other waste sorted	3,571	6.5 %
Subtotal Waste sorted on site	**25,143**	**45.7%**
Unsorted waste	29,907	54.3%
Total	55,050	100%
Group coverage rate	85%	

36% of waste recycled and 76% recovered [1]

The proportion of waste recycled, reused or composted was 36% in 2015 (up 4% since 2013).

Including all the other forms of recovery (incineration with energy recovery, burying with biogas recovery, anaerobic digestion, etc.), this figure increases to 76%, up 16% over the past two years.

Our goal by end-2016 is to recycle at least 50% of waste and recover over 75%. The latter goal has been achieved, but we must work harder to achieve the target recycling rate. We continue to improve relations with our service providers who collect and process waste to look for ways of achieving this goal. The target of 50% of waste recycled, initially intended for end-2016 has been postponed to end-2018.

Most of the holdings have finally been equipped with multi-compartment bins in the common areas, also making it possible to raise awareness about selective sorting among center visitors.

[1] Incinerated waste is included in the proportion of waste recovered.

Proportion of waste recycled and recovered on a current scope basis [1]

Total tonnage of operating waste of shopping centers by destination divided by total tonnage of waste collected.
2015 current scope (85% coverage): 104 shopping centers and 3,748,755 sq.m
EPRA: Waste-Abs

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate	
Recycled	2013	25%	27%	50%	N/A	39%	N/A	20%	32%	84%	2018 target: 50%
	2014	27%	29%	50%	N/A	38%	N/A	22%	34%	88%	
	2015	**33%**	**38%**	**49%**	**32%**	**33%**	**37%**	**27%**	**36%**	85%	
Recovered	2013	55%	39%	99%	N/A	53%	N/A	25%	60%	84%	2016 target: 75%
	2014	57%	35%	100%	N/A	57%	N/A	43%	64%	88%	
	2015	**78%**	**48%**	**100%**	**100%**	**63%**	**100%**	**65%**	**76%**	85%	

Breakdown of waste by destination in 2015 on a current scope basis

2015 current scope (85% coverage): 104 shopping centers and 3,748,755 sq.m
EPRA: Waste-Abs

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
Recycled	a	33%	36%	42%	28%	32%	33%	26%	34%	85%
Reused	b	0%	0%	2%	0%	0%	0%	0%	1%	
Composted	c	0%	2%	4%	4%	1%	4%	1%	2%	
Subtotal recycled	**a+b+c**	**33%**	**38%**	**49%**	**32%**	**33%**	**37%**	**27%**	**36%**	
Incineration	e	29%	0%	45%	62%	8%	39%	22%	26%	
Other form of recovery	f	16%	10%	6%	6%	22%	24%	16%	14%	
Subtotal recovery	**a+b+c+e+f**	**78%**	**48%**	**100%**	**100%**	**63%**	**100%**	**65%**	**76%**	
Landfill	g	22%	52%	0%	0%	37%	0%	35%	24%	
Total		18,183	8,704	10,174	3,056	7,687	1,284	5,963	55,050	

Breakdown of waste by destination on a like-for-like basis

2015/13 on a like-for-like basis (76% coverage): 97 shopping centers and 3,435,512 sq.m
EPRA: Waste-LfL

		2015		2014		2013		Group coverage rate
		In metric tons	As %	In metric tons	As %	In metric tons	As %	
Recycled	a	17,273	35%	15,881	33%	15,255	32%	76%
Reused	b	133	0%	225	0%	95	0%	
Composted	c	677	1%	597	1%	696	1%	
Subtotal recycled	**a+b+c**	**18,082**	**36%**	**16,703**	**35%**	**16,046**	**33%**	
Incineration	e	12,426	25%	11,331	24%	10,817	23%	
Any other form of recovery	f	6,954	14%	2,875	6%	2,608	5%	
Subtotal recovery	**a+b+c+e+f**	**37,462**	**75%**	**30,908**	**64%**	**29,471**	**62%**	
Landfill	g	12,553	25%	17,263	36%	18,439	38%	
Total		**50,015**	**100%**	**48,171**	**100%**	**47,910**	**100%**	

5.2.1.4. Water

The Group's shopping centers used 3.79 million m³ of water in 2015, at a total cost of €8.5 million. These figures include tenants because the Group knows the usage of all buildings throughout Europe.

A m³ of water costs between €1.6 and €4.2 ex. VAT depending on the country. The most significant variable in the water price is the cost of treating the wastewater. The Group focuses its efforts on two areas: limiting the amount of water used and monitoring the quality of wastewater.

Water consumption in m³ and water intensity in m³/sq.m and l/visit on a current scope basis

2015 current scope (87% coverage): 120 shopping centers and 4,202,569 sq.m
EPRA: Water-Abs - Water-Int

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
m³	2013	1,171,130	411,569	389,171	0	250,451	0	534,174	2,756,495	89%
	2014	742,428	266,874	375,914	0	203,012	0	500,362	2,088,589	91%
	2015	**878,911**	**1,405,630**	**373,200**	**22,055**	**320,038**	**125,856**	**659,590**	**3,785,280**	87%
m³ / sq.m	**2015**	**0.76**	**1.98**	**0.43**	**0.31**	**0.95**	**0.46**	**0.84**	**0.90**	87%
l/visit	**2015**	**3.5**	**9.8**	**4.3**	**2.3**	**6.0**	**3.6**	**5.1**	**5.3**	87%

[1] Local authorities are responsible for waste collection at a number of sites in France, Italy and Turkey. These centers are not included in the reporting, as the Group has no control over the final destination of the waste, which explains the coverage rate of 85%.

Very low risk of water stress

Our holdings are not very exposed to water stress. Over 95% of our centers in value are not affected by this situation[1]. Only eight centers are exposed in four countries (three in Turkey, one in Hungary, two in Italy and two in Spain). The other countries are not subject to this stress.

Proportion in value of centers not exposed to water stress risk in 2015

	France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
Unexposed	**100.0%**	**88.5%**	**100.0%**	**100.0%**	**91.4%**	**100.0%**	**76.9%**	**95.5%**	100%
Exposed	0.0%	11.5%	0.0%	0.0%	8.6%	0.0%	23.1%	4.5%	

0.80 m³ /sq.m/year, and 4.7 liters per visit, 3% down over the past two years on a like-for-like basis

Our usage is down 3% over the past two years on a like-for-like basis, with 72,000 m^3 less. In liters/visit, the reduction is 3% over two years.

The three largest usages in a shopping center (excluding the private areas) are as follows:
— toilets;
— air conditioning equipment, in particular cooling towers;
— cleaning.

Major efforts have been made over the past number of years to improve the measurement of our usage, in particular through the installation of many individual meters in order to have a more detailed analysis by store and by usage.

We are also gradually rolling out automatic instantaneous measurement systems for our water usage. At present, 33 shopping centers have been equipped with such systems, i.e. 37% of the holdings.

The use of water-saving materials, better management of green spaces with less water-hungry species or the recovery and reuse of rainwater are some options we have explored for our buildings.

Intensity of overall water usage of buildings in m³, m³/sq.m/year and l/visit on a like-for-like basis

Combined water use of common areas, shared equipment, and tenant areas combined total areas of buildings in sq.m or number of visits.
2015/2013 on a like-for-like basis (69% coverage): 99 shopping centers and 3,438,016 sq.m
EPRA: Water - LfL - Water-Int.

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
m³	2013	856,586	607,969	304,597	8,066	292,188	81,438	665,234	2,816,079	69%
	2014	807,134	558,798	311,651	11,092	275,004	88,893	654,044	2,706,616	
	2015	801,917	596,277	308,268	10,276	276,452	91,202	659,590	2,743,982	
	2015/14	**-1%**	**7%**	**-1%**	**-7%**	**1%**	**3%**	**1%**	**1%**	
	2015/13	**-6%**	**-2%**	**1%**	**27%**	**-5%**	**12%**	**-1%**	**-3%**	
m³/sq.m	2013	0.83	1.73	0.41	0.15	0.97	0.46	0.84	0.82	69%
	2014	0.79	1.59	0.42	0.20	0.91	0.51	0.83	0.79	
	2015	0.79	1.72	0.40	0.19	0.92	0.52	0.84	0.80	
	2015/14	**0%**	**8%**	**-3%**	**-7%**	**1%**	**3%**	**2%**	**1%**	
	2015/13	**-5%**	**0%**	**-1%**	**27%**	**-5%**	**12%**	**0%**	**-2%**	
l/visit	2013	3.8	7.8	3.8	9.5	6.1	3.7	5.5	4.9	68%
	2014	3.6	7.2	4.0	12.4	5.7	3.9	5.2	4.7	
	2015	3.6	7.6	3.9	11.2	5.8	4.1	5.1	4.7	
	2015/14	**0%**	**5%**	**-1%**	**-10%**	**1%**	**5%**	**-2%**	**1%**	
	2015/13	**-4%**	**-3%**	**5%**	**17%**	**-6%**	**12%**	**-6%**	**-3%**	

Monitoring the quality of wastewater

Lastly, close attention is paid to the quality of wastewater. The drainage systems are cleaned on a regular basis, and almost all of the parking lots managed by the Group are equipped with oil separators in order to treat run-off before it reaches the public networks. On-site infiltration of rainwater may also be encouraged, in compliance with the authorized levels, in order to limit soil sealing.

[1] Source: According to an internal review through the "Aqueduct" tool from the World Resources Institute: "Aqueduct" project by the World Resources Institute: Aqueduct's global water risk mapping, overall risk. http://www.wri.org/our-work/project/aqueduct/aqueduct-atlas, 2014.

5.2.1.5. Natural resources

Strict and limited use of material resources

The use of natural resources (apart from fossil fuels and water) is primarily concentrated in the building development phase.

The Group takes specific measures to limit their use. It works closely with leading real estate developers that have structured environmental approaches. The use of natural resources is managed and verified by means of well-established certifications, in particular the BREEAM certification with the Group targeting at least a Very Good rating for all new development projects.

This management consists for instance of:
— paying special attention to "green building site" policies implemented by the developers;
— implementing strict environmental impact monitoring during the construction phase;
—systematically considering the use of environmentally-friendly materials;
— examining the origin of raw materials used, in particular wood for which companies must prove that it is legally sourced. Klépierre favors certification under the PEFC™ or FSC® programs. On new projects, in line with the criteria set by BREEAM for the Management target and endorsed by Klépierre, traceability according to one of these two programs is assured for over 80% of the wood used.

At the Prado, which will open in Marseilles in 2017, Klépierre is going even further by drawing on the Cradle to Cradle® philosophy. It will thus become the first shopping center in France to apply this methodology, which aims to encourage the use of recyclable or reusable materials while considering their future processing from the outset.

During the building operation phase, the teams are made aware of the products and materials used. These criteria are used when selecting suppliers. 85% of cleaning suppliers in Europe are thus certified. A list of the least environmentally harmful products and materials is also appended to the cleaning framework agreement.

5.2.1.6. Certifications

The environmental certifications favored by Klépierre are benchmarks in the real estate sector. They attest to the effectiveness of the measures taken, both during the building development phase and operational phase.

Making the most of the complementarity of BREEAM and ISO 14001

The Group currently favors three standards: BREEAM New Construction, BREEAM In Use and ISO 14001 during operation.

These certifications give us a real complementary approach. Each standard has its own special features, making it possible to respond more closely to the needs expressed at Group level.
— The ISO 14001 standard allows us to really structure the environmental approach implemented at each asset. It drives the teams to become part of a continual improvement process, to monitor the progress made, and to implement action plans to achieve the stated goals.
— The BREEAM New Construction or In Use frameworks have the advantage of exhaustively mapping the environmental performances of a building (under development or in use).

77 centers in 13 countries, i.e. 64% of holdings (in value) certified

64% of our holdings (in value) are certified. This proportion has risen sharply since 2012 (by more than 40 percent). 77 shopping centers were certified at end-2015, in 13 Group countries (versus 42 in 6 countries last year). 54 centers are thus ISO 14001 certified, reflecting the strength of the environmental management system rolled out across the Group. 29 centers are also certified under BREEAM In Use, with ratings ranging from Very Good to Outstanding.

Very few real estate players can point to this sort of implementation on as wide a scale. We now want to consolidate this level while at the same time favorably renewing existing certifications.

Proportion of centers certified (in value)

	Group	Group coverage rate	
2013	35.6%	100%	**2015 goal 50%**
2014	50.8%	100%	
2015	**63.9%**	100%	

Number and proportion of centers certified by type of certification
EPRA: Cert-Tot.

	Group			Group coverage rate
	Number of centers	Rentable floor area certified (in sq.m.)	% in value	
ISO 14001	54	1,772,343	37%	100%
ISO 50001	1	50,171	2%	
BREEAM In Use	29	1,024,673	28%	
At least one operational certification	**69**	**2,319,055**	**57%**	
BREEAM New Construction [1]	**12**	**464,402**	**7%**	
At least one certification	**77**	**2,676,838**	**64%**	

[1] For the extensions of centers with a BREEAM New Construction certification, only the corresponding GLA and value have been taken into account for the calculation.

5.2.2. Irreproachable - Flawless conduct, a well mastered and well controlled environment

The security of our centers, retailers and the millions of visitors who trust us, our flawless conduct towards our stakeholders and the satisfaction of our customers are all critical issues for Klépierre.

2015 saw a heightened level of security, especially following the events and attacks in Paris. The teams were fully mobilized, enabling the shopping centers to continue welcoming the public against a background of increased security measures.

This responsiveness and security levels are the direct result of the steps taken over the past number of years to more closely analyze risks and better control them across all the countries in which we operate.

5.2.2.1. Risks & Safety

Implementing a veritable risk prevention and management policy is a top priority for Klépierre. This policy is therefore reviewed on an ongoing basis in order to guarantee its efficiency at all levels and in all the countries in which our Group operates. At the building level, risks are accordingly mapped, assessed and addressed with a clear emphasis on ensuring the safety of the millions of visitors and several tens of thousands of employees that frequent the Group's shopping centers every year.

The steps taken over the past number of years have made it possible to increase the human and organizational resources dedicated to risk management systems across Europe. This structuring work continued in 2015, with a growing desire to implement shared tools and uniform methods throughout our locations, including in the new countries and across the new teams that joined following the Corio merger.

To meet these challenges, the organizational structures are present at all levels. It includes the Audit Committee within the Supervisory Board, the Risks and Internal Control Committee (on which the Executive Board sits), the Internal Control division, and a network of coordinators across all Group functions and business lines.

A new Internal Control Charter, published in early 2016, formalizes this organization, which has proven to be effective, and lists all the tools and processes used in these controls.

Identification and evaluation of the risks in the shopping centers

Our teams in the centers prioritize both risk identification and analysis. They are identified using the risk matrix, which notably encompasses the following risks:

— risks threatening the safety of visitors and buildings, structural risks in particular;
— natural risks: extreme climate patterns (drought, snowfall, heat waves and cold spells, storms), earthquakes, sea flooding, river flooding, fire prevention, etc.;
— technological risks: proximity to specific installations;
— materials and chemical products: asbestos, lead, paints, cleaning products, etc.;
— soil and water pollution: wastewater quality, drainage systems, oil separators, etc.;
— health risks: legionella, bacterial and virus infections, etc.;
— noise and odor pollution.

To control them, the owners of clearly identified risks put in place appropriate controls documented in the procedures and specifications.

Control compliance is tested on an ongoing basis by the operational teams (center management, operational departments, country-specific departments) and periodically by the internal audit functions and the teams in charge of operational control at corporate level.

Internal management charts track these controls and an annual report is presented to the Executive Board and to the Supervisory Board.

A high level of security is also provided everyday by having dedicated teams and security guards permanently on site. The new parking facilities all incorporate better design in terms of traffic management and specific spaces for the disabled and for families and young children. Centers and cooling equipment in particular are also continuously monitored for legionella contaminations and bacterial and/or viral propagation.

Identifying incidents in the shopping centers means that proper risk control can be measured. These incidents are reported uniformly across Europe using common incident classification, thereby providing greater insight and understanding. There is a quarterly analysis of all incidents within the group, which is sent to the Executive Board and to all country-specific departments.

Finally, emergency control is tested as part of full-scale crisis management exercises. These tests, which measure team responsiveness, are run at least once or twice a year and may be done when customers are present or outside of opening hours depending on the country.

Identification and evaluation of the risks at corporate level

Klépierre Group risks are identified and evaluated on the basis of risk mapping, done jointly with the various Group functions and business lines.

This mapping is updated at least once a year and at the request of users (new risk, change in the evaluation of a risk, additional measures, etc.). This updating involves the following steps:
— identification of the activities of the operational departments and support functions;
— identification of the risks associated with each activity;
— evaluation of the gross risk (prior to controls and measures) on the basis of three impact criteria (image, financial and legal) and the frequency of occurrence of the risk;
— identification of controls and containment measures for the risks described by the operational teams and evaluation of these controls and measures in terms of effectiveness and completeness;
— evaluation of residual risks after taking account of controls and measures;
— preparation of action plans to be implemented, including the first and second level controls as well as the procedures.

48 risks organized into 10 families of risks have been identified at corporate level.

10 families of risks	
Security and safety of individuals and assets	Financing policy
Investments and valuation	Regulatory, legal and tax
Marketing and rental management	Governance, oversight and strategy
Asset development and real estate management	Communication, reputation and confidentiality
Purchasing of goods and services	Human and social

Update of the business continuity plans (BCP)

The business continuity plans are regularly updated.
A new Group business continuity charter was published in early 2016 in order to harmonize the frameworks across Europe and in particular in the new countries acquired as part of the Corio merger in 2015.

Finally, on the environmental front, the Group has not been involved in or responsible for any breach of regulations. It has not booked any provisions or guarantees for environmental risks over the past three years.

Number of breaches of environmental regulations and provisions and guarantees for environmental risks

	2015	2014	2013
Amount of significant fines (in euro)	0	0	0
Number of non-monetary sanctions	0	0	0
Provisions and guarantees for environmental risks (in euro)	0	0	0

5.2.2.2. Human rights & Ethics

Major focus on respecting fundamental rights

In 2015, following the merger with Corio, Klépierre added three new countries to its footprint, thereby operating in the most dynamic regions and major cities in Europe demographically and economically. In line with its ethical commitments, the same procedures are systematically applied in all places and to all Group employees.

Furthermore, strict national and European regulations and internal procedures ensure that human rights standards are respected. 100% of Klépierre employees work in countries that have ratified the eight fundamental conventions of the International Labour Organization (ILO) including the elimination of discrimination in the workplace, respect for freedom of association and the right to collective bargaining, the elimination of any form of forced or compulsory labor, and the abolition of child labor. As all our key suppliers and service providers operate in these same countries, this situation is thus extended to our supply chain.

A signatory to the United Nations Global Compact since 2012, Klépierre renewed this commitment in 2015 and for the second year running reviewed the human rights situation, in tandem with correspondents in the countries in which we operate. This assessment done on the basis of the analysis tool developed by the Global Compact, shows systematic respect for fundamental rights (in terms of occupational health and safety, working conditions, equal treatment, freedom of association and collective bargaining, non-discrimination, forced labor etc.), and should make it possible to reaffirm the measures to be taken in 2016.

The Code of Professional Conduct, the basis of our commitment

The Code of Professional Conduct demonstrates our commitment to ethics and human rights. The objective of this Code is to make our Group's commitments more understandable for our employees and stakeholders and thus ensure better compliance. The Code also applies to the new countries and teams that joined the Group in 2015. Training sessions were organized at its launch in most countries, in particular in France with particular emphasis on money laundering for close to one hundred employees. The Code is available online at the Klépierre website[1].

A comprehensive set of rules and control mechanisms to ensure compliance with Group rules and commitments

A set of internal procedures and best practices govern the activities in order to ensure respect for regulations and local customs and to prioritize the customers' interests. They supplement and clarify the principles set out in the Code. Thus they define the rules to be followed in order to limit and prevent risk situations related to the following issues:
— conflict of interests;
— confidentiality and observance of professional secrecy;
— financial communication and media;
— privileged information and insider trading;
— fight against money-laundering and the financing of terrorism;
— adherence to rules governing corruption;
— no political funding;
— delegations of authority and signing authority;
— gifts and invitations, received by employees and offered to third parties;
— protection and utilization of company assets;

[1] http://www.klepierre.com/qui-sommes-nous/gouvernance/gouvernement-dentreprise

— adherence to procedures applicable to invitations to tender;
— whistleblowing;
— health, hygiene and safety;
— prevention of acts of discrimination and harassment, respect for privacy;
— environmental responsibility.

Respect for these principles was analyzed in 2015 by means of a compliance questionnaire sent to each subsidiary to ensure that these principles are being applied and respected in all the countries in which we operate.

A whistleblowing system throughout Europe

A whistleblowing system is also in place throughout Europe and consists of an outside hotline available to all employees.
This system is available 24 hours a day by phone, e-mail or via a dedicated website. Anonymity is allowed when this is permitted by local regulations. All employees are made aware of this system.

No breach or violation of the ethical rules has been reported to date through this system. The Group has nevertheless seen an increase in attempted external fraud. As a result the Group has increased vigilance regarding such attempts. There is in particular increased cooperation with our tenants on such matters and a "fraud awareness" training module for employees is being prepared.

5.2.2.3. Procurement

The Group's relationships with its service providers and suppliers are governed by the same concern for probity and integrity. Klépierre endeavors to extend its principles of responsibility to its value chain, since it plays a key role in safety issues and in the quality of the shopping experience offered to our customers, both retailers and visitors.

A Procurement Department to fit the purchasing process in our shopping centers

In order to ensure proper management of the operational risks linked to procurement and to optimize our performance in this area, a dedicated Department was created in the 1st half of 2014. With a six-strong team, and in cooperation with external providers, its primary responsibilities, in order of importance, are to:
— optimize the procurement processes;
— secure, evaluate and monitor a specific pool of so-called "approved" suppliers;
— improve the operational margin.

It pays close attention to the responsible and sustainable nature of our procurement. Its fields of action involve the current operating expenses of shopping centers (OPEX), non-current expenses (CAPEX), as well as marketing budgets and overheads.

It is governed by two fundamental principles designed to drive performance: impartiality for objective, fair, ethical and transparent processes, and broad vision.

Operating expenses experience a high level of scrutiny

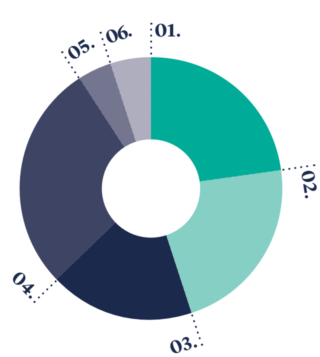
In 2015, Klépierre purchased services and supplies totaling circa €340 million[1] for the operational management of its shopping centers owned and managed in Europe. These OPEX expenses are especially scrutinized. They are overwhelmingly passed to tenants in rental charges. This is an important responsibility in our dealings with our retailers, and pushes us to continually increase the transparency and effectiveness of our budget management.

We are continually looking to achieve savings. For example, in France in 2015/2016 the following are worth noting:
— the roll-out of the new gas supply contract for the shopping centers;
— the signing of a new electricity supply contract;
— the establishment of a framework agreement governing center cleaning with particular focus on automating work in order to facilitate the day-to-day activities of the cleaners;
— the launch of a national call for tenders regarding the safety of our centers.

The risks related to operating expenses lie in the atomization of the purchasing process (order or supply) at each shopping center and in the identification of the suppliers providing services that can impact the business continuity of the center. These risks are addressed in particular through more stringent selection and approval of service providers and the signing of framework agreements and continuous on-site monitoring.

Local service providers with a daily presence in our centers
On average in Europe, 95% of our operating budgets (OPEX) consist of five major categories of services[2] utilities (water and energy), waste, cleaning, maintenance and security. This characteristic is fundamental to understanding the impacts and challenges of our procurement policy.
A majority of suppliers and service providers involved in cleaning, security and maintenance have their teams in our shopping centers on a daily basis. These services account for more than 63% of our operating budgets in Europe. This makes the monitoring and control mechanisms easier. If we add in the budgets for energy and water, markets that are strictly regulated in Europe, we can conclude that the major procurement categories are highly controlled.

Breakdown of operating budgets of shopping centers and identification of the main services provided



01. Safety and Security **23%**
02. Facility management **22%**
03. Cleaning **18%**
04. Energy and water **28%**
05. Waste **4%**
06. Others **5%**

(1) Excluding marketing budgets, local taxes and property duties. Figures as of 12/31/2015.
(2) Based on the average of the 2013 operating budgets of nine Group shopping centers in nine countries. Excluding marketing budgets, local taxes and property duties.

Our supply chain is thus mainly comprised of service providers that are present day-to-day and this is a distinctive feature and an advantage of its business sector. 100% of our key suppliers are thus present in the countries in which we operate and all have signed the eight fundamental conventions.

The teams on site are in charge of controlling and auditing the quality of the services provided. The procedures implemented at Group level are used to standardize these controls based on economic, environmental and social criteria.

Proportion of key service providers controlled and/or audited by on-site teams in 2015, by type of service

	Total	Cleaning	Security	Maintenance
Group	**97%**	99%	96%	95%

Same diligence with regard to non-recurring expenses (CAPEX)

Klépierre has developed the ClubStore® concept in order to re-examine and map the customer journey and create an exclusive commercial environment. In 2015, the Procurement Department launched a call for tenders to identify the best providers matching the concept across Europe from a number of angles: rest area (furniture, lighting, etc.), stickers, guest clubs – welcome, directories, bathroom facilities, playwords - children's corner or signs.

The chosen solutions meet the Group's requirements in the following areas:
— **control:** products that fully comply with regulations and standards governing ERPs;
— **warranty:** products carry a two-year warranty for parts, labor and call-out;
— **security:** providers “analyzed” in terms of their financial health (undeclared work) and their level of dependence;
— **negotiation:** prices encompassing all services: fees, intellectual property, licenses, equipment, etc.
— **sustainable development:** providers are included in the external assessment platform;
— **maintenance:** the whole life cost aspect is considered with warranty extension and maintenance.

Marketing expenditure complementing the activities of the retailers

The procurement team positions itself as a veritable business partner of the centers.

Backed by the marketing teams and in close cooperation with the operating teams, it thus coordinated the Jours XXL campaign at end-November 2015. A real success, the campaign generated 12% in additional revenues (national average) for retailers in participating centers.

At end-2015, it also began a complete reassessment of advertising networks in Europe, with a view to rolling out new solutions from 2016.

Selection and approval of service providers

The approval of suppliers and providers (sourcing, assessment and contracting) is standardized. The economic partners are selected through an objective and fair tender process. The contracts signed are not automatically renewed. The selection of accredited providers incorporates increasingly more stringent sustainable development criteria. These criteria have different weightings depending on the kind of service provided.

Accreditation of providers has been strengthened in the main countries concerned and is gradually being centralized. Using fewer providers makes it easier to carry out on-site controls.

A special effort was in particular made in 2014 with regard to Christmas decorations. The selection of three providers in France, Spain and Portugal offers multiple economic (-12% in costs), environmental (more than one million LED bulbs) and security (easier control of installations) advantages.

Responsible practices

In order to help buyers in their day-to-day work, market leading tools were put in place to monitor and anticipate external partners.

The Group's social and environmental commitments were progressively incorporated into the contracts signed with our suppliers and service providers and in particular include the following items:
— economics: financial position, proportion of revenue done with the Group (< 25%), business ethics, etc.;
— environment: use of environmentally-sound products and materials, energy efficiency, waste management, establishment of innovative processes, etc.;
— social: measures against undeclared work, forced or child labor, working time and conditions, etc.

Service providers holding a certification are preferred. We believe that this ensures the implementation of more responsible practices. Across Europe, 82% of our key providers and suppliers have at least one certification, primarily ISO 9001 or 14001. The 80% target has thus been achieved since 2014. We now want to at least keep this level of certification.

Proportion of key service providers certified[1], by type of service

	Total	Cleaning	Security	Maintenance
2013	**76%**	81%	67%	82%
2014	**83%**	90%	77%	83%
2015	**82%**	85%	78%	84%

Managed payment mechanisms

The internal departments that select and approve suppliers and the departments that process payment are completely independent from each other. This strict task allocation was reinforced with the implementation of a new ERP tool. This tool, in place since 2008, is operational across all regions.

5.2.2.4. Customers and tenants

We have two types of customers at our shopping centers: retailers, Klépierre’s direct customers, and the visitors who come to our shopping centers, our retailers’ customers.
Examples of our dealings with them can be found in the various Group communications materials (Annual Report, website, etc.).

Moving forward together with our tenants to improve the environmental and societal performance of our centers

In terms of environmental and societal issues, the steps taken by the Group are broadly shared with them.
Thus, in the energy sphere for example, in order to understand the energy requirements of a shopping center as a whole it is necessary to understand

[1] The main certifications are ISO 9001 (quality), ISO 14001 (environment) and ISO 18001 (occupational health and safety).

the interaction between usage in common areas and private areas (in terms of thermal exchange, heating and climate control requirements in particular. We have access to full energy usage data for our tenants in 41 shopping centers (see Energy chapter for further details).

Likewise, most of the waste generated in the shopping centers stems from the activities of the retailers operating there and we monitor this data across all our holdings.

This contact is increasing every year. It is built around communication and heightened awareness, as part of a win-win approach. Reducing energy usage in the common areas of shopping centers and improving waste sorting have, for example, a definite impact on the charges invoiced to our tenants.

Formal communications channels have been established with their retailers in over 90% of holdings (in value). Environmental and societal matters can thus be dealt with through special meetings (at 55% of holdings) or dedicated communications, such as at Gulskogen in Norway and Villa Arena in the Netherlands where energy profiles are reviewed and commented upon and sent out to all tenants. Waste-related measures involve improved communication on available sorting solutions and the circuit from the units occupied by the retailers to the various collection points. Specialized equipment may also be provided in order to ensure that everyone contributes to the recycling and recovery targets.

Measuring visitor satisfaction

Klépierre would like to offer each customer a shopping center experience that is suited to his or her needs. Convenience, accessibility, retail mix, friendliness and safety are key concepts in meeting the expectations of a public whose expectations are constantly evolving.

Customer satisfaction is a key factor in measuring the attractiveness of a shopping center and customer satisfaction surveys are thus indispensable tools for ensuring that the appropriate measures have been taken to meet the expectations of our visitors.

At least one satisfaction survey has been carried out at 81% of shopping centers (in value) over the past two years. Close to 39,000 customers were thus surveyed across Europe in 2015.

Visitor satisfaction surveys: proportion of shopping centers and number of customers

	France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
Proportion in value of centers which have carried out a satisfaction survey during 2014/2015									
2014/2015	**76%**	**76%**	**82%**	**97%**	**100%**	**100%**	**81%**	**81%**	100%
Number of customers surveyed									
2013	24,966	500	6,616	N/A	4,694	N/A	3,182	39,958	100%
2014	25,298	3,500	6,480	N/A	5,615	N/A	800	41,693	100%
2015	**9,960**	**3,865**	**7,902**	**1,866**	**11,590**	**0**	**3,200**	**38,950**	100%

5.2.3. Innovative – Ongoing search for best practices

5.2.3.1. Transportation

The proximity and accessibility to modes of transportation at shopping centers are an integral part of Klépierre's strategy.

Location, urban density and transportation offerings are key criteria in selecting an investment. And we are also taking steps to increase and diversify the transportation solutions at existing centers.

Increasing the modes of transportation at our centers

41% of our visitors come to our centers on foot or by public transportation. This figure has risen 3% since 2013 on a current scope basis. The proportion of visitors using public transportation has risen 4%, reflecting the strategic repositioning undertaken over the past number of years towards more central and better connected assets and the ongoing efforts regarding transportation options.

Breakdown of visits by transportation method on a current scope basis

Sum of visits to each shopping center multiplied by the share enjoyed by each mode of transportation

EPRA: 6.4.

		France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
Motorized	2013	67%	86%	60%	N/A	70%	N/A	35%	62%	82%
	2014	59%	87%	61%	N/A	69%	N/A	35%	59%	93%
	2015	**57%**	**91%**	**53%**	**21%**	**64%**	**35%**	**40%**	**59%**	92%
Public transportation	2013	16%	7%	21%	N/A	10%	N/A	44%	20%	82%
	2014	20%	6%	21%	N/A	11%	N/A	45%	22%	93%
	2015	**21%**	**6%**	**26%**	**48%**	**20%**	**47%**	**42%**	**24%**	92%
Green transportation	2013	18%	7%	19%	N/A	21%	N/A	21%	18%	82%
	2014	21%	7%	18%	N/A	20%	N/A	20%	19%	93%
	2015	**22%**	**4%**	**21%**	**32%**	**16%**	**18%**	**18%**	**17%**	92%

This desire to increase and diversify the transportation solutions available at its centers can be seen in the initial design stages, with very early contact with the public authorities, and continues throughout the operation of the building.

96% of our centers in value are accessible by public transportation, with at least one stop located less than 500 meters from an entrance, with services at least every 20 minutes. All the sites developed, extended or renovated since 2012 are accessible by public transportation.

Other modes of transportation, namely green or alternative are also amongst the solutions considered. High-value added specialized facilities are put in place whenever our analysis of the catchment area reveals such demand.

94% of our centers in value are bike-friendly, and in particular all the Scandinavian, German and Dutch centers. In Utrecht, in the Netherlands, the world's largest indoor bike park with over 12,500 spaces will be built in tandem with the renovation of the Hoog Catharijne center.

Similarly, charging stations for electric bikes and/or service areas for cyclists have become more common in Scandinavia.

Electric cars are also a major area of interest. 48% of our car parks are adapted for and can charge such vehicles, versus 28% in 2012. This number reflects highly varied maturity levels across countries. In Scandinavia and the Netherlands, where electric car usage has exploded, 98% of the centers are equipped. In the other regions, we are anticipating demand while monitoring the market at a strategic level together with the main players, and play a leading role in the national charging station network at our largest assets. Several of our centers can also be accessed via electric car sharing schemes, such as Autolib ' in the Greater Paris area.

Finally, to facilitate the arrival of visitors in vehicles and to enable traffic to move more freely in our centers, parking lots are increasingly being equipped with guidance systems. Close to 56,000 spaces in Europe had such systems at end-2015.

Public transportation and alternative solutions

	France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
Proportion in value of centers accessible by public transportation									
2013	93%	93%	100%	N/A	100%	N/A	100%	95%	100%
2014	97%	96%	100%	N/A	100%	N/A	100%	98%	100%
2015	**97%**	**86%**	**100%**	**100%**	**95%**	**100%**	**100%**	**96%**	100%
Proportion in value of centers with spaces for cyclists									
2013	88%	98%	100%	N/A	81%	N/A	90%	92%	100%
2014	93%	98%	100%	N/A	79%	N/A	96%	95%	100%
2015	**93%**	**88%**	**100%**	**100%**	**88%**	**100%**	**97%**	**94%**	100%
Proportion in value of centers equipped with charging terminals for electric vehicles									
2013	20%	17%	75%	N/A	17%	N/A	38%	34%	100%
2014	24%	41%	85%	N/A	9%	N/A	40%	43%	100%
2015	**33%**	**24%**	**99%**	**97%**	**53%**	**25%**	**32%**	**48%**	100%

5.2.3.2. Local development

Shopping centers are an integral part of urban planning and fully contribute to the growth of their local areas. With over several million visitors per annum, shopping centers underpin the urban fabric and create new focal points. The economic and local impact can be directly felt daily at our centers. The Group aims to advance them in order to reaffirm its role as a major player in city life.

Significant local economic impact

— Klépierre's shopping centers generate close to 80,000 jobs[(1)], mostly at the retailers which operate in its centers or at the service providers retained by the Group. The development of our shopping centers thus provides major job creation opportunities.
— The operating budgets of our shopping centers total around €340 million[(2)]. These funds are mostly redistributed locally to service providers at our centers responsible for cleaning, security and maintenance.
— The Group also paid €71.3 million in local taxes in 2015 across all our sites in Europe, including €32.5 million in France.

A leading role locally in terms of job creation

The Klépierre centers play a major role in terms of job creation throughout their life.

During the development of new assets, the teams foster close relations with recruitment agencies to promote local recruitment. Retailers locating in the center are encouraged to hire employees locally through a number of programs developed with public authorities and/or local associations.

These relationships continue throughout the life of the center and may take different forms. Jobs fairs were, for example, held in 77 centers in 2015. Consideration is also given to the use of outsourcing and service providers. Most of the jobs created as a result of the purchase of services at our shopping centers are created locally (see Procurement chapter).

(1) Number of jobs estimated by extrapolating the employment intensity per sq.m. by type of store. Source: Panorama Trade Dimension: Le Guide 2014 De La Distribution, September 2013.
(2) Excluding marketing budgets, local and real estate taxes. Figures as of 12/31/2015.

5.2.3.3. Biodiversity & Health Quality

Respecting local biodiversity and the health quality we are obliged to provide at our centers both require greater consideration of the natural environment and our desire to limit our environmental impact. These concerns are incorporated into our development projects and are also monitored throughout the life of our centers.

Biodiversity studied as part of all new projects

Ecologists are routinely involved in development projects for new assets or extensions of existing buildings. The ecologists' reports gives us a greater understanding of the surrounding natural environment and allows us to better identify and preserve local flora and fauna. Their advice guides the architects and developers to help them take into account existing ecosystems and select the most appropriate plant species.

Taking these aspects into account forms part of the BREEAM New Construction certification, especially the credits granted towards the "Land Use and Ecology" target.

Green roofs are amongst the preferred options. Emporia in Malmö has a publicly accessible green roof covering over 27,000 sq.m. When renovating the Alexandrium roof in Rotterdam, over 22,000 sq.m. of sedums were planted. Finally, the Prado project in Marseilles will have a green roof under a glass canopy covering 4,200 sq.m. Native species are preferred on these surfaces, and the use of invasive species is prohibited.

Initiatives to encourage biodiversity at a majority of centers

Our impact on biodiversity is systematically considered for new projects. It is also incorporated for existing shopping centers.

In 2013, Klépierre retained a specialized firm to carry out testing across 45 shopping centers, which in 2015 represented almost half of the holdings in value with a view to assessing the proximity and sensitivity to their natural environments (proximity to a natural or semi-natural area, a regulated and/or sensitive area, wetlands, ecological connectivity, presence of sensitive species or habitat, etc.).

This testing identified the centers with heightened sensitivity. Close attention was paid to these centers. Group-wide, 80 centers, representing over 2/3 of holdings in value, took concrete initiatives to encourage biodiversity.

These can take several forms:
— partnership with a school and/or an association to promote and raise awareness about biodiversity: at 35 shopping centers;
— installation of shelters for local wildlife: at 17 shopping centers;
— sensitive management of green spaces: 35 shopping centers promote local plant species that require less water and use more environmentally-friendly plant protection products.

Initiatives to promote biodiversity in 2015 (proportion of centers in value)

	Number of centers	% in value	Group coverage rate
Environmental-friendly management of green spaces	35	45%	100%
Partnership with an association and/or a school	35	32%	
Biodiversity action plan	16	20%	
Wildlife shelters	17	25%	
Other actions	21	19%	
At least one action	**80**	**70%**	

A healthy environment for everyone

Several hundred million visitors come to our shopping centers every year. They are also places in which tens of thousands of people work every day.

We want to ensure a safe and healthy environment for everyone. The health quality of these premises must thus be beyond reproach. We identified three major components in this respect:
— health quality: 85% of the providers responsible for cleaning have been certified, most of them under ISO 14001, and their specifications include products favored for improved health quality. The monitoring and maintenance of ventilation ducts are also highly regulated in Europe;
— the quality of the materials, coverings, facades, furniture: the Group strives to use healthy materials with low emissions of volatile organic compounds, and with low content of harmful substances. Asbestos and the monitoring of technical facilities are also naturally covered by our risk management policy;
— air and water quality: The Group ensures that air inlets are free of major sources of pollution, and that a satisfactory amount of fresh air constantly comes into the centers. The risk of Legionnaires' disease is controlled via regular tests on the technical equipment.

5.2.3.4. Philanthropy

As places for shopping, meeting and leisure, shopping centers are veritable public spaces. They are thus naturally open to partners active in local life, which may thus benefit from the high number of visitors at our centers The Group's centers host a wide range of events organized and supported by social organizations all over Europe.

Welcoming partners committed to local public life

96% of centers have thus hosted one or more of these philanthropy initiatives. Close to €1.5 million was allocated for such contributions in 2015.

Proportion in value of centers having led at least one philanthropy partnership

	France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
2013	88%	100%	96%	N/A	100%	N/A	88%	92%	100%
2014	87%	98%	94%	N/A	100%	N/A	100%	92%	
2015	**98%**	**100%**	**82%**	**96%**	**100%**	**100%**	**100%**	**96%**	

Amounts allocated to philanthropy initiatives by type of contribution in 2015

	France-Belgium	Italy	Scandinavia	Netherlands	Iberia	Germany	CEE and Turkey	Group	Group coverage rate
Monetary gifts	141,210	226,192	158,367	5,000	28,710	89,600	16,450	665,529	100%
Contribution of employee time	93,465	85,652	42,544	18,720	25,561	12,852	8,157	286,951	
Gifts of products, supplies, use of company premises, etc.	55,060	355,884	89,095	0	11,562	0	7,970	519,571	
Total	**289,735**	**667,728**	**290,006**	**23,720**	**65,833**	**102,452**	**32,577**	**1,472,051**	

5.2.4. Employees – The key to our development

5.2.4.1. Organizational restructuring

Incorporating multiculturalism and sharing best practices

2015 saw the merger of Klépierre and Corio, its Dutch competitor, to create the "pure play" leader in shopping centers in Europe.

This merger, which was effective in March 2015, increased Klépierre's footprint in continental Europe, with a presence in 16 countries, including 14 via a direct presence coordinated by Klépierre's teams. This new Group has a portfolio of shopping centers, most of which are leaders in their catchment area, teams with in-depth industry expertise and multiculturalism in terms of geographic and corporate origin. The incorporation of women and men from different cultures thus represented a true human challenge led by the HR Department together with the local teams, both in the new countries and in those in which the Group already operated in parallel with Corio.

Workforce trends

Breakdown of workforce by type of employment contract

	2015		2014	
Open-ended contract	**1,345**	**97%**	1,547	95%
Fixed-term contract	**44**	**3%**	84	5%
Total	**1,389**		**1,631**	

Distribution of total workforce by region

	2015	2014
France-Belgium	**37%**	35%
Italy	**14%**	13%
Scandinavia	**14%**	17%
Netherlands	**5%**	7%
Iberia	**9%**	9%
Germany	**5%**	4%
CEE and Turkey	**16%**	15%
Group	**100%**	**100%**

Breakdown of workforce by work duration

	2015		2014	
Full time	**1,292**	**93%**	1,494	92%
Part time	**97**	**7%**	137	8%
Total	**1,389**		**1,631**	

Ongoing integration process following the merger

This process involved a series of phases in 2015: merger of holding companies in March 2015 followed by the merger of local management companies (or rebranding as Klépierre), definition of the target organization, selection of managers, merging of teams and harmonization of systems and working methods.

In the first months of integration, Management shared its vision for the new Group at a groundbreaking event in Paris, which brought together the 150 top European managers. In workshops, participants from each business line discussed the challenges posed by the integration process, the most ambitious development projects and shared the best practices from the respective entities.

Locally, Group Management and the HR Department held meetings with in-country employees to discuss the major challenges facing the new Group and the corporate project.

The merger progressed with the gradual relocation of the country teams to shared offices, in June 2015 in France and at end-2015 in Italy and Spain. Special communications material was also prepared on this integration process, with the publication of a series of newsletters entitled "Moving Forward Together" for all Group employees.

The organization of a series of seminars and Europe-wide business line meetings also helped significantly further integration (European Marketing seminar in April 2015, which brought together the marketing and country-specific departments in Paris, Moving Fast seminar for Spanish and Portuguese employees as well as the "Better&Faster" seminar, which was attended by close to 200 employees from the France operational teams in June 2015).

Sharing a common language and indicators

The harmonization of systems and working methods was a major milestone in 2015. Thus, this process resulted in the roll-out to all new countries of Group HR system's professional appraisal module designed to manage talent, in close collaboration with HR managers and local management. In September, all country HR managers were invited to head office for a training on this system. The HR Department then attended the meeting of top managers in the countries to train them up on Klépierre processes. They were subsequently able to give training sessions internally for local managers. Since March 2015, all HR managers who recently joined the Group as part of the merger, also received training on the HR kernel of the Klépierre IT System.

Responsible management of reorganizations

Turnover rate by region

	2015	2014
France-Belgium	**10.7%**	10.0%
Italy	**3.8%**	6.2%
Scandinavia	**13.6%**	13.7%
Netherlands	**21.0%**	16.0%
Iberia	**15.8%**	23.6%
Germany	**30.5%**	17.1%
CEE and Turkey	**13.6%**	13.5%
Group	**12.6%**	**12.3%**

Note : the turnover rate is calculated as follows: ((total number of new hires on open-ended contracts + total number of departures of employees on open-ended contracts excluding retirement and transfers) / 2) divided by the workforce - open-ended contract - as of 31/12 N-1.

Breakdown of departures by reason

	2015	2014
Resignations	**133**	112
Lay-offs	**59**	65
Negotiated departures	**53**	78
Retirement	**13**	9
End of fixed-term contracts	**50**	60
Other reasons	**119**	79
Group	**427**	**403**

Note : departures for "other reasons" include contract transfers, end of expatriation and end of trial periods.

As part of the merger, a target organization was defined and a certain number of departures were unavoidable. They were thus subject to compensatory measures tailored to particular circumstances, including financial compensation over and above the legal minimums and individual support (coaching, outplacement, training, temporary continuation of health cover, etc.).

Of the 377 employees on open-ended contracts who left (all grounds included), 110 consisted of employee transfers (outsourcing, transfer, etc.), enabling them to keep their jobs.

5.2.4.2. Working conditions

Ongoing social dialog, in tandem with the organizational restructuring

The integration plan was communicated to employee representatives from the outset of the project, notably through direct communication from the Executive Board and the Group HR Department. Managers and team members also received full regular updates on how the integration was proceeding. The quality of these exchanges helped make the organizational changes more fluid and maintain a positive social climate.

Meetings were thus arranged with employee representatives on these reorganizations (9 meetings in the Netherlands, 15 meetings of the Works Council in France), ongoing dialog in Italy. Employees were kept informed through group meetings in the subsidiaries (Netherlands, Italy), or private meetings with the new Corio team members, their managers and HR managers in France.
In Sweden and Norway too, countries affected by organizational changes, there were an ongoing dialog with staff representative and regular information through meetings with employees.

Proportion of employees covered by a collective bargaining agreement

	2015	2014
Group	**67.2%**	65.1%

In practice, in France, social dialog gave rise to the negotiation of four collective bargaining agreements in 2015:
— amendment to the agreement on the reorganization and reduction of working time;
— agreement on the harmonization of Klépierre Management/ Corio France collective statuses following the 1st July 2015 merger;
— amendment to the collective bargaining agreement on the establishment of an employee savings plan (PEE);
— and approval of the new Company Policies and Procedures.

At the same time, other agreements remain in place:
— 2009 company-wide agreement establishing the framework for labor relations (contract, working time organization, compensation, etc.);
— agreement on working time reduction;
— agreement on Sunday work and the implementation of special measures for disabled workers;
— employee incentive plan;
— profit-sharing agreement;
— collective bargaining agreement on the employee health cost plan that is monitored annually with employee representatives;
— collective bargaining agreement on the benefit scheme (incapacity, disability and death benefits);
— collective bargaining agreement on the generation contract;
— agreement on the forward planning of jobs and skills;
— collective bargaining agreement on the establishment of an employee savings plan (PEE);
— collective bargaining agreement on the establishment of a group pension savings plan (PERCO).

Finally, the Company-wide agreement on gender equality is being re-negotiated.

All employees in France can access these agreements from a dedicated page on the HR intranet.

Focus on Occupational Health and Safety

As a responsible employer, Klépierre watches over the quality of the workplace environment and the well-being of its teams, at head office and in the shopping centers. The countries have established dedicated committees or involved the employee representative bodies. 64.9% of employees are thus represented by joint occupational health and safety committees. In France, the Health, Safety and Working Conditions Committee met for example 12 times in 2015. In Scandinavia, a Committee responsible for the workplace environment comprising elected representatives of the employees in each country (Sweden, Norway, Denmark) was established in 2015.

Quarterly, Group Management monitors trends in key indicators (absenteeism, turnover, workforce, workplace accidents, etc.), and, in most countries, absenteeism is monitored monthly by the HR departments and reported quarterly to managers. In addition, internal or external audits of working conditions are carried out regularly in most countries, making it possible to assess the risks and where necessary take corrective measures.

Rate and types of workplace accidents, occupational illnesses, proportion of working days lost and total number of workplace deaths

	2015	2014
Total number of workplace accidents	**10**	**16**
Workplace accidents resulting in time off work	**4**	7
Workplace accidents resulting in death	**0**	0
Days off work due to workplace accidents	**99**	**386**
Frequency rate of workplace accidents	**1.42**	2.61
Severity rate of workplace accidents	**0.04**	0.14
Occupational illnesses reported	**0**	**0**

Note: for workplace accidents, accidents on the way to/from work are excluded.
The frequency rate of workplace accidents is the number of workplace accidents resulting in time off work per million hours worked. The following formula is used: (number of accidents resulting in time off work x 1,000,000)/(235 x 7.8 hours x annual average workforce). The severity rate of workplace accidents is the number of days lost through time off work due to workplace accidents per thousand hours worked. The following formula is used: (number of days off work following a workplace accident x 1,000)/(235 x 7.8 hours x annual average workforce).

Like the previous year, there was no accident resulting in death in 2015. The number of workplace accidents has declined as have the frequency rate and severity rate of workplace accidents, reflecting the measures taken with regard to occupational health and safety.

Absenteeism limited and stable over time

	2015	2014
Group	**2.5%**	2.4%

Rate of absenteeism by region

	2015	2014
France-Belgium	2.4%	2.4%
Italy	2.4%	1.3%
Scandinavia	3.0%	2.0%
Netherlands	5.1%	7.8%
Iberia	1.2%	0.3%
Germany	2.2%	3.4%
CEE and Turkey	1.7%	1.9%
Group	**2.5%**	**2.4%**

Note: the absenteeism rate is calculated as follows: total number of days off work due to illness and workplace accidents, divided by the average monthly workforce, in turn multiplied by 365. Long-term illnesses similar to a suspension of the employment contract are excluded.

Short-term absenteeism (< 7 days)

2015	Short-term absenteeism rate	Average no. days lost/employee	2014	Short-term absenteeism rate	Average no. days lost/employee
France-Belgium	0.3%	1.3	France-Belgium	0.4%	1.5
Italy	0.7%	2.8	Italy	0.6%	2.1
Scandinavia	0.4%	0.2	Scandinavia	0.6%	1.9
Netherlands	0.7%	2.5	Netherlands	0.9%	3.0
Iberia	0.1%	0.03	Iberia	0.01%	0.04
Germany	0.6%	2.5	Germany	1.4%	5.2
CEE and Turkey	0.8%	0.5	CEE and Turkey	0.6%	1.9
Group	**0.5%**	**1.9**	**Group**	**0.5%**	**2.0**

In place since 2014, the indicator monitoring short-term absenteeism (sick leave of less than seven days) represents a further tool with which to measure the social climate. This rate remained unchanged in 2015.

Providing opportunities for feedback and assessing the individual commitment of employees

As the individual commitment of each employee is critical to the Group's overall performance, Klépierre has acquired a further tool for managing the motivation of its teams, namely the internal "You&Klépierre" survey launched in January 2016. All Group employees are thus asked for their views on management, the monitoring of performance, career opportunities, customer focus, autonomy and also the Klépierre brand.

Undertaken by the Executive Board, this Group project was monitored by a dedicated working group representative of all the countries in which the Group operates. The report drawn up on the basis of this internal survey will be presented to the Executive Board as well as to country managers and will make it possible to identify areas for improvement in order to nurture and enhance employee motivation.

Compensation

Average gross annual wages by region

	2015	2014
France-Belgium	**€55,831**	€53,758
Italy	**€42,919**	€41,329
Scandinavia	**€78,409**	€71,978
Netherlands	**€61,111**	€70,232
Iberia	**€42,437**	€43,585
Germany	**€54,176**	€58,058
CEE and Turkey	**€25,524**	€25,282

5.2.4.3. Talents

Incorporate the multiculturalism of the new Group's teams

The company's intellectual and human capital was always viewed as an asset in itself, which brings real added value and ensures individual and collective performance. Following the merger, the teams were merged with a twin goal: to incorporate the multicultural aspect and to promote existing best practices on both sides of the organizations.

Becoming an employer of choice on the market

Klépierre chose a nimble, lean and effective human organization. The Group thus promotes the regular refreshing of the teams through internal mobility (geographic or functional), with a view to selecting, retaining and developing top talent through ambitious career development.

Number of new hires

	2015	2014
Group	185	224

Breakdown of new hires (all contract types) by region

	2015	2014
France-Belgium	61	69
Italy	4	18
Scandinavia	36	35
Netherlands	12	15
Iberia	18	18
Germany	19	13
CEE and Turkey	35	56
Group	**185**	**224**

The Group continues to favor permanent employment. 76% of the new hires in 2015 were thus offered open-ended contracts, including 18% transferred from short-term contracts (fixed-term, temporary or external).

Klépierre's attractiveness is enhanced by its change process and its goal of achieving operational excellence. This means it can offer ambitious career development opportunities to talented people. This is enhanced by the higher profile resulting from the Group's larger size and its greater exposure on the financial markets. For instance, in the French entity in 2015, 32.5% of the employees hired graduated from leading academic programs, including 20% from top ranking universities.

The on-line recruitment system that allows for targeted distribution of job offers, optimal management of applications and the development of a talent pool will be rolled out across the whole Group in 2016. For example, in the French entity in 2015, almost 4,000 applications were received compared with approximately 2,000 in 2014.

Acknowledging and optimizing individual performance as part of continuing professional development

Professional appraisal remains a key component of Klépierre's human resource development policy, which takes the form of an annual interview between the employee and his/her manager. This interview represents a key moment in the employee-manager relationship and provides an opportunity to look back on the top achievements over the past year, identify priorities, professional development targets and training needs. The skills and performance evaluation system helps to identify top talent and situations requiring special monitoring.

To make this process more effective, the on-line evaluation system implemented group-wide in 2014, was rolled out to the scope ex Corio in 2015. It makes it easier for the HR teams to utilize the results, in particular through the monitoring of functional and geographic mobility wishes at Group level. Managers are also asked to evaluate the effectiveness of training completed by the employee during that year.

Identifying high -potential employees who will be tomorrow's managers

Following the pilot project to identify high-potential employees in France in 2014, the carrying out of a group-wide “Talent Review” was postponed until 2016 in order to focus on the integration of Corio employees.

This initiative covers all employees selected on the basis of three eligibility criteria: performance level, number of years of experience and length of service in the position. The Human Resources Department will then meet the managers to identify which of the eligible employees have the ability to rise the highest on the basis of objective selection criteria. The high-potential employees identified will enjoy additional monitoring and dedicated development activities.

Encouraging the passing on of know-how and spreading a common culture at European level

In line with our goal of achieving operational excellence, training remains a priority, and all the more so given the ongoing integration process, in order to help the business lines with change.

Rate of access to training

	2015	2014 * Klépierre scope only
Group	71%	72%

Access to training by gender

	2015			2014 * Klépierre scope only		
	Male	**Female**	**Total**	Male	Female	Total
Total number of training hours	**11,043**	**12,439**	**23,482**	**8,405**	**12,588**	**20,993**
Average hours of training per trained employee	**26**	**22**	**24**	24	26	25
Average hours of training per employee	**18**	**15**	**17**	16	18	17
Rate of access to training	**70%**	**71%**	**71%**	**70%**	**73%**	**72%**

Average number of training hours per trained employee by management level

	2015	2014 * Klépierre scope only
Executive management	**12**	13
Top management	**29**	19
Middle management	**33**	26
First line management	**28**	27
Non management	**20**	25
Average	**24**	**25**

Klépierre University, enhancing collective effectiveness and the Group's operational strategy

The Group adopts a determined approach with regard to employee training and development via Klépierre University, its in-house training school, which has an international focus and is open to all employees

The Group's school plays a key role in developing the corporate culture by fostering an innovative training policy built around business needs. In 2015, 24 new modules were thus developed to further the Group's new strategic direction (Community Management, communications plan, persuasion techniques, understanding and getting inside a sales unit, etc.). The University helps strengthen this sense of belonging by hosting business line meetings that provide opportunities to share best practices. In 2015, inter-country meetings were thus held between Asset Managers, Shopping Center Managers, Technical Managers (exchanges, discussions, shared learning program, team-building, etc.).

Klépierre University is involved in the implementation of standards and best practices, by uniting the teams around a shared culture. To do so it draws on the expertise of employees, who are specialists in their field. In 2015, 30% of the total trainings offered were organized using this internal expertise.

In line with the Group's various transformations, the University continues to strengthen its international activities. 216 employees from the subsidiaries (representing over 25% of employees outside France) thus received training (marketing, management, real estate, etc.) in 2015. Taking this a step further, Klépierre University started exporting its trainings, such as to Denmark and Spain on digital marketing (mixing classroom-based and distance learning via a new collaborative digital platform that is scheduled to be rolled out to the whole Group in 2016).

Finally, the University has also been heavily involved in the integration process. In this regard, it helped organize a seminar ("Better & Faster", bringing together over 200 employees from the France operational teams), thereby facilitating the on-boarding of some of the Corio employees. This seminar also helped create a new form of collaboration: joint development workshops designed to improve our internal processes.

Mobility as a means of spreading the Group culture

Mobility ties in perfectly with the organizational transformation process. With a presence in 16 countries and close to 30 business lines represented, Klépierre offers a range of paths and has an active internal mobility policy designed to contribute to each person's development. These paths help those signing up for such mobility opportunities to acquire additional know-how and operational expertise. They contribute at Group level to improved performance through exchange of best business line practices between countries. Tailored support and a dedicated training program are offered to the employees in question. Thus, in 2015, 91 people benefited from mobility, including 4 abroad.

The development of career paths is particularly relevant to the youngest talents: two new international volunteer programs were established in 2015 (in Germany and Turkey bringing the total number to four with Spain and Sweden since 2014), with the goal of achieving permanent integration in head office teams or in the countries. In France, the number of internships offered doubled in the space of two years. These represent the first step on the Klépierre career path.

Internal mobility

	2015	2014
Number of employees benefiting from mobility	**91**	77
% of permanent workforce	**7%**	5%

5.2.4.4 Diversity

A commitment to diversity and preventing discrimination

Because the Group's shopping centers are located in a range of catchment areas, Klépierre must incorporate this diversity in order to better understand its customers. Reflecting the diversity also means increasing the sources of new talent and skills that contribute to the Group's performance.

By signing the Diversity Charter, Klépierre expressed its desire to combat any form of discrimination and to better reflect diversity in its workforce: diversity of origin, gender equality, disability or age diversity. No discrimination incidents were recorded in 2015 in the countries in which the Group operates.

Multiculturalism is also an issue dealt with by Klépierre University through its "Horizons and frontiers: how to understand multiculturalism" training course taken by over 70 employees in 2015.

Proportion of women within the Group

	2015	2014
Management	**35%**	35%
Non management	**71%**	69%
Group	**58%**	**56%**

Proportion of women by management level

	2015	2014
Executive management	**10%**	20%
Top management	**28%**	13%
Middle management	**31%**	30%
First line management	**37%**	39%
Non management	**71%**	69%
Group	**58%**	**56%**

Ratio of basic salary of women to men by management level

	2015	2014
Executive management	**0.9**	0.9
Top management	**0.7**	0.6
Middle management	**0.9**	0.8
First line management	**0.9**	0.9
Non management	**0.9**	0.9

Gender equality in terms of career advancement and pay represents a major human resource management challenge, both at management and business line level. In 2015, the proportion of women at all levels of management rose across the Group, particularly among top and middle management. In addition, women accounted for: 56% of employees receiving variable compensation, 57% of employees trained and 56% of employees taking advantage of internal mobility.

Breakdown of workforce by age bracket

	2015	2014
< 30 years of age	**9%**	8%
30-39 years of age	**40%**	40%
40-49 years of age	**33%**	33%
≥ 50 years of age	**19%**	20%

The agreement on the generation contract signed in June 2014 remains in force. It sets out the steps required to help permanently integrate young people into the workforce, the hiring and retention of older employees, and the passing on of know-how and expertise within the company. In Denmark, in order to encourage intergenerational transmission, experienced older employees mentor young employees for the six months prior to their retirement.

Workers with disabilities as a proportion of the total workforce

	2015	2014
Number of disabled workers	**24**	19
% of total workforce	**1.7%**	1.2%

Klépierre takes concrete steps to hire and retain disabled workers in all countries, encouraging their direct employment or employment by providers working in the shopping centers (in maintenance or hospitality positions in Scandinavia, the Czech Republic, Poland or Spain for example).

5.3. Methodology, Concordance table and verification by independent third-party

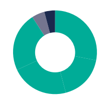
5.3.1. Methodological note

The environmental, societal and social management system is used to quantify and identify the main environmental, societal and social impacts of the Klépierre Group and its activities.

The fundamental principles underlying this reporting are:
— relevance: the biggest sources of environmental and societal impact for each theme are taken into account;
— representativeness: the selected indicators are representative of the Group's sites and activities;
— consistency: guarantees that the data comparison by region or year by year is pertinent;
— transparency: the selected hypotheses and the calculation methods are clearly defined;
— accuracy and reliability: records are kept on-site and at the various consolidation levels to ensure data traceability.

Coverage rate and breakdown of issues by scope





	Klépierre		Shopping centers "Assets portfolio"		Shopping centers "Managed portfolio"	
	Value M€	**% Klépierre portfolio**	**Value M€**	**% Klépierre portfolio**	**Value M€**	**% "Assets portfolio"**
2013	15,972	100%	14,825	92.8%	12,947	87.3%
2014	13,821	100%	12,801	92.6%	11,982	93.6%
2015	**22,127**	**100%**	**21,184**	**95.7%**	**18,934**	**89.4%**

Management, Strategy Corporate Governance

Assets performance

Operational management

5.3.1.1. Methodological note for environmental and societal indicators

The environmental and societal management system takes into account the recommendations made in the three leading industry frameworks at international, European and national level, namely:
— Global Reporting Initiative Construction and Real Estate Sector Supplement (GRI 4 and GRI CRESS);
— European Public Real Estate Association (EPRA), Best Practices Recommendations on Sustainability Reporting;
— French Council of Shopping Centers (CNCC) – Industry CSR reporting guide.

Detail on units of measurement for the main environmental indicators

	Energy	Climate change	Water	Waste
Communs areas and common facilities				
Absolute value	MWh of final energy	tCO_2e		
	Common areas and common facilities for heating and climate control			
Surface intensity	kWh/sq.m.	$kgCO_2e$/sq.m.		
	sq.m. common areas +sq.m. connected to common facilities for heating and climate control			
Usage intensity	kWh/visit	gCO_2e/visit		
	Number of visits as stated on automatic counting systems			
Whole building				
Absolute value	MWh of final energy	tCO_2e	m^3	tons
	Common areas and common facilities for heating and climate control + tenants areas			
Surface intensity	kWh/sq.m.	$kgCO_2e$/sq.m.	m^3/sq.m.	
	sq.m. common areas + sq.m. GLA occupied			
Usage intensity	kWh/visit	gCO_2e/visit	l/visit	
	Number of visits as stated on automatic counting systems			

Definition of scopes - two scopes have been defined

“Asset Portfolio” scope
The scope covers the shopping centers over 25% owned by the Group at 12/31/2015 (thus excluding the offices, retail premises and various retail facilities specified in the Group's Annual Report).
The “Asset Portfolio” scope accounted for 95.7% of Group holdings at 12/31/2015.

“Managed Portfolio” scope
This scope is specific for the shopping center industry, for operational feasibility reasons. It is a selection of the “Asset Portfolio” scope. It covers the centers in the "Asset Portfolio" scope that the Group managed over the entire reporting period. If a shopping center has been acquired by the Group and is managed by it, it is included in the scope from the first full year. Real estate development projects are not included in the reporting during development and/or construction, until they are completed and only from the first full year.

The term “property management” can vary slightly from one asset to another depending on the technical details of each center. Depending on the situation, Klépierre may have full management of the electricity, but be charged by a third party (supermarket, etc.) for its fuel usage. The collection of waste may also be done by a third party such as a local authority on the basis of a subscription, etc. Situations can vary greatly, and may therefore prevent the collection of reliable quantitative data. These methodological choices are guided by the will to communicate on reliable data. Centers for which Klépierre does not possess exhaustive data on energy, waste or water are excluded from the reporting. This explains the difference in coverage rate between indicators.

The “Managed Portfolio” scope accounted for 89.4% of the “Asset Portfolio” scope at 12/31/2015

Management of the scopes' evolution

Acquisitions, disposals and developments (extensions and/or new projects) may change the reporting scope and influence the analysis of changes in indicators.
A distinction between "current scope" and "like-for-like basis" applies across the board to the indicators in the "Managed Portfolio" scope.

Current scope

The current scope enables the CSR impact of the holdings to be assessed over one year. It shows the results of its policies in matters of management, renovation and sales/acquisitions.
It includes all shopping centers at least 25% owned by the Group on 12/31/N, including those which were subject to renovation or extensions during the reporting period, regardless of the GLA created.

Like-for-like basis

The like-for-like basis enables the Group to assess changes in its performance across a like-for-like identical scope over time. It reflects the Group's ability to manage and optimize its asset portfolio.

It includes all owned and managed assets for a period of at least 24 months. It excludes shopping centers acquired or completed as well as those that were not managed for the entire period. Centers that are subject to an extension that adds 20% or more GLA are excluded from the scope.

Reporting periods and estimates

The major factor to be taken into account is that two different reporting periods are used depending on the indicator. This difference is caused by the Group's desire to minimize the need for estimates, and to collect or consolidate real data.

Some of the usage data for energy, water and waste production is input on the basis of bills received with a certain time lag. In order to reflect actual consumption, the Group decided to use a one-year rolling period for the indicators built on the basis of this data.

For all indicators related to Energy, Waste, Climate Change, Water and one Transportation indicator (proportion of visits by mode of transportation), the reporting period is from 01/10/N-1 to 30/09/N. The specific scope for these indicators is therefore adjusted to exclude shopping centers which were not owned or managed between 10/1/N and 12/31/N.

For water usage, the meter reading can be done some time before or after the dates defined in the protocol. The dates which are closest to the start and the end of the reporting period will be used. If needed, the data will be adjusted to 365 days through extrapolation.

Coverage rate

The coverage rate gives an indication of the comprehensiveness of reported data. The coverage rate is expressed as a% of the total value of shopping centers included in the reporting scope.

Definitions and clarifications

Energy efficiency and greenhouse gas emissions of the common areas and shared equipment for heating and air-conditioning: the energy intensity indicators expressed in kWh/sq.m and kWh/visit measure exclusively the heating and air conditioning consumptions of the common areas. They do not measure the whole energy usage of the shopping center because of a lack of comprehensive knowledge on the private areas consumptions of the tenants.

Recovered waste: all waste incinerated is considered recovered to the extent that heat generated by incineration is mostly reclaimed as energy in Europe.

Intensity of energy and water usage of the whole shopping center: the floor areas used for calculation purposes are the combined common areas plus the combined GLA at 12/31 of the reporting year.

5.3.1.2. Methodological note for social indicators

Period and reporting scope

For all social indicators, the monitoring period used is the period from January 1 to December 31 in year N.

The scope for collecting the data and reporting covers all Group subsidiaries at 12/31/2015 in which employees have an employment contract with the Group.

Changes in scope are the result of acquiring new entities or disposing of existing entities. The employees of these entities are incorporated into or removed from the Klépierre reporting scope with effect from the month following the transaction date.

2014 data have been restated by integrating Corio employees resulting from the merger.

Definitions and clarifications

Workforce: total number of employees at December 31, regardless of the type of contract, number of hours worked and period of employment during the year.

Average workforce: average number of employees at the end of each month during the year.

Training: The training data cover 87% of the workforce in 2015. For 2014, these data reflect Klépierre scope, before Corio integration.

Average gross wages: sum of contractual wages of employees at December 31, based on full-time employment and excluding variable compensation, divided by workforce at December 31, excluding members of the Executive Board.

5.3.2. Concordance table

	Global Reporting Initiative – G4 Guidelines + Construction & Real Estate Sector	EPRA Best Practices Recommendations on Sustainability Reporting	Art. R-225-104 and R-225.105 of the French Commercial Code "Grenelle 2"	French Council of Shopping Centers (CNCC) guidelines on sustainability reporting	The Ten Principles of the United Nations Global Compact	Page
5.1. A CSR approach built around the Good Choices® concept						
Stratégie et Matérialité	SO2 - EC8 - 18 to 21 - 24 to 27		3.A – 3.B.	7 - 8 - p.38	Principles 7 and 8	94 to 96
Organisation	15 à 16 - 34 to 36 - 42 to 48		3.B		Principles 1 ; 6 ; 7 ; 8 ; 9 and 10	97 to 99
5.2.1. Higher performance – More cost-effective and efficient buildings						
Energy	EN3 - EN4 - EN5 - EN6 - EN7 - EN27 - CRE1	élec-Abs - élec-LfL DH&C Abs - DH&C LfL Fuels-Abs - Fuels LfL Energy-Int - 5.5	2.C - 3.B	2 - 3 - 9 - p.36	Principle 8	118 -103 to 106
Climate change	EC2 - EN15 - EN16 EN17 - EN18 EN19 - EN30 CRE3	GHG-Dir-Abs - GHG-Indir-Abs GHG-Dir-LfL - GHG-Indir-LfL GHG-Int - 6.5	2.D	4 - 5 - 6 - p.37	Principle 8	100 - 107 to 109
Waste	EN23 - EN25	Waste-Abs - Waste-LfL	2.B	p.35	Principles 8 and 9	100 - 109 to 110
Water	EN8 - EN9 - EN22 - CRE2	Water-Abs - Water-LfL Water-Int	2.C	p.36	Principle 8	110 to 111
Natural resources			2.C	p.36	Principles 8 and 9	112
Certifications	CRE8	Cert-Tot	2.A	1	Principle 8	100 - 112
5.2.2. Irreproachable - Flawless conduct, a well mastered and well controlled environment						
Risks, Safety	14 - EN29 - PR1		2.A - 2.B	12 - p.34 - p.35	Principles 7 and 8	113 to 114
Human rights, Ethics	56 to 58 - SO4 - SO5 - SO6 - LA16 - HR 5 - HR 6 - HR 9 - HR 12		1.G - 3.D - 3.E	11 - p.38	Principles 1 ; 2 ; 3 ; 4 ; 5 ; 6 and 10	114 to 115
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5.3.3. Report by one of the Statutory Auditors, appointed as independent third party, on the consolidated human resources, environmental and social information included in the management report

For the year ended December 31st 2015

To the Shareholders,

In our capacity as Statutory Auditor of Klépierre, (the "Company"), appointed as independent third party and certified by COFRAC under number(s) 3-1048[1], we hereby report to you on the consolidated human resources, environmental and social information for the year ended December 31st, 2015 included in the management report (hereinafter named "CSR Information"), pursuant to article L.225-102-1 of the French Commercial Code (Code de commerce).

Company's responsibility

The Executive Board is responsible for preparing a company's management report including the CSR Information required by article R.225-105-1 of the French Commercial Code in accordance with the protocols used by the Company (hereinafter the "Guidelines"), summarised in the paragraph 5.3.1 of the management report and available on request from the company's head office.

Independence and quality control

Our independence is defined by regulatory texts, the French Code of ethics (Code de déontologie) of our profession and the requirements of article L.822-11 of the French Commercial Code. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional standards and applicable legal and regulatory requirements.

Statutory Auditor's responsibility

On the basis of our work, our responsibility is to:

— attest that the required CSR Information is included in the management report or, in the event of non-disclosure of a part or all of the CSR Information, that an explanation is provided in accordance with the third paragraph of article R.225-105 of the French Commercial Code (Attestation regarding the completeness of CSR Information);

— express a limited assurance conclusion that the CSR Information taken as a whole is, in all material respects, fairly presented in accordance with the Guidelines (Conclusion on the fairness of CSR Information).

Our work involved six persons and was conducted between December 2015 and March 2016 during a four week period. We were assisted in our work by our sustainability experts.

We performed our work in accordance with the French professional standards and with the order dated 13 May 2013 defining the conditions under which the independent third party performs its engagement and with ISAE 3000[2] concerning our conclusion on the fairness of CSR Information.

1. Attestation regarding the completeness of CSR Information

Nature and scope of our work

On the basis of interviews with the individuals in charge of the relevant departments, we obtained an understanding of the Company's sustainability strategy regarding human resources and environmental impacts of its activities and its social commitments and, where applicable, any actions or programmes arising from them.

We compared the CSR Information presented in the management report with the list provided in article R.225-105-1 of the French Commercial Code.

For any consolidated information that is not disclosed, we verified that explanations were provided in accordance with article R.225-105, paragraph 3 of the French Commercial Code.
We verified that the CSR Information covers the scope of consolidation, i.e., the Company, its subsidiaries as defined by article L.233-1 and the controlled entities as defined by article L.233-3 of the French Commercial Code, within the limitations set out in the methodological note, presented in 5.3.1 section of the management report.

Conclusion

Based on the work performed and given the limitations mentioned above, we attest that the required CSR Information has been disclosed in the management report.

[1] whose scope is available at www.cofrac.fr
[2] ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information

2. Conclusion on the fairness of CSR Information

Nature and scope of our work

We conducted seventeen interviews with approximatively forty persons responsible for preparing the CSR Information in the departments in charge of collecting the information and, where appropriate, responsible for internal control and risk management procedures, in order to:

— assess the suitability of the Guidelines in terms of their relevance, completeness, reliability, neutrality and understandability, and taking into account industry best practices where appropriate ;

— verify the implementation of data-collection, compilation, processing and control process to reach completeness and consistency of the CSR Information and obtain an understanding of the internal control and risk management procedures used to prepare the CSR Information.

We determined the nature and scope of our tests and procedures based on the nature and importance of the CSR Information with respect to the characteristics of the Company, the human resources and environmental challenges of its activities, its sustainability strategy and industry best practices.

Regarding the CSR Information that we considered to be the most important[(1)]:

— at parent entity level, we referred to documentary sources and conducted interviews to corroborate the qualitative information (organisation, policies, actions), performed analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the consolidation of the data. We also verified that the information was consistent and in agreement with the other information in the management report;

— at the level of a representative sample of entities selected by us[(2)] on the basis of their activity, their contribution to the consolidated indicators, their location and a risk analysis, we conducted interviews to verify that procedures are properly applied and we performed tests of details, using sampling techniques, in order to verify the calculations and reconcile the data with the supporting documents. The selected sample represents on average 56% of headcount and between 14% and 20% of quantitative environmental data disclosed.

For the remaining consolidated CSR Information, we assessed its consistency based on our understanding of the company.

We also assessed the relevance of explanations provided for any information that was not disclosed, either in whole or in part.

We believe that the sampling methods and sample sizes we have used, based on our professional judgement, are sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures. Due to the use of sampling techniques and other limitations inherent to information and internal control systems, the risk of not detecting a material misstatement in the CSR information cannot be totally eliminated.

Conclusion

Based on the work performed, no material misstatement has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, March 4th 2016
One of the Statutory Auditors,
Deloitte & Associés

Joël Assayah
Partner

Julien Rivals
Partner, Sustainability

[(1)] **Social indicators:** Total workforce; Breakdown of workforce by age bracket; New hires (all types of contracts); Breakdown of departures by reason; Turnover rate (Group); Average gross annual wages by region; Rate of absenteeism (Group); Total number of training hours (Group); Average hours of training per employee; Proportion of women by management level.

Environmental and societal indicators: Part in value of centers certified; Waste sorted on site; Percentage of waste sent to recycling; Percentage of waste sent to recovery; Water consumption; Water intensity (in m3/sq.m and in l/visit); Energy consumption and Energy efficiency of common areas and shared equipment for heating and air conditioning (in kWh/sq.m and in kWh/visit); Proportion of energy from renewable sources; Greenhouse gas emissions from energy usage and the use of refrigerant gases (Scope 1 and 2); Carbon intensity from energy usage (in kgCO2e/sq.m and in g/CO2e/visit); Proportion in value of centers with spaces for cyclists; Proportion in value of centers equipped with charging terminals for electric vehicles; Proportion of key service providers certified.

Qualitative information: Paragraph: "Our tools"; "Local development", "Ongoing social dialog, in tandem with the organizational restructuring".

[(2)] **Selected entities for the social indicators: France, Italy and Germany.**

Selected entities for the environmental indicators: eleven shopping centers, in France (Rives d'Arcins, in Bègles; Les Sentiers, in Claye-Souilly; Créteil Soleil; Blagnac; Villiers-en-Bière), in Germany (Boulevard Berlin; Centrum Galerie, in Dresden; Forum Duisburg) and in Italy (Campania, in Caserta, Naples; La Romanina and Porta di Roma, in Rome).


VITA EXCLUSIVE
MORRIS
BURRITO PROJECT

Left
Oslo City, Oslo (Norway)
Above
Field's, Copenhagen (Denmark)

6. Consolidated financial statements as of December 31, 2015

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6.1. Consolidated statement of comprehensive income (EPRA Model)

In millions of euros	Notes	12/31/2015	12/31/2014
Gross rental income	6.1	1,208.4	833.0
Land expenses (real estate)	6.2	-15.4	-7.5
Non-recovered rental expenses	6.3	-67.0	-36.3
Building expenses (owner)	6.4	-58.0	-44.0
Net rental income		**1,068.0**	**745.2**
Management, administrative and related income		86.8	70.8
Other operating revenue	6.5	13.9	15.8
Survey and research costs		-2.8	-4.0
Payroll expenses	10.1	-149.2	-109.1
Other general expenses		-77.4	-47.6
Depreciation and impairment allowance on investment property	6.6	-444.2	-384.9
Depreciation and impairment allowance on intangible assets and property, plant and equipment	6.6	-17.1	-12.4
Provisions		-0.3	-3.6
Proceeds from disposal of investment properties and equity investments	6.7	850.8	2 027.9
Net book value of investment properties and equity investments sold	6.7	-836.8	-1181.0
Income from the disposal of investment properties and equity investments		**14.1**	**846.9**
Goodwill impairment		**-704.5**	
Operating income		**-212.8**	**1117.0**
Net dividends and provisions on non-consolidated investments		0.1	0.0
Financial income		*161.1*	*99.5*
Financial expenses		*-378.2*	*-369.1*
Net cost of debt	6.8	-217.1	-269.6
Change in the fair value of financial instruments		-30.6	-17.3
Share in earnings of equity method investments	5.7	19.1	8.3
Profit before tax		**-441.3**	**838.5**
Corporate income tax	7	3.6	-30.4
Net income of consolidated entity		**-437.7**	**808.1**
Of which			
Group share		*-499.8*	*640.0*
Non-controlling interests		*62.1*	*168.1*
Undiluted average number of shares		**306,803,561**	**195,912,339**
Undiluted comprehensive earnings per share (euro) - Group share		-1.6	3.3
Diluted average number of shares		**306,803,561**	**195,912,339**
Diluted comprehensive earnings per share (euro) - Group share		**-1.6**	**3.3**

In millions of euros	12/31/2015	12/31/2014
Net income of consolidated entity	**-437.7**	**808.1**
Other comprehensive income items recognized directly as equity	**-6.9**	**-66.0**
Effective portion of profits and losses on cash-flow hedging instruments (IAS 39)	70.7	-4.3
Translation profits and losses	-84.0	-67.8
Tax on other comprehensive income items	0.6	5.4
Items that will be reclassified subsequently to profit or loss	**-12.8**	**-66.8**
Result from sales of treasury shares	4.1	2.6
Actuarial gains	1.8	-1.8
Items that will not be reclassified subsequently to profit or loss	**5.9**	**0.8**
Share of other comprehensive income items of equity method investees		
Total comprehensive income	**-444.6**	**742.1**
Of which		
Group share	*-501.6*	*601.8*
Non-controlling interests	*57.0*	*140.3*
Undiluted comprehensive earnings per share (euro) - Group Share	**-1.6**	**3.1**
Diluted comprehensive earnings per share (euro) - Group share	**-1.6**	**3.1**

6.2. Consolidated statement of financial position (EPRA Model)

In millions of euros	Notes	12/31/2015	12/31/2014
Goodwill	5.1	834.6	129.9
Intangible assets	5.2	45.7	46.5
Property, plant and equipment and work in progress	5.3	20.6	13.0
Investment property	5.4	13,901.6	8,451.0
Investment property under construction	5.5	807.9	400.0
Equity method securities	5.7	1,161.5	443.5
Other non-current assets	5.8	371.8	173.0
Non-current derivatives	5.14	96.5	118.1
Deferred tax assets	7	53.0	48.7
NON-CURRENT ASSETS		**17,293.2**	**9,823.7**
Investment property held for sale	5.6	23.9	3.5
Inventory		0.0	0.4
Trade accounts and notes receivable	5.9	164.3	103.2
Other receivables	5.10	410.4	201.0
— Tax receivables		180.4	37.4
— Other debtors		230.1	163.6
Current derivatives	5.14	4.3	3.7
Cash and cash equivalents	5.11	413.7	140.6
CURRENT ASSETS		**1,016.6**	**452.4**
TOTAL ASSETS		**18,309.8**	**10,276.1**

In millions of euros	Notes	12/31/2015	12/31/2014
Share capital		440.1	279.3
Additional paid-in capital		5,818.1	1773.6
Legal reserves		44.0	27.9
Consolidated reserves		-30.3	-299.4
— Treasury shares		-78.4	-82.0
— Hedging reserves		-104.0	-172.0
— Other consolidated reserves		152.1	-45.3
Consolidated earnings		-499.8	640.0
Shareholders' equity, group share		5,772.0	2,421.4
Non-controlling interests		1,267.2	1,144.5
SHAREHOLDERS' EQUITY	**5.12**	**7,039.2**	**3,565.9**
Non-current financial liabilities	5.13	6,714.1	4,880.4
Long-term provisions	5.15	43.1	17.4
Pension commitments	10.3	13.0	17.6
Non-current derivatives	5.14	76.2	173.4
Security deposits and guarantees		145.7	110.8
Deferred tax liabilities	7	693.1	322.3
NON-CURRENT LIABILITIES		**7,685.3**	**5,521.9**
Current financial liabilities	5.13	2,584.0	697.4
Bank facilities	5.11	265.1	53.8
Trade payables		227.1	117.7
Payables to fixed asset suppliers		17.7	13.0
Other liabilities	5.16	298.7	182.8
Current derivatives	5.14	0.5	25.3
Social and tax liabilities	5.16	192.2	98.3
CURRENT LIABILITIES		**3,585.4**	**1,188.3**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**18,309.8**	**10,276.1**

6.3. Consolidated cash-flow statement (EPRA Model)

In millions of euros	12/31/2015	12/31/2014
Cash-flows from operating activities		
Net income from consolidated companies	-437.7	808.1
Elimination of expenditure and income with no cash effect or not related to operating activities		
— Depreciation, amortization and provisions	*458.5*	*401.7*
— Goodwill impairment	*704.5*	*0.0*
— Capital gains and losses on asset disposals and income taxes	*-17.4*	*-811.4*
— Reclassification of financial interests and other items	*261.1*	*287.0*
Gross cash-flow from consolidated companies	**969.0**	**685.3**
Paid taxes	-25.5	-40.1
Change in operating working capital requirement	-17.6	3.8
Net cash-flows from operating activities	**926.0**	**649.0**
Cash-flows from investing activities		
Income from sales of investment properties	833.3	1,565.3
Income from sales of other fixed assets	-	1.2
Income from disposals of subsidiaries (net of cash disposed)	-5.2	450.2
Acquisitions of investment properties	-114.2	-39.9
Acquisition costs of investment properties	-0.8	-0.6
Payments in respect of construction work in progress	-294.1	-155.4
Acquisitions of other fixed assets	-11.3	-26.2
Acquisitions of subsidiaries through deduction of acquired cash	-543.4	-4.3
Movement of loans and advance payments granted and other investments	-276.6	204.7
Net cash-flows from investing activities	**-412.1**	**1,995.1**
Cash-flows from financing activities		
Dividends paid to the parent company's shareholders	-393.2	-303.5
Dividends paid to non-controlling interests	5.5	-304.6
Capital increase	-	-
Repayment of share premium	-	-
Acquisitions/disposal of treasury shares	3.6	11.5
New loans, borrowings and hedging instruments	2,999.9	800.1
Repayment of loans, borrowings and hedging instruments	-2,636.0	-2,468.7
Interest paid	-331.1	-352.9
Other cash-flows related to financing activities[1]	-103.8	-31,3
Net cash-flows from financing activities	**-455.1**	**-2,649.4**
Effect of foreign exchange rate changes on cash and cash equivalents	**3.0**	**-4.3**
CHANGE IN CASH AND CASH EQUIVALENTS	**61.8**	**-9.5**
Cash at year-start	**86.8**	**96.3**
Cash at year-end	**148.6**	**86.8**

[1] The flow of the period corresponds to the interim dividend of 103,8 million euros paid out by Corio on January 12, 2015

6.4. Statement of changes in consolidated equity

In millions of euros	Capital	Capital related reserves	Treasury stock	Hedging reserves	Consolidated reserves	Equity, group share	Equity, non-controlling interests	Total equity
Equity at 12/31/2013	**279.3**	**1,801.6**	**-93.5**	**-181.9**	**283.9**	**2,089.4**	**1,308.1**	**3,397.5**
Share capital transactions								
Share-based payments								
Treasury share transactions			11.5			**11.5**		**11.5**
Dividends					-303.5	**-303.5**	-192.5	**-496.0**
Net income for the period					**640.0**	**640.0**	**168.1**	**808.1**
Gains and losses recognized directly in equity								
Income from sales of treasury shares					2.6	**2.6**		**2.6**
Income from cash-flow hedging				6.6		**6.6**	-10.9	**-4.3**
Translation profits and losses					-48.7	**-48.7**	-19.2	**-67.8**
Actuarial gains					-1.5	**-1.5**	-0.3	**-1.8**
Tax on other comprehensive income items				2.8		**2.8**	2.5	**5.4**
Other comprehensive income items				**9.4**	**-47.6**	**-38.2**	**-27.8**	**-66.0**
Changes in the scope of consolidation				0.4	13.2	**13.7**	18.1	**31.8**
Other movements					8.6	**8.6**	-129.5	**-120.9**
Equity at 12/31/2014	**279.3**	**1,801.6**	**-82.0**	**-172.0**	**594.7**	**2,421.4**	**1,144.5**	**3,565.9**
Share capital transactions	160.8	4,060.5				**4,221.4**		**4,221.4**
Share-based payments								
Treasury share transactions			3.6			**3.6**		**3.6**
Dividends					-393.2	**-393.2**	-58.3	**-451.5**
Net income for the period					**-499.8**	**-499.8**	**62.1**	**-437.7**
Gains and losses recognized directly in equity								
Income from sales of treasury shares					4.1	**4.1**		**4.1**
Income from cash-flow hedging				66.1		**66.1**	4.6	**70.7**
Translation profits and losses					-75.6	**-75.6**	-8.4	**-84.0**
Actuarial gain or loss					1.8	**1.8**		**1.8**
Tax on other comprehensive income items				1.9		**1.9**	-1.3	**0.6**
Other comprehensive income items				**68.0**	**-69.8**	**-1.7**	**-5.2**	**-6.9**
Changes in the scope of consolidation					23.2	**23.3**	44.2	**67.5**
Other movements					-2.8	**-2.8**	79.9	**77.0**
Equity at 12/31/2015	**440.1**	**5,862.1**	**-78.4**	**-104.0**	**-347.7**	**5,772.0**	**1,267.2**	**7,039.2**

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Note 1. Significant events of the fiscal year 2015

1.1. Investments

On January 8, 2015, the Public Exchange Offer initiated by Klépierre SA over the shares of Corio NV has been declared unconditional. 84,727,783 Corio NV shares, representing 84.07% of the shares, have been tendered under the Offer. Following the Post-Acceptance period, Klépierre SA issued 10,976,874 new shares as compensation for the 9,628,837 additional shares tendered by Corio NV. Upon completion of the Offer and of the Post-Acceptance period, Klépierre SA held 93.6% of Corio NV shares.

On March 31, 2015, Klépierre SA and Corio NV finalized the merger. The exchange ratio applied for the merger tallies with the one defined in the Offer that is 1.14 new Klépierre shares for each Corio share (for further information see note 4.2 of the Public Exchange Offer).

In March 2015, the Group acquired 100% of the shopping center Plenilunio, located in Madrid, totaling 70.000 sq.m. of rental area. This acquisition was realized with the Orion Group, for an amount of 375 million euros (asset value).

In July 2015, the Group acquired Markthal, a unique 11,200 sq.m retail space area located in Rotterdam, in The Netherlands, for a total consideration of 48.2 million euros.

In December 2015, Klépierre through Steen & Strøm has acquired jointly with Entra Oslo City, a retail and office complex located in the very heart of Norway's capital city, from DNB. The Oslo City shopping center attracts more than 10 million visitors a year and generates among the highest retailer sales per sq.m. in Scandinavia. The Oslo City building covers 33,000 sq.m. of retail space and 34,000 sq.m. of office space, and offers 340 parking spaces. Steen & Strøm will fully own the shopping center and half of the parking spaces for a net investment of 336 million euros.

Main investments realized concern projects in The Netherlands (Hoog Catharijne, 89.2 million euros), in Sweden (Kristianstad, 16.9 million euros), in Denmark (Field's, 16.2 million euros) and a set of projects in France (Val d'Europe extension, Besançon Pasteur, Créteil Soleil refurbishment, Prado project and Centre Bourse extension respectively for 37.3 million euros, 18.2 million euros, 15.6 million euros, 11.2 million euros and 8.4 million euros).

1.2. Disposals

During the year, Klépierre sold 35 retail units in France for a total amount of 74.2 million euros.

On April 1, 2015, the Group disposed three shopping centers in Hungary (Szeged, Zala and Csepel) for the amount of 2.2 million euros. In November, two additional shopping centers have been disposed for a global amount of 6.4 million euros.

The group also disposed the Molina shopping center in Spain for the amount of 2.5 million euros on April 10, 2015.

On August 26, 2015, Klépierre completed the disposal of a portfolio of nine shopping centers located in the Netherlands to Wereldhave. Total consideration for the transaction including transfer duties is 770 million euros.

On December 15, 2015 Klépierre completed the disposal of the Krakow shopping center located in Poland for a total consideration of 9.3 million euros.

1.3. Dividend

On April 14, 2015, the shareholders meeting approved the payout of a 1.60 euro per share dividend in respect of the 2014 fiscal year, and proposed a cash payment. An interim dividend of 0.91 euro per share was paid out by Klépierre on January 12, 2015 for 180 million euros. On the same date Corio paid out an interim dividend of 1.03 euro per share for a total amount of 103.8 million euros. The remaining 0.69 euro per share dividend was paid out to the shareholders on April 21, 2015, for the amount of 213 million euros. Cash dividend paid by Klépierre totaled 393.2 million euros (excluding dividends on treasury shares and interim dividend paid out by Corio for 103.8 million euros).

1.4. Debt

Except the consolidation of Corio's indebtedness, the main changes in the debt structure came from the prepayment of the US private placements for a nominal value of 840 million euros. These notes were issued by Corio in 2007. 359 million euros of short-dated notes were also bought back through the exercise. These transactions have been financed through the issuance of 1.1 billion of new long-term notes under the EMTN program across the year.

In Scandinavia, Klépierre has been active by issuing a new unsecured fixed-rate bond for an amount of 400 million Norwegian Kroner (46 million euros) and a mortgage loan of 385 million Swedish Kronor (42 million euros) in order to refinance existing mortgage loans in Norwegian Kroner. During the second half, Klépierre put in place a new mortgage loan for an amount of 1 250 million Norwegian Kroner (130 million euros) in order to finance the acquisition of Oslo City (bridge financing).

Note 2. Accounting principles and methods

2.1. Corporate reporting

Klépierre is a French corporation (Société anonyme or SA) subject to French company legislation, and more specifically the provisions of the French Commercial Code. The Company's registered office is located at 26 boulevard des Capucines in Paris.

On January 29, 2016, the Executive Board approved the Klépierre SA consolidated financial statements for the period from January 1 to December 31, 2015 and authorized their publication.

Klépierre shares have been admitted to trading on Euronext Paris ™ (compartment A) and on Euronext Amsterdam since January 15, 2015. Moreover, Klépierre joined the CAC 40 index - the French stock market's leading index – on December 21, 2015.

2.2. Principles of financial statement preparation

In accordance with Regulation (EC) No. 1126/2008 of November 3, 2008 on the application of international accounting standards, the Klépierre Group's consolidated financial statements through to December 31, 2015 have been prepared in accordance with IFRS published by the IASB, as adopted by the European Union and applicable on that date.

The IFRS framework as adopted by the European Union includes the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and their interpretations (SIC and IFRIC).

This framework is available on the website:
http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The consolidated financial statements to December 31, 2015 are presented in the form of complete accounts including all the information required by the IFRS framework.

2.2.1. Standards, amendments and applicable interpretations as of January 1st, 2015

The accounting principles applied to the consolidated financial statements as of December 31, 2015 are identical to those used in the consolidated financial statements as of December 31, 2014, with the exception of the adoption of the following new standards and interpretations, for which application is mandatory for the Group:
— Annual improvements of IFRS: Cycle 2011 – 2013;
— IFRIC 21: Levies.

The first application of the IFRIC 21 interpretation resulted in the recognition in the interim consolidated financial statements of the yearly property tax expenses in France, Spain, Italy, the Netherlands and Germany. As of December 31, 2015, the IFRIC 21 interpretation has no impact.

2.2.2. Standards, amendments and interpretations of not compulsory application as from January 1st, 2015

The following standards and amendments have been adopted by the European Union as of December 31, 2015 but with a later effective date of application and were not applied in advance by the Group:
— Amendment to IAS 19: Defined Benefit Plans: Employee Contributions;
— Annual improvements of IFRS: Cycle 2010 – 2012;
— Amendments to IAS16 and IAS38: Clarification of acceptable methods of depreciation and amortization;
— Annual improvements of IFRS: Cycle 2012 – 2014;
— Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations;
— Amendment to IAS 1: Disclosure initiative. Presentation of Financial statements.

The measurement of the potential impacts of these norms and amendments on the consolidated accounts of Klépierre is ongoing.

The following amendments were published by the IASB but have not yet been adopted by the European Union:
— Amendment to IAS 28 and IFRS 10: Sale or contribution of assets between an investor and its associates or Joint Ventures,
— IFRS 9: Hedge accounting (final and complete version July 2014);
— IFRS 14: Regulatory Deferral Accounts. EU has decided not to endorse IFRS 14 and instead to wait until the standard on rate-regulated activities is issued;
— IFRS 15: Revenue from Contracts with Customers;
— Amendment to IAS 27: Equity Method in Separate Financial Statements.

2.3. Consolidated Financial Statements – basis of preparation

The consolidated financial statements include the financial statements of Klépierre SA and its subsidiaries for the period to December 31, 2015. The financial statements of subsidiaries are prepared for the same accounting period as that of the parent company using consistent accounting methods.

The Group's consolidated financial statements are prepared on the basis of the historical cost principle, with the exception of financial derivatives and available-for-sale financial assets, which are measured at fair value. The book value of assets and liabilities covered by fair-value hedges, which would otherwise be measured at cost, is adjusted to reflect changes in the fair value of the hedged risks.

The consolidated financial statements are presented in euros, with all amounts rounded to the nearest hundred thousand unless otherwise indicated. Slight differences between figures could exist in the different statements due to rounded amounts.

2.4. Use of material judgments and estimates

In preparing these consolidated financial statements in accordance with IFRS, the Group management was required to use estimates and makes a number of realistic and reasonable assumptions. Some facts and circumstances may lead to changes in these estimates and assumptions, which would affect the value of the Group's assets, liabilities, equity and earnings.

The principal assumptions made in respect of future events and other sources of uncertainty relating to the use of year-end estimates for which there is a significant risk of material change to the net book values of assets and liabilities in subsequent years are presented below.

Measurement of goodwill

The Group tests goodwill for impairment at least once a year. This involves estimating the value in use of the cash-generating units to which the goodwill is allocated. In order to determine their value in use, Klépierre prepares estimates based on expected future cash-flows from each cash-generating unit, and applies a pre-tax discount rate to calculate the current value of these cash-flows.

Investment property

The Group appoints independent appraisers to perform half-yearly appraisals of its real estate assets in accordance with the methods described in Note 2.12.2.

The appraisers make assumptions concerning future flows and rates that have a direct impact on the value of the buildings.

Financial instruments

The Group assesses the fair value of the financial instruments it uses in accordance with the standard models practiced on the market and IFRS 13 and described in Note 2.21.4.

2.5. Options used under IFRS 1

As part of the first application of the IFRS framework, IFRS 1 provides exemptions from some provisions of other IFRS standards. The application of these exemptions is optional.
For the Group, they relate mainly to:
— business combinations: non-restatements of business combinations occurring before the date of transition to IFRS;
— fair value or revaluation as deemed cost: use as deemed cost for property, plant and equipment and investment properties of the fair value applied in the consolidated financial statements in the revaluation carried out on January 1, 2003 following the adoption of SIIC (listed real estate company) status;
— share-based payment transactions: only plans granted after November 7, 2002 whose rights were not yet vested at January 1, 2005 were recognized as an expense on the income statement.

2.6. Scope and method of consolidation

2.6.1. Scope of consolidation

The Klépierre consolidated financial statements cover all those companies over which Klépierre has control, joint control or significant influence.

The percentage level of control takes account of the potential voting rights that entitle their holders to additional votes whenever these rights are immediately exercisable or convertible.
Subsidiaries are consolidated starting the date on which the Group gains effective control.

2.6.2. Consolidation method

The consolidation method is based on the degree of control exercised by the Company.
— Control: full consolidation. Control is presumed to exist where Klépierre directly or indirectly holds more than half of the company's voting rights. Control is also presumed to exist where the parent Company has the power to direct the financial and operational policies of the company and appoint, dismiss or convene the majority of the members of the Board of Directors or equivalent management body.
— Joint control and significant influence: consolidation using the equity method. Joint control exists where operational, strategic and financial decisions require unanimous agreement between the associates. The agreement is contractual, subject to bylaws and shareholder agreements. Influence is defined as the power to contribute to a company's financial and operating policy decisions, rather than to exercise sole or joint control over those policies. Significant influence is presumed where the Group directly or indirectly holds 20% or more of an entity's voting rights. Investments in associates are initially recognized in the balance sheet at cost, plus or minus the share of the net cash position generated after the acquisition, minus impairment.
— No influence: the company is not consolidated.

Changes in equity of companies consolidated using the equity method are reported on the assets side of the balance sheet under "Investments in associates" and under the corresponding equity item on the liabilities and equity side. Goodwill on companies consolidated using the equity method is also reported under "Investments in associates".

2.6.3. Intercompany transactions

Intercompany balances and profits resulting from transactions between Group companies are eliminated. The internal profits eliminated relate in particular to the internal margin made on development fees incorporated into the cost price of capitalized assets or inventories by purchasing companies.

2.7. Accounting for business combinations

The accounting rules for business combinations comply with IFRS 3 (revised).

To decide whether a transaction is a business combination the Group notably considers whether an integrated set of activities is acquired besides the investment property. The criteria applied may include the number of property assets held by the target company, the extent of the acquired processes and, particularly, the auxiliary services provided by the acquired entity. If the acquired assets are not a business, the transaction is recorded as an asset acquisition.

All business combinations are recognized using the acquisition method. The consideration transferred (acquisition cost) is measured as the fair value of assets given, equity issued and liabilities incurred at the transfer date. Identifiable assets and liabilities of the business acquired are measured at their fair value at the acquisition date. Any liabilities are only recognized if they represent a real obligation at the date of the business combination and if their fair value can be reliably measured. For each business combination, the acquirer must measure all non-controlling interests held in the acquired company, either at their fair value at the acquisition date or at the corresponding share in the fair value of the assets and liabilities of the acquired company.

Any surplus of the consideration transferred and the value of non-controlling interests over the net fair value of the business' identifiable assets and liabilities is recognized as goodwill. Costs directly linked to the acquisition are recognized as expenses.

IFRS 3 (revised) stipulates a maximum period of twelve months from the acquisition date for the accounting of the acquisition to be finalized: adjustments to values applied must be related to facts and circumstances existing at the acquisition date. Therefore, beyond this 12-month period, any earn-out adjustment must be recognized in income for the fiscal year unless the additional consideration is an equity instrument.
As regards the treatment of deferred tax assets, a gain in income for deferred tax assets unrecognized at the acquisition date or during the measurement period must be recognized.

Where a business is acquired in stages, the previous investment is remeasured at fair value at the date control is transferred. Any difference between fair value and net book value of this investment is recognized in income for the fiscal year.

The prospective accounting method of changes in the scope of consolidation was modified by the adoption of IAS 27 (revised), which specifies that:
"Any change in the Group's interest in an entity that results in a loss of control is recognized as a gain/loss on disposal and the remaining interest is remeasured at fair value with the change being recognized in income.
Transactions that do not affect control (additional acquisition or disposal) shall lead to a further distribution of shareholders' equity between the group share and the non-group share without an impact on profit or loss and/or a goodwill adjustment."

Goodwill is regularly reviewed by the Group and undergoes impairment testing at least once a year or if there is any indication of impairment. The method used by the Group to perform these impairment tests is explained in Note 2.12 Impairment of assets.

2.8. Translation of foreign currencies

The consolidated financial statements are presented in euros, which is the operating and reporting currency used by Klépierre. Each Group entity nominates its own operating currency, and all items in its financial statements are measured in this operating currency.

The Group's foreign subsidiaries conduct some transactions in currencies other than their operating currency. These transactions are initially recorded in the operating currency at the exchange rate applying on the transaction date.

On the balance sheet date, monetary assets and liabilities stated in foreign currencies are translated into the operating currency at the exchange rate for that day. Non-monetary items stated in foreign currencies and measured at their historical cost are translated using the exchange rates applying on the dates of the initial transactions. Non-monetary items stated in foreign currencies and measured at their fair value are translated using the exchange rates applicable on the dates when the fair values were calculated.

On the balance sheet date, the assets and liabilities of these subsidiaries are translated into the Klépierre SA reporting currency – the euro – at the exchange rate applying on that date. Their income statements are translated at the average weighted exchange rate for the year. Any resulting translation differences are allocated directly to shareholder equity under a separate item. In the event of disposal of a foreign operation, the total accrued deferred exchange gain/loss recognized as a distinct component of equity for that foreign operation is recognized in the income statement.

2.9. Intangible assets

An intangible asset is a non-monetary asset without physical substance. It must be simultaneously identifiable (and therefore separable from the acquired entity or arising from legal or contractual rights), controlled by the company as a result of past events and provide an expectation of future financial benefits.

IAS 38 states that an intangible asset should be amortized only where it has a known useful life. Intangible assets with an indefinite useful life should not be amortized, but should be tested annually for impairment (IAS 36) or whenever there is evidence of a loss of value.

Assets recognized as intangible assets with finite useful lives should be amortized on a straight-line basis over periods that equate to their expected useful life.

2.10. Investment property

Klépierre opted to adopt IAS 40 using the cost accounting model on May 26, 2004 to maintain consistency between the accounting methods used by Klépierre and its then majority shareholder. Note 11.1 sets out pro forma financial data for investment properties on a fair value basis.

2.10.1. Cost model

Fixed assets are recognized at cost, inclusive of duties and fees, and are depreciated using the component method.

The distribution between non-depreciable values (land) and depreciable values (buildings) is established according to the methods set by the appraisers, i.e. by comparison with the reconstruction cost for shopping centers.

Depreciation of these assets must reflect consumption of the related economic benefits. It should be:
— calculated on the basis of the depreciable amount, which is equivalent to the acquisition cost less the residual value of the assets;
— spread over the useful life of the fixed assets components. Where individual components have different useful lives, each component whose cost is significant relative to the total cost of the asset must be depreciated separately over its own useful life.

After initial recognition, fixed assets are measured at cost, less any accumulated depreciation and impairment losses. These assets are straight-line depreciated over their useful life.

The depreciation period, depreciation method and residual asset values should be reviewed at each balance sheet date.

In addition, fixed assets are tested for impairment whenever there is evidence of a loss of value at June 30 and December 31. Where such evidence exists, the new recoverable asset value is compared against its net book value, and any impairment is recognized.

Capital gains or losses realized on investment property disposals are recognized under "Income from the disposal of investment properties and equity investments" in the income statement.

2.10.2. The component method

The component method is applied based on the recommendations of the Fédération des Sociétés Immobilières et Foncières (French Federation of Property Companies) for components and useful life:
— for properties developed by the companies themselves, assets are classified by component type and recognized at cost;
— for other properties, components are broken down into four categories: business premises, shopping centers, offices and residential properties.

Four components have been identified for each of these asset types (in addition to land):
— structures;
— facades, cladding and roofing;
— general and technical installations (GTI);
— fittings.

Components are broken down based on the history and technical characteristics of each building.

Klépierre uses the following matrix to determine components:

	Shopping centers		Retail stores	
	Period	**QP**	**Period**	**QP**
Structures	30 to 50 years	50%	30 to 40 years	50%
Facades	25 years	15%	15 to 25 years	15%
GTI	20 years	25%	10 to 20 years	25%
Fitting	10 to 15 years	10%	5 to 15 years	10%

A wear and tear ratio is applied when the acquired property is not new. Purchase costs are split between land and buildings. The proportion allocated to buildings is amortized over the useful life of the structures. The residual value is equivalent to the current estimate of the amount the Company would achieve if the asset concerned were already of an age and condition commensurate with the end of its useful life, less disposal expenses.

Given the useful life periods applied, the residual value of components is zero.

2.11. Investment property held for sale

Investment properties under promise or mandate of sale are presented according to IFRS 5.

The accounting impacts are as follows:
— reclassification as held for sale at the lower of its carrying amount and fair value less costs to sell;
— investment properties concerned are presented separately in current assets;
— depreciation ceases.

2.12. Impairment of assets

IAS 36 applies to property, plant and equipment and intangible assets, including goodwill. This standard requires assessing whether there is any indication that an asset may be impaired.

Such indications may include:
— a major decline in market value;
— significant changes in the technological, economic or legal environment.

For the purposes of this test, assets are grouped into Cash Generating Units (CGUs). CGUs are standardized groups of assets whose continued use generates cash inflows that are largely separate from those generated by other asset groups.

In most cases the Klépierre Group treats each property and shopping center as a CGU.

An impairment loss must be recognized wherever the recoverable value of an asset is less than its carrying amount.

The recoverable amount is the fair value minus selling expenses or its value use, whichever is the higher.

The method used to calculate the fair value of investment properties and investment properties under construction is described in Note 2.12.2.

Value in use is calculated on the basis of discounted future cash-flows expected to arise from the planned use of an asset and from its disposal at the end of its useful life.

Under certain circumstances, the entity may later recognize all or part of such impairment losses in its income statement, with the exception of unallocated goodwill.

2.12.1. Measurement of goodwill and other intangible assets

Goodwill only arises upon a business combination. For the initial measurement, reference is made to the accounting policy for business combination in Note 2.7. Goodwill is carried at cost less any accumulated impairment losses. An impairment test is performed annually.

Goodwill corresponding to optimized value of deferred taxes

This goodwill results from the recognition of deferred taxes at business combination accounting date. It represents the difference between the deferred tax liabilities booked in the balance sheet according to IAS 12 and the expected tax to be paid in case of sale by mean of share deal. As a consequence, impairment tests performed on this goodwill at each closing consist on comparing its net book value with the amounts of expected deferred taxes optimization.

Goodwill of management activities

This goodwill relates to Klépierre Management and management companies. Impairments test are performed annually and are based on valuations as performed by independent external appraisal. Appraisals are updated to take account of any significant event occurring during the year.

These appraisals, which are performed on behalf of Klépierre by Accuracy, are based on the Discounted Cash-Flow (DCF) method in every country where the Klépierre Group conducts management activity. This method consists of three stages.

In the first stage, cash-flows that may be generated in the future by activity strictly interpreted (i.e., before consideration of explicit or implicit financing costs) are estimated on the basis of the specific business plans developed in each country where the Group conducts management activity for itself and for third parties. The cash-flows include synergies already achieved or anticipated following the merger with Corio on March 31, 2015.

In the second stage, forecast cash-flows and the probable value of the management activity portfolio at the end of the forecast period (terminal value) are discounted at an appropriate rate. This discount rate is determined on the basis of the Capital Asset Pricing Model (CAPM) and is the sum of the following three components: the risk-free interest rate, a general market risk premium (forecast average market risk premium multiplied by the beta coefficient for the business portfolio) and a specific market risk premium (which takes account of the proportion of specific risk not already included in flows).

In the third and final stage, the value of shareholders' equity is obtained by deducting its net debt on the valuation date from the value of its business portfolio.

The impairment test done at least annually by an external appraiser consists in comparing the net book asset value of the entities with the net asset value measured by the independent appraiser.

The main assumptions used to calculate the enterprise value are the following:
— the discount rate applied is 7.6% (the same rate as of December 31, 2014);
— the free cash-flows over the duration of the business plan are based on business volume and operating margin assumptions that take into account economic and market assumptions on the date on which the plan was established;
— a growth rate for the 2015-2020 period based on the assumptions of the internal business plan approved by the management;
— Klépierre Management's end value was determined with a growth rate applied from 2020 of 1%.

As of December 31, 2015, based on the assumptions described, the fair value of the net assets of Klépierre Management and management companies is greater than its book value at the same date.

Impairment of intangible assets

After initial recognition, other intangible assets are recognized at cost, less any related depreciation and impairment losses. Intangible assets with finite useful lives are straight-line depreciated over their useful life.

Useful lives are examined annually and an impairment test is conducted if there is any indication of impairment. Intangible assets with an indefinite useful life are not amortized. The indefinite nature of the useful life is reviewed annually. These assets are tested for impairment annually, or if there is any indication of impairment, by comparing the book value against the recoverable value. In the event of impairment, an impairment loss is recognized in income. The Klépierre Group's intangible assets are not subject to an external appraisal.

2.12.2. Fair value of investment property

The fair value of Klépierre's investment properties is appraised by the independent appraisers responsible for valuing the Group's assets on June 30 and December 31 of each year, but excludes transfer duties and fees (fees are measured on the basis of a direct sale of the asset, even though these costs can, in some cases, be reduced by selling the company that owns the asset). The fair values are determined in compliance with evaluation rules described in IFRS 13. In addition, given the complexity of real estate asset valuations and the nature of certain non-public data (such as the growth of lease rate, capitalization rates), the fair values of the investment properties have been classified as level 3 according to IFRS 13 criteria.

Given the fact that these appraisals are, by their nature, estimates, it is possible that the amount realized on the disposal of some real estate assets will differ from the appraised value of those assets, even where such disposal occurs within a few months of the balance sheet date.

Klépierre entrusts the task of appraising its real estate assets to various appraisers.

Shopping centers are appraised by:
— Jones Lang LaSalle (JLL) appraises a part of French portfolio, all Greek and Belgian assets, most of the Italian portfolio and 4 assets in Turkey;
— CBRE appraises 11 French assets, all Portuguese and Spanish assets, 12 Italian assets and 1 Dutch asset;
— BNP Paribas Real Estate appraises all German assets;
— Savills appraises the Italian assets of the K2 fund;
— C&W appraises a part of French portfolio, all Danish, Swedish, and Norwegian assets, all the Eastern Europe assets (Poland, Hungary, Czech Republic and Slovakia), 4 Dutch assets, 3 Turkish assets and Porta di Roma in Italy.

Retail stores are appraised by BNP Paribas Real Estate.

All appraisals are conducted in accordance with the principles of the Charte de l'Expertise en Évaluation Immobilière, AMF recommendations of February 8, 2010 and RICS standards. The fees paid to appraisers, agreed prior to their appraisal of the properties concerned, are fixed on a lump sum basis to reflect the number and complexity of the assets appraised. The fee is entirely unrelated to the appraised value of the assets concerned.

in thousands of euros	Appraisal fees
Cushman & Wakefield	511.8
CBRE	303.6
Jones Lang LaSalle	270.7
BNP Paribas Real Estate	176.7
Savills	21.4
TOTAL	**1,284.2**

All Klépierre Group assets are systematically appraised using two methods: yield method and discounted cash-flows.

According to the yield method, to determine the fair market value of a shopping center, appraisers apply a yield rate to net annual rents for occupied premises, and to the net market rent for vacant properties, discounted for the anticipated period of vacancy.

The present value of rebates on minimum guaranteed rent payments, expenses payable on currently vacant premises and non-chargeable work is then deducted from the fair market value calculated above.

A standard vacancy rate is then defined for each asset. The discount rate applied is the same as the yield rate used in the fair market value calculation.
Gross rent includes the minimum guaranteed rent, the variable part of the rent and the market rental price for vacant properties. The net total rent is calculated by deducting the following expenses from the gross rent: management charges, non-reinvoiced charges, expenses relating to provisions for vacant premises and the average loss on bad debts over the previous five years.

The yield rate is set by the appraiser based on a range of parameters, the most important of which are: retail sales area, layout, competition, type and percentage of ownership, gross rental income and extension potential and comparability with recent transactions in the market.
The discounted cash-flows method calculates the value of an asset as the sum of discounted future cash-flows based on a discount rate defined by the appraiser.

The appraiser estimates anticipated total revenues and expenses relating to the asset, and then measures a "terminal value" at the end of an average ten-year analytical period. By comparing the market rental values with face rental values, the appraiser assesses the reversion potential of the asset, using the market rental value at the end of the lease, after deduction of the expenses incurred in remarketing the property. Lastly the appraiser discounts the forecast cash-flow to determine the present value of the property.

The discount rate adopted reflects the market risk-free rate (ten-year OAT bond) plus a property market risk and liquidity premium and an asset-specific premium reflecting the location, specification and tenancy of each building.

Investment properties under construction and covered by irrevocable development permission also fall within the scope of IAS 40 and are subject to internal or external valuations.

2.13. Inventory

IAS 2 defines inventory as assets held for sale in the ordinary course of business, assets in progress and intended for sale and materials and supplies (raw materials) intended for consumption in the production of products and services.

Impairment must be recognized if the net realizable value (fair value net of estimated costs of completion and estimated costs needed to make the sale) is lower than the recognized cost.

2.14. Leases

2.14.1. Leases

According to IAS 17, the Group distinguishes two types of lease:
— finance lease, which is a lease that transfers substantially all the risks and rewards inherent in the ownership of an asset to the lessee. Title to the asset may or may not eventually be transferred at the end of the lease term;
— other leases are classified as operating leases.

2.14.2. Recognition of stepped rents and rent-free periods

Gross rental income from operating leases is recognized over the full lease term on a straight-line basis.

Stepped rents and rent-free periods are recognized as additions to, or deductions from, gross rental income for the fiscal year.

The reference period adopted is the first firm lease term.

2.14.3. Entry fees

Entry fees received by the lessor are recognized as supplementary rent.

Entry fees are part of the net amount exchanged between the lessor and the lessee under a lease. For this purpose, the accounting periods during which this net amount is recognized should not be affected by the form of the agreement or the rent payment schedule. Entry fees are spread over the first firm lease term.

2.14.4. Early termination indemnities

Tenants who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties.

Such penalties are allocated to the terminated contract and credited to income for the period in which they are recognized.

2.14.5. Eviction compensation

When a lessor terminates a lease prior to the expiration date, he must pay eviction compensation to the tenant.

Replacement of a tenant

Where the payment of eviction compensation enables asset performance to be maintained or improved (higher rent, and therefore higher asset value), revised IAS 16 allows for this expense to be capitalized as part of the cost of the asset, provided that the resulting increase in value is confirmed by independent appraisers. Where this is not the case, the cost is recognized as an expense.

Renovation of a property requiring the removal of resident tenants

Where eviction compensation is paid as a result of the fact that major renovation or reconstruction of a property requires the prior removal of tenants, the cost of the compensation is treated as a preliminary expense and recognized as an additional component of the total renovation cost.

2.14.6. Building leases: IAS 40 and IAS 17

Land and building leases are classified as operating or finance leases, and are treated in the same way as leases for other types of assets.

Further to the improvements made to International Financial Reporting Standards (IFRS) 2009, IAS 17 was subject to an amendment related to the classification of land elements of leases. Until 2009, leased land was classified under operating leases (unless the ownership of the land was intended to be transferred to the lessee at the end of the lease).

With effect from January 1, 2010, when a lease comprises both land and building elements, an entity is required to assess the classification of each element as a finance or operating lease individually, based on criteria provided by IAS 17 (an important factor to take into account is that, in principle, land has an indefinite economic useful life).

Klépierre considered for the majority of land and building lease contracts the criterion of operating lease was fulfilled.

Initial payments made in this respect therefore constitute prelease payments, and are amortized over the term of the lease in accordance with the pattern of benefits provided. Analysis is on a lease-by-lease basis.

Under the IAS 40 components method, these initial payments are classified as prepaid expenses.

2.15. Trade and other receivables

Trade receivables are recognized and measured at invoice face value minus accruals for non-recoverable amounts. Bad debts are estimated when it is likely that the entire amount receivable will not be recovered. When identified as such, non-recoverable receivables are recognized as losses.

2.16. Borrowing costs

Under IAS 23, borrowing costs directly attributable to the acquisition or construction of eligible assets are included in the cost of the respective assets.

When a loan is not directly attributable to an asset, Klépierre uses the capitalization rate applied to the expenses related to the asset in order to measure the attributable cost; if several non-specific borrowing lines exist, the capitalization rate is the weighted average rate of those loans observed during fiscal year 2015.

2.17. Provisions and contingent liabilities

In accordance with IAS 37 “Provisions, contingent liabilities and contingent assets”, a provision is recognized where the Group has a liability towards a third party, and it is probable or certain that an outflow of resources will be required to settle this liability without an equivalent or greater amount expected to be received from the third party concerned.

IAS 37 requires that non-interest-bearing long-term liabilities are discounted.

2.18. Current and deferred taxes

2.18.1. The tax status of Société d’investissement immobilier cotée (SIIC)

At the general meeting of shareholders held on September 26, 2003, Klépierre was authorized to adopt the SIIC tax status.

General features of the SIIC tax status

All SIICs are entitled to the corporate tax exemption status introduced by article 11 of the 2003 French Finance Act as implemented under the decree of July 11, 2003 provided that their stock is listed on a regulated French market, that they are capitalized at 15 million euros or more and that their corporate purpose is either the purchase or construction of properties for rent or direct or indirect investment in entities with that corporate purpose. The option to adopt SIIC status is irrevocable. Subsidiaries subject to corporate income tax and owned at least 95% by the Group may also claim SIIC status.
In return for tax exemption, till December 31 2013 companies had to distribute 85% of their rental income, 50% of the capital gains made on property disposals and 100% of the dividends received from their subsidiaries subject to SIIC status.

The 2014 Amending Finance Law made some amendments to the SIIC regime. From fiscal year 2014, companies now have to pay out 95% of rental income and 60% of the capital gains made on property disposals. They must continue to pay out 100% of any dividends received from subsidiaries.

The new entities claiming SIIC status are immediately subject to a 19% exit tax on unrealized gains on properties and on shares in partnerships not subject to corporate income tax. 25% of the exit tax is payable on December 15 of the year in which SIIC status is first adopted, with the balance payable over the following three years.

A 3% tax is applicable on dividend effectively paid to shareholders levied out of (i) non-SIIC profits and, residually, out of (ii) SIIC profits to the extent that the amount distributed exceeds the annual distribution requirement.

Discounting of exit tax liability

The exit tax liability is discounted on the basis of its payment schedule. This liability is payable over a four-year period, commencing at the point when the entity concerned adopts SIIC status.

Following initial recognition in the balance sheet, the liability is discounted and an interest expense is recognized in the income statement on each balance sheet date. In this way, the liability is reduced to its net present value on that date. The discount rate is calculated on the basis of the interest rate curve, taking into account the deferment period and the Klépierre refinancing margin.

Corporate income tax on companies not eligible for SIIC status

Since adopting SIIC status in 2003, Klépierre SA has made a distinction between SIICs that are exempt from property leasing and capital gains taxes, and other companies that are subject to those taxes.
Corporate income tax on non-SIICs is calculated in accordance with French common law.

2.18.2. French common law and deferred tax

The corporate income tax charge is calculated in accordance with the rules and rates adopted or virtually adopted at the end of the reporting period in each Group operating country for the period to which the profit or loss applies.

Both current and future income taxes are offset where such offsetting is legally permissible and where they originate within the same tax consolidation Group and are subject to the same tax authority.

Deferred taxes are recognized where there are timing differences between the carrying amounts of balance sheet assets and liabilities and their tax bases, and taxable income is likely in future periods.
A deferred tax asset is recognized where tax losses are carried forward on the assumption that the entity concerned is likely to generate future taxable income against which those losses can be offset.

Deferred tax assets and liabilities are measured using the liability method and the tax rate expected to apply when the asset is realized or the liability settled on the basis of the tax rates and tax regulations adopted, or to be adopted before the balance sheet date. The measurement of deferred tax assets and liabilities must reflect the tax consequences arising as a result of the way in which the company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

All current and deferred tax is recognized as tax income or expense in the income statement, except for deferred tax recognized or settled at the time of acquiring or disposing of a subsidiary or investment and unrealized capital gains and losses on assets held for sale. In these cases, the associated deferred tax is recognized as equity.

Deferred tax is calculated at the local rate known at the closing date taking into account the expected recovery date. The main rates applied are: France 34.43%, Spain 25%, Italy 31.40% (short term rate) and 27.90% (long term rate), Belgium 33.99%, Greece 29%, Portugal 22.5%, Poland 19%, Hungary 10%, Czech Republic 19%, Slovakia 22%, Sweden 22% and Norway 25%.

2.18.3. Fiscal regime of Dutch companies

After various meetings held between Klepierre and the Dutch Ministry of Finance on Klepierre group's eligibility to the FBI regime, the latter considered that some activities carried out by the Group were not compliant with the FBI regime (tax regime providing for a CIT exemption applicable to Dutch subsidiaries). Due to the profitability of the activities concerned, Klepierre chose to waive the FBI regime application with retroactive effect from January 1, 2015. As result, the corresponding tax charge has been fully booked in the 2015 financial statements.

2.19. Treasury shares

All treasury shares held by the Group are recognized at their acquisition cost and deducted from equity. Any gain arising on the disposal of treasury shares is recognized immediately as equity, such that disposal gains or losses do not impact the net income for the fiscal year.

2.20. Distinction between liabilities and equity

The difference between liabilities and equity depends on whether or not the issuer is bound by an obligation to make a cash payment to the other party. The fact of being able to make such a decision regarding cash payment is the crucial distinction between these two concepts.

2.21. Financial assets and liabilities

Financial assets include long-term financial investments, current assets representing accounts receivable, debt securities and investment securities (including derivatives) and cash.

Financial liabilities include borrowings, other forms of financing and bank overdrafts, derivatives and accounts payable.

IAS 39 "Financial instruments: recognition and measurement" describes how financial assets and liabilities must be measured and recognized.

2.21.1. Measurement and recognition of financial assets

Loans and receivables

These include receivables from investments, other loans and receivables. All are recognized at amortized cost, which is calculated using the effective interest rate method. The effective interest rate is the rate that precisely discounts estimated future cash-flows to the net carrying amount of the financial instrument.

Available-for-sale financial assets

Available-for-sale financial assets include equity interests. Equity interests are the holdings maintained by the Group in non-consolidated companies.

Investments in equity instruments not listed in an active market and whose fair value cannot be reliably measured must be measured at cost.

Cash and cash equivalents

Cash and cash equivalents includes cash held in bank accounts, short-term deposits maturing in less than three months, money market funds and other marketable securities.

2.21.2. Measurement and recognition of financial liabilities

With the exception of derivatives, all loans and other financial liabilities are measured at amortized cost using the effective interest method.

Recognition of liabilities at amortized cost

In accordance with IFRS, redemption premiums on bonds and debt issuance expenses are deducted from the nominal value of the loans concerned and incorporated into the calculation of the effective interest rate.

Application of the amortized cost method to liabilities hedged at fair value

Changes in the fair value of (the effective portion of) swaps used as fair value hedges are balanced by remeasurement of the hedged risk component of the debt.

Given that the characteristics of derivatives and items hedged at fair value are similar in most instances, any ineffective component carried to hedging profit or loss will be minimal.

If a swap is canceled before the due date of the hedged liability, the amount of the debt adjustment will be amortized over the residual term using the effective interest rate calculated at the date the hedge ended.

Measurement and recognition of derivatives

As the parent company, Klépierre takes responsibility for almost all Group funding and provides centralized management of interest and exchange rate risks. This financial policy involves Klépierre in implementing the facilities and associated hedging instruments required by the Group.

Klépierre hedges its liabilities using derivatives and has consequently adopted hedge accounting in accordance with IAS 39:
— hedges to cover balance sheet items whose fair value fluctuates in response to interest rate, credit or exchange rate risks (fair value hedge);
— hedges to cover the exposure to future cash-flow risk (cash-flow hedges), which consists of fixing future cash-flows of a variable-rate liability or asset.

The Klépierre portfolio meets all IAS 39 hedge definition and effectiveness criteria.

The adoption of hedge accounting has the following consequences:
— fair value hedges of existing assets and liabilities: the hedged portion of the asset/liability is accounted for at fair value in the balance sheet. The gains or losses resulting from changes in fair value are recognized immediately in profit or loss. At the same time, there is an opposite corresponding adjustment in the fair value of the hedging instrument, in line with its effectiveness;
— cash-flow hedges: the portion of the gain or loss on the fair value of the hedging instrument that is determined to be an effective hedge is recognized directly in equity and recycled to the income statement when the hedged cash transaction affects profit or loss. The gain or loss from the change in value of the ineffective portion of the hedging instrument is recognized immediately in profit or loss.

2.21.3. Recognition date: trade or settlement

IFRS aims at reflecting the time value of financial instruments as closely as possible by ensuring that, wherever possible, instruments with a deferred start date are recognized on the trade date, thus allowing calculation of the deferred start date.

However, this principle cannot be applied to all financial instruments in the same way.

For example, commercial paper is often renewed a few days before its due date. If these instruments were recognized at their trade date, this would artificially inflate the amount concerned between the renewal trade date of a paper and its effective start date.

Klépierre applies the following rules:
— derivatives are recognized at their trade date, since their measurement effectively takes account of any deferred start dates;
— other financial instruments (especially liabilities) are recognized on the basis of their settlement date.

2.21.4. Method used to calculate fair value

Financial assets and liabilities recognized at fair value are measured either on the basis of market price or by applying measurement models that apply the market parameters that existed on the balance sheet date. The term “model” refers to mathematical methods based on generally-accepted financial theories. The realizable value of these instruments may differ from the fair value adopted when preparing the financial statements.

For any given instrument, an active, and therefore liquid, market is any market in which transactions take place regularly on the basis of reliable levels of supply and demand, or in which transactions involve instruments that are very similar to the instrument being measured. Where prices quoted on an active market are available on the closing date, they are used to determine fair value. Listed securities and derivatives traded on organized markets such as futures or option markets are therefore measured in this way.

Most OTC (Over The Counter) derivatives, swaps, futures, caps, floors and simple options are traded on active markets. They are measured using generally-accepted models (discounted cash-flow, Black and Scholes, interpolation techniques, etc.) based on the market prices of such instruments or similar underlying values.

2.21.5. Tax treatment of changes in fair value

In Klépierre's case:
— the non-SIIC part of the deferred tax on financial instruments recognized at fair value is calculated pro rata of net financial income;
— the financial instruments of foreign subsidiaries recognized at fair value generate a deferred tax calculation on the basis of the rates applying in the country concerned.

2.22. Employee benefits

Employee benefits are recognized as required by IAS 19, which applies to all payments made for services rendered, except for share-based payment, which is covered by IFRS 2.

All employee benefits, whether paid in cash or in kind, short term or long term, must be classified into one of the following four main categories:
— short-term benefits, such as salaries and wages, annual vacation, mandatory and discretionary profit-sharing schemes and company contributions;
— post-employment benefits: these relate primarily to supplementary pension payments in France, and private pension schemes elsewhere;
— other long-term benefits, which include paid vacation, long-service payments, and some deferred payment schemes paid in monetary units;
— severance pay.

Measurement and recognition methods vary depending on the category of benefit.

2.22.1. Short-term benefits

The Company recognizes an expense when it uses services provided by its employees and pays agreed benefits in return.

2.22.2. Post-employment benefits

In accordance with generally-accepted principles, the Group makes a distinction between defined contribution and defined benefit plans.

"Defined contribution plans" do not generate a liability for the Company, and therefore are not provisioned. Contributions paid during the period are recognized as an expense.

"Defined benefit plans" only do generate a liability for the Company, and are therefore measured and provisioned.

The classification of a benefit into one or other of these categories relies on the economic substance of the benefit, which is used to determine whether the Group is required to provide the promised benefit to the employee under the terms of an agreement or an implicit obligation.

Post-employment benefits classified as defined benefit plans are quantified actuarially to reflect demographic and financial factors.

The amount of the commitment to be provisioned is calculated on the basis of the actuarial assumptions adopted by the Company and by applying the projected unit credit method. The value of any hedging assets (plan assets and redemption rights) is deducted from the resulting figure. According to IAS19R, the actuarial gain or loss is recognized in Equity.

2.22.3. Long-term benefits

These are benefits other than post-employment benefits and severance pay, which are not payable in full within twelve months of the end of the financial year in which the employees concerned provided the services in question.

The actuarial measurement method applied is similar to that used for post-employment defined benefits, and the actuarial gains or losses are recognized immediately. Furthermore, any gain or loss resulting from changes to the plan, but deemed to apply to past services, is recognized immediately.

2.22.4. Severance pay

Employees receive severance pay if their employment with the Group is terminated before they reach the statutory retirement age or if they accept voluntary redundancy. Severance pay falling due more than twelve months after the balance sheet date is discounted.

2.23. Share-based payments

According to IFRS 2, all share-based payments must be recognized as expenses when use is made of the goods or services provided in return for these payments.

For the Klépierre Group, this standard applies primarily to the purchase of shares to meet the commitments arising from its employee stock option scheme.

Stock subscription options granted to employees are measured at their fair value determined on the date of allocation. This fair value is not subsequently remeasured for equity-settled share-based payment transactions, even if the options are never exercised.

This value, which is applied to the number of options eventually vested at the end of the vesting period (estimate of the number of options canceled owing to departures from the Company) is booked as an expense, with a corresponding increase in equity which is spread over the vesting period (i.e. the period during which employees must work for the Company before they can exercise the options granted to them). This employee expense reflecting the options granted (corresponding to the fair value of services rendered by employees) is measured by a specialist third-party company. The model adopted complies with the basic assumptions of the Black & Scholes model, adapted to the specific characteristics of the options concerned.

2.24. Segment information

IFRS 8 requires the presentation of information about the operating segments of the Group, and replaces the previous provisions applying to the determination of primary (business segments) and secondary segments (geographic segments).

Operating segments are identified on the basis of the internal reporting model used by management when evaluating performance and allocating resources. They are limited neither by lines of business nor geography.

The various operating segments adopted by Klépierre are presented in Section 3.

2.25. Net earnings per share

Earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of current shares in circulation, excluding treasury shares.

Diluted earnings per share is calculated by dividing net income for the period attributable to ordinary shareholders by the weighted average number of current shares in circulation, excluding treasury shares, and adjusted to reflect the effects of the diluting options adopted.

In accordance with IAS 33, the average number of shares at the balance sheet date is adjusted after payment of the dividend in the form of shares if necessary.

Note 3. Segment information

3.1. Segment income statement at December 31, 2015

For management purposes, the Group is structured into business segments and geographic regions. There are in total seven operating segments.

These seven operating segments are structured as follows:
— France/Belgium (including retail assets);
— Scandinavia (Norway, Sweden and Denmark);
— Italy;
— Iberia (Spain, Portugal);
— The Netherlands;
— Germany;
— CEE & Turkey (Hungary, Poland, Czech Republic, Slovakia, Greece and Turkey).

The management team monitors the operating results of each business segment independently as a basis for segment decision-making and performance evaluation.

Group financial policy (including the impact of financial income and expenses), corporate activities and tax result calculation are handled at Group level, and are not allocated to the operating segments.

In millions of euros	France-Belgium[1]		Scandinavia		Italy		Iberia		Netherlands	
	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14
Gross rents	443.8	394.9	176.3	182.4	199.2	100.4	106.8	59.7	94.1	
Other rental income	9.5	8.0	0.7	0.3	1.9	1.9	0.4	0.0		
Gross rental income	**453.3**	**403,.0**	**177.0**	**182.7**	**201.1**	**102.2**	**107.2**	**59.8**	**94.1**	
Rental & building expenses	-41.9	-35.7	-20.4	-20.6	-16.2	-10.7	-16.6	-9.1	-18.1	
NET RENTAL INCOME	**411.4**	**367.3**	**156.6**	**162.1**	**184.9**	**91.6**	**90.6**	**50.7**	**76.0**	
Management and other income	47.5	52.5	14.4	17.4	12.4	6.3	7.4	5.9	6.7	
Payroll and other general expenses	-70.5	-62.1	-29.0	-34.7	-25.1	-12.4	-15.0	-9.2	-29.4	
EBITDA	**388.4**	**357.7**	**142.0**	**144.7**	**172.2**	**85.4**	**82.9**	**47.4**	**53.4**	
Depreciation and allowance	-166.4	-125.0	-70.1	-101.0	-49.3	-29.0	-48.9	-71.6	-36.2	
Income from disposals	12.2	744.8	4.3	-1.5	0.5	78.2	-2.1	11.9	6.0	
Share in earnings of equity method investees	-13.1	-2.8	7.1	8.9	15.1	3.5	-0.1	-1.3		
SEGMENT INCOME	**219.5**	**974.7**	**83.3**	**51.1**	**138.6**	**138.1**	**33.4**	**-13.7**	**23.1**	
Goodwill depreciation										
Cost of debt										
Change in the fair value of financial instruments										
PROFIT BEFORE TAX										
Corporate income tax										
NET INCOME										

[1] Shopping center and Retail.

In millions of euros	Germany		CEE & Turkey		Unaffected[2]		Klépierre Group	
	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14	12/31/15	12/31/14
Gross rents	56.4		119.1	82.9		2.4	1195.7	822.7
Other rental income	0.1		0.1	0.2			12.6	10.4
Gross rental income	**56.5**		**119.3**	**83.0**		**2.4**	**1,208.4**	**833.0**
Rental & building expenses	-14.0		-13.2	-11.3	0.0	-0.4	-140.3	-87.8
NET RENTAL INCOME	**42.4**		**106.0**	**71.8**	**0.0**	**1.9**	**1,068.0**	**745.2**
Management and other income	6.2		6.0	4.1	0.1	0.4	100.7	86.5
Payroll and other general expenses	-11.2		-13.3	-7.9	-35.8	-34.4	-229.4	-160.7
EBITDA	**37.4**		**98.7**	**68.0**	**-35.8**	**-32.1**	**939.4**	**671.1**
Depreciation and allowance	-28.0		-62.6	-74.6		0.3	-461.6	-401.0
Income from disposals	-0.1		-6.7	0.4		13.2	14.1	846.9
Share in earnings of equity method investees			10.0				19.1	8.3
SEGMENT INCOME	**9.3**		**39.3**	**-6.2**	**-35.8**	**-18,.7**	**510.8**	**1,125.3**
Goodwill depreciation							-704.5	
Cost of debt							-217.0	-269.5
Change in the fair value of financial instruments							-30.6	-17.3
PROFIT BEFORE TAX							**-441.2**	**838.5**
Corporate income tax							3.6	-30.4
NET INCOME							**-437.7**	**808.1**

[2] Corporate including remaining Office portfolio in first half of 2014.

3.2. Net book value of investment property by operating segment

In millions of euros	Net book value of investment property 12/31/2015
Shopping centers	**1,901.6**
France-Belgium[1]	5,007.5
Scandinavia	2,423.8
Italy	2,443.7
Iberia	1,359.3
The Netherlands	852.6
Germany	935.2
CEE & Turkey	879.5
TOTAL	**13,901.6**

[1] Including retail assets.

3.3. Investment by operating segment

Investments include acquisitions and changes of scope (mainly as a result of the Corio acquisition).

In millions of euros	Property, plant and equipment	Investment property	Investment property under construction	Investments 12/31/2015
Shopping centers	**23.5**	**6,630.9**	**578.9**	**7,233.3**
France-Belgium[1]	1.7	1,255.2	192.5	1,449.4
Scandinavia	0.3	1.0	45.7	47.0
Italy	2.4	1,472.1	3.4	1,478.0
Iberia	1.7	899.0	4.2	905.0
The Netherlands	10.9	1,629.7	264.7	1,905.3
Germany	1.7	961.1	61.7	1,024.5
CEE & Turkey	4.8	412.7	6.6	424.1
TOTAL	**23.5**	**6,630.9**	**578.9**	**7,233.3**

[1] Including retail assets.

3.4. Customer receivables by operating segment

In millions of euros	12/31/2015	12/31/2014
Shopping centers	**164.3**	**103.2**
France-Belgium[1]	73.9	53.4
Scandinavia	16.5	15.2
Italy	33.2	12.1
Iberia	8.4	3.8
The Netherlands	5.4	
Germany	6.2	
CEE & Turkey	20.5	18.6
TOTAL	**164.3**	**103.2**

[1] Including retail assets.

Note 4. Scope of consolidation

List of consolidated companies	Country	% of interest			% of control		
Full consolidated companies		**12/31/2015**	**12/31/2014**	**Change**	**12/31/2015**	**12/31/2014**	**Change**
Holding - Head of the Group							
SA Klépierre	France	100.00%	100.00%	-	100.00%	100.00%	-
Shopping centers - France							
SAS KLE 1	France	100.00%	100.00%	-	100.00%	100.00%	-
SNC SCOO	France	53.64%	53.64%	-	53.64%	53.64%	-
SNC Klécar France	France	83.00%	83.00%	-	83.00%	83.00%	-
SNC KC3	France	83.00%	83.00%	-	100.00%	100.00%	-
SNC KC4	France	83.00%	83.00%	-	100.00%	100.00%	-
SNC KC5	France	83.00%	83.00%	-	100.00%	100.00%	-
SNC KC7	France	83.00%	83.00%	-	100.00%	100.00%	-
SNC KC9	France	83.00%	83.00%	-	100.00%	100.00%	-
SNC KC10	France	83.00%	83.00%	-	100.00%	100.00%	-
SNC KC11	France	83.00%	83.00%	-	100.00%	100.00%	-
SNC KC12	France	83.00%	83.00%	-	100.00%	100.00%	-
SNC KC20	France	83.00%	83.00%	-	100.00%	100.00%	-
SAS LP7	France	100.00%	100.00%	-	100.00%	100.00%	-
SCS Klécar Europe Sud	France	83.00%	83.00%	-	83.00%	83.00%	-
SC Solorec	France	80.00%	80.00%	-	80.00%	80.00%	-
SNC Centre Bourse	France	100.00%	100.00%	-	100.00%	100.00%	-
SCS Begles Arcins	France	52.00%	52.00%	-	52.00%	52.00%	-
SCI Bègles Papin	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Sécovalde	France	55.00%	55.00%	-	55.00%	55.00%	-
SAS Cécoville	France	100.00%	100.00%	-	100.00%	100.00%	-
SAS Soaval	France	100.00%	100.00%	-	100.00%	100.00%	-
SCA Klémurs	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Nancy Bonsecours	France	100.00%	100.00%	-	100.00%	100.00%	-
SNC Sodevac	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Odysseum Place de France	France	100.00%	100.00%	-	100.00%	100.00%	-
SAS Klécar Participations Italie	France	83.00%	83.00%	-	83.00%	83.00%	-
SNC Pasteur	France	100.00%	100.00%	-	100.00%	100.00%	-
SA Holding Gondomar 1	France	100.00%	100.00%	-	100.00%	100.00%	-
SAS Holding Gondomar 3	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Combault	France	100.00%	100.00%	-	100.00%	100.00%	-
SNC Klétransactions	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Beau Sevran Invest	France	83.00%	83.00%	-	100.00%	100.00%	-
SCI Valdebac	France	55.00%	55.00%	-	55.00%	55.00%	-
SAS Progest	France	100.00%	100.00%	-	100.00%	100.00%	-
SARL Belvedere Invest	France	55.00%	55.00%	-	55.00%	55.00%	-
SCI Haies Haute Pommeraie	France	53.00%	53.00%	-	53.00%	53.00%	-
SCI Plateau des Haies	France	100.00%	100.00%	-	100.00%	100.00%	-
SARL Forving	France	93.15%	93.15%	-	93.15%	93.15%	-
SCI Saint Maximin Construction	France	55.00%	55.00%	-	55.00%	55.00%	-
SCI Pommeraie Parc	France	60.00%	60.00%	-	60.00%	60.00%	-
SCI Champs des Haies	France	60.00%	60.00%	-	60.00%	60.00%	-
SCI La Rive	France	85.00%	85.00%	-	85.00%	85.00%	-
SCI Rebecca	France	70.00%	70.00%	-	70.00%	70.00%	-
SARL Proreal	France	51.00%	51.00%	-	51.00%	51.00%	-
SCI Le Mais	France	80.00%	80.00%	-	80.00%	80.00%	-
SCI le Grand Pré	France	60.00%	60.00%	-	60.00%	60.00%	-
SCI LC	France	88.00%	88.00%	-	100.00%	100.00%	-
SAS Kle Projet 1	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Créteil	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Albert 31	France	83.00%	83.00%	-	100.00%	100.00%	-

List of consolidated companies	Country	% of interest			% of control		
Full consolidated companies		**12/31/2015**	**12/31/2014**	**Change**	**12/31/2015**	**12/31/2014**	**Change**
SCI Galeries Drancéennes	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Portes de Claye	France	55.00%	55.00%	-	55.00%	55.00%	-
Klecab SCI	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Kleber Odysseum	France	100.00%	100.00%	-	100.00%	100.00%	-
SCI Klé Arcades	France	53.69%	53.69%	-	100.00%	100.00%	-
SNC Le Havre Colbert	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Massalia	France	100.00%	100.00%	-	100.00%	100.00%	-
Klévannes	France	100.00%	100.00%	-	100.00%	100.00%	-
Massalia Shopping Mall	France	60.00%	60.00%	-	100.00%	100.00%	-
Massalia Invest	France	60.00%	60.00%	-	60.00%	60.00%	-
Corio SA	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Corio et Cie	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Paris Immoblier Eurl	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Lyon Arc	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SCI Sanoux	France	75.00%	0.00%	75.00%	75.00%	0.00%	75.00%
SNC Centre Deux	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SCI Mob	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SAS Corio Alpes	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Galerie du Livre SAS	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Les Portes de Chevreuse	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Caetoile	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Corio Echirolles	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SAS Sagep	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC KupkaV et Cie	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Maya	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Ayam	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Les Ailes	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Dense	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Newton	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Financière Corio Sarl	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Corio Grand Littoral Eurl	France	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Service providers - France							
SNC Klépierre Management	France	100.00%	100.00%	-	100.00%	100.00%	-
SAS Klépierre Conseil	France	100.00%	100.00%	-	100.00%	100.00%	-
SNC Klépierre Brand Ventures	France	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Gift Cards	France	100.00%	100.00%	-	100.00%	100.00%	-
SAS Klépierre Finance	France	100.00%	100.00%	-	100.00%	100.00%	-
Shopping centers - International							
Corio Deutschland GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Corio Veste Duisburg GmbH	Germany	94.99%	0.00%	94.99%	94.99%	0.00%	94.99%
CVL Duisburg II GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
CVL Duisburg III GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
CVL Dresden GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Corio Veste Duisburg II GmbH	Germany	94.99%	0.00%	94.99%	94.99%	0.00%	94.99%
Corio Veste Dresden GmbH	Germany	94.99%	0.00%	94.99%	94.99%	0.00%	94.99%
Corio Veste Projekte 9 GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Unter Goldschmied Köln GmbH	Germany	94.99%	0.00%	94.99%	94.99%	0.00%	94.99%
Corio Veste Hildesheim GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Projekt A GmbH & CoKG	Germany	94.99%	0.00%	94.99%	94.99%	0.00%	94.99%
Projekt A Vermietung GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Corio Veste Berlin GmbH	Germany	94.99%	0.00%	94.99%	94.99%	0.00%	94.99%
CVL Berlin GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SA Coimbra	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
SA Cinémas de l'Esplanade	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
SA Foncière de Louvain La Neuve	Belgium	100.00%	100.00%	-	100.00%	100.00%	-

List of consolidated companies	Country	% of interest			% of control		
Full consolidated companies		12/31/2015	12/31/2014	Change	12/31/2015	12/31/2014	Change
SA Place de l'Accueil	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
Les Bureaux de l'Esplanade II	Belgium	100.00%	100.00%	-	100.00%	100.00%	-
Corio Lulin EOOD	Bulgaria	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Steen & Strøm Holding AS	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Bryggen, Vejle A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Bruun's Galleri ApS	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Field's Copenhagen I/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Viva, Odense A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Field's Eier I ApS	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Field's Eier II A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm CenterUdvikling VI A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
SA Klecar Foncier Iberica	Spain	83.06%	83.06%	-	100.00%	100.00%	-
SA Klecar Foncier Espana	Spain	83.06%	83.06%	-	100.00%	100.00%	-
SA Klépierre Vallecas	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Molina	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Plenilunio Socimi SA	Spain	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Príncipe Pío Gestion SA	Spain	95.00%	0.00%	95.00%	95.00%	0.00%	95.00%
Corio Torrelodones Office Suite SL	Spain	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Corio Real Estate SL	Spain	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SA Klépierre Nea Efkarpia	Greece	83.00%	83.00%	-	100.00%	100.00%	-
SA Klépierre Foncier Makedonia	Greece	83.01%	83.01%	-	100.00%	100.00%	-
SA Klépierre Athinon A.E.	Greece	83.00%	83.00%	-	100.00%	100.00%	-
SA Klépierre Peribola Patras	Greece	83.00%	83.00%	-	100.00%	100.00%	-
Klépierre Larissa	Greece	100.00%	100.00%	-	100.00%	100.00%	-
Sarl Zalaegerszeg plaza	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Sarl Nyiregyhaza Plaza	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
SA Duna Plaza	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Sarl CSPL 2002 (Csespel)	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Sarl GYR 2002 (Gyor)	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Sarl Debrecen 2002	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Sarl Uj Alba 2002	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Sarl Miskolc 2002	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Sarl Kanizsa 2002	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Corvin	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Corvin Vision	Hungary	66.67%	66.67%	-	66.67%	66.67%	-
Klépierre Trading	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Spa IGC	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Spa Klecar Italia	Italy	83.00%	83.00%	-	100.00%	100.00%	-
Spa Klefin Italia	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Collegno	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Serravalle	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Assago	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Klépierre	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Cavallino	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Galleria Commerciale Solbiate	Italy	100.00%	100.00%	-	100.00%	100.00%	-
K2	Italy	95.06%	95.06%	-	95.06%	95.06%	-
Klépierre Matera	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Caserta	Italy	83.00%	83.00%	-	100.00%	100.00%	-
Shopville Le Gru Srl	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Grandemilia Srl	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Shopville Gran Reno Srl	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Il Maestrale S.p.A.	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Comes Srl	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Globodue Srl	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Globotre Srl	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Generalcostruzioni Srl	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
B.L.O. Srl	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%

List of consolidated companies	Country	% of interest			% of control		
Full consolidated companies		**12/31/2015**	**12/31/2014**	**Change**	**12/31/2015**	**12/31/2014**	**Change**
Barbera Finance Srl	Italy	0.00%	0.00%	-	100.00%	0.00%	100.00%
Corio Italia Srl	Italy	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SA Klépierre Luxembourg	Luxembourg	100.00%	100.00%	-	100.00%	100.00%	-
Reluxco International SA	Luxembourg	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Storm Holding Norway	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Slagenveien 2 AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Amanda Storsenter AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Farmandstredet Eiendom AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Farmandstredet ANS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Hovlandbanen AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Nerstranda AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
SSI Lillestrøm Torv AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Hamar Storsenter AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Stavanger Storsenter AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Gulskogen Senter ANS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Vinterbro Senter DA	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Gulskogen Prosjekt & Eiendom AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Lille Eiendom AS	Norway	37.03%	37.03%	-	66.00%	66.00%	-
Steen & Strøm Mediapartner Norge AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Capucine BV	The Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Nordica	The Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Klémentine	The Netherlands	100.00%	100.00%	-	100.00%	100.00%	-
Corio Beleggingen I BV	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Services B.V.	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Corio Nederland Kantoren BV	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Management Nederland B.V.	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Hoog Catharijne B.V.	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Nederland B.V.	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Bresta I BV	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
CCA German Retail I B.V.	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
CCA German Retail II B.V.	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Participaties I B.V.	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Participaties II B.V.	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Sadyba	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Krakow	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Poznan	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Ruda Slaska Plaza spzoo	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Sadyba Best Mall Spzoo Spolka Komanditowa	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Krakow spzoo	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Pologne	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Rybnik	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Sosnowiec	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Movement Poland SA	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Lublin	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Galeria Krakow Sp.z.o.o	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Sadyba Best Mall Spzoo	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Poznan Sp. z o.o	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Ruda Slaska Sp. z o.o	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Sadyba Sp. z o.o	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Rybnik Sp. z o.o	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Lublin Sp. z o.o	Poland	100.00%	100.00%	-	100.00%	100.00%	-
KLP Polzka Sp. z o.o	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Fiz Ipopema 96	Poland	100.00%	100.00%	-	100.00%	100.00%	-
SA Klélou-Immobiliare	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
SA Galeria Parque Nascente	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
SA Gondobrico	Portugal	100.00%	100.00%	-	100.00%	100.00%	-

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SA Klenor Imobiliaria	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
SA Klétel Imobiliaria	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Kleminho	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Corio Espaçio Guimarães SA	Portugal	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Cz	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Praha S.R.O.	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Plzen	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Arcol	Slovakia	100.00%	100.00%	-	100.00%	100.00%	-
Nordica Holdco	Sweden	56.10%	56.10%	-	56.10%	56.10%	-
Steen & Strøm Holding AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB CentrumInvest	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Emporia	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Borlänge Köpcentrum	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Marieberg Centrum	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
Västra Torp Mark AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
NorthMan Sverige AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Uddevallatorpet	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Allum	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB P Brodalen	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
Partille Lexby AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB P Åkanten	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB P Porthälla	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
Fastighets Västra Götaland AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
Mässcenter Torp AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
Grytingen Nya AB	Sweden	36.35%	36.35%	-	64.79%	64.79%	-
FAB Lackeraren Borlänge	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
FAB Centrum Västerort	Sweden	56.10%	56.10%	-	100.00%	100.00%	-
Klépierre Gayrimenkul Yönetimi ve Yatrim Ticaret AS	Turkey	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Miratur Turizm Insaat ve Ticaret AS	Turkey	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Tan Gayrimenkul Yatrimi Insaat Turizm Pazarlama ve Ticaret AS	Turkey	51.00%	0.00%	51.00%	51.00%	0.00%	51.00%
Service providers - International							
Corio Mall Management Duisburg GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Corio Mall Management Dresden GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Projekt A Verwaltung GmbH	Germany	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Steen & Strøm CenterDrift A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm CenterService A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm Danemark A/S	Denmark	56.10%	56.10%	-	100.00%	100.00%	-
Klépierre Management Espana	Spain	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Hellas	Greece	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Magyarorszag	Hungary	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Italia	Italy	100.00%	100.00%	-	100.00%	100.00%	-
Steen & Strøm Senterservice AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Steen & Strøm Norge AS	Norway	56.10%	56.10%	-	100.00%	100.00%	-
Klépierre Vastgoed Ontwikkeling B.V.	The Netherlands	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Klépierre Management Polska	Poland	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Portugal	Portugal	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Ceska Républika	Czech Republic	100.00%	100.00%	-	100.00%	100.00%	-
Klépierre Management Slovensko	Slovakia	100.00%	100.00%	-	100.00%	100.00%	-
Steen & Strøm Sverige AB	Sweden	56.10%	56.10%	-	100.00%	100.00%	-

List of consolidated companies	Country	% of interest			% of control		
Equity Method Companies: jointly controlled		**12/31/2015**	**12/31/2014**	**Change**	**12/31/2015**	**12/31/2014**	**Change**
Shopping centers - France & International							
SCS Cécobil	France	50.00%	50.00%	-	50.00%	50.00%	-
SCI du Bassin Nord	France	50.00%	50.00%	-	50.00%	50.00%	-
SNC Le Havre Vauban	France	50.00%	50.00%	-	50.00%	50.00%	-
SNC Le Havre Lafayette	France	50.00%	50.00%	-	50.00%	50.00%	-
SCI La Plaine du Moulin à Vent	France	50.00%	50.00%	-	50.00%	50.00%	-
SCI Girardin	France	33.40%	33.40%	-	33.40%	33.40%	-
SCI Immobilière de la Pommeraie	France	50.00%	50.00%	-	50.00%	50.00%	-
SCI Aulnes developpement	France	25.50%	25.50%	-	50.00%	50.00%	-
SNC Parc de Coquelles	France	50.00%	50.00%	-	50.00%	50.00%	-
Kleprim's	France	50.00%	50.00%	-	50.00%	50.00%	-
SNC Murier	France	40.00%	0.00%	40.00%	40.00%	0.00%	40.00%
SNC Haven	France	40.00%	0.00%	40.00%	40.00%	0.00%	40.00%
SCI Pivoines	France	33.33%	0.00%	33.33%	33.33%	0.00%	33.33%
SCI KupkaC	France	40.00%	0.00%	40.00%	40.00%	0.00%	40.00%
Clivia 2000	Italy	50.00%	50.00%	-	50.00%	50.00%	-
Galleria Commerciale Il Destriero	Italy	50.00%	50.00%	-	50.00%	50.00%	-
CCDF S.p.A.	Italy	49.00%	0.00%	49.00%	49.00%	0.00%	49.00%
Galleria Commerciale Porta di Roma SpA	Italy	50.00%	0.00%	50.00%	50.00%	0.00%	50.00%
Galleria Commerciale 9 Srl	Italy	50.00%	0.00%	50.00%	50.00%	0.00%	50.00%
Italian Shopping Centre Investment Srl	Italy	50.00%	0.00%	50.00%	50.00%	0.00%	50.00%
Holding Klege	Luxembourg	50.00%	50.00%	-	50.00%	50.00%	-
International Shopping Centre SA	Luxembourg	50.00%	0.00%	50.00%	50.00%	0.00%	50.00%
Nordbyen Senter 2 AS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Åsane Storsenter DA	Norway	27.99%	27.99%	-	49.90%	49.90%	-
Åsane Kontorutvikling AS	Norway	27.99%	27.99%	-	49.90%	49.90%	-
Metro Senter ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Økern Sentrum Ans	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Asane Senter AS	Norway	27.99%	27.99%	-	49.90%	49.90%	-
Økern Eiendom ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Metro Shopping AS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Nordbyen Senter DA	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Økern Sentrum AS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Nordal ANS	Norway	28.05%	28.05%	-	50.00%	50.00%	-
Asane Storsenter Drift AS	Norway	27.99%	27.99%	-	49.90%	49.90%	-
Oslo City Kjøpesenter AS	Norway	37.42%	0.00%	37.42%	66.70%	0.00%	66.70%
Klege Portugal	Portugal	50.00%	50.00%	-	50.00%	50.00%	-

List of consolidated companies	Country	% of interest			% of control		
Equity Method Companies: significant influence		**12/31/2015**	**12/31/2014**	**Change**	**12/31/2015**	**12/31/2014**	**Change**
Shopping centers - France & International							
SCI La Rocade	France	38.00%	38.00%	-	38.00%	38.00%	-
SCI la Rocade Ouest	France	36.73%	36.73%	-	36.73%	36.73%	-
SCI du Plateau	France	19.65%	19.65%	-	30.00%	30.00%	-
SCI Achères 2000	France	30.00%	30.00%	-	30.00%	30.00%	-
SCI Champs de Mais	France	40.00%	40.00%	-	40.00%	40.00%	-
SARL Société du bois des fenêtres	France	20.00%	20.00%	-	20.00%	20.00%	-
Akmerkez Gayrimenkul Yatririm Ortakigi AS	Turkey	46.90%	0.00%	46.90%	46.90%	0.00%	46.90%

List of deconsolidated companies at 12/31/2015	Country	% interest		% control		Comments
		12/31/2015	12/31/2014	12/31/2015	12/31/2014	
SARL Immo Dauland	France	0.00%	100.00%	0.00%	100.00%	Merged
SAS Klecapnor	France	0.00%	100.00%	0.00%	100.00%	Merged
SAS Centre Jaude Clermont	France	0.00%	100.00%	0.00%	100.00%	Merged
SNC Galerie de l'Espace du Palais	France	0.00%	0.00%	0.00%	0.00%	Liquidated(1)
SNC Paris Sud Bretigny	France	0.00%	0.00%	0.00%	0.00%	Liquidated(1)
SNC Grand'Place Echirolles	France	0.00%	0.00%	0.00%	0.00%	Liquidated(1)
Corio France Sarl	France	0.00%	0.00%	0.00%	0.00%	Merged(2)
SNC Les Falaises	France	0.00%	0.00%	0.00%	0.00%	Liquidated(1)
SAS Klépierre Participations et Financements	France	0.00%	100.00%	0.00%	100.00%	Merged
SAS Carré Jaude 2	France	0.00%	100.00%	0.00%	100.00%	Merged
Sarl Szeged plaza	Hungary	0.00%	100.00%	0.00%	100.00%	Disposed
Sarl Szolnok plaza	Hungary	0.00%	100.00%	0.00%	100.00%	Disposed
Sarl KPSVR 2002	Hungary	0.00%	100.00%	0.00%	100.00%	Disposed
Nordbyen Senter AS	Norway	0.00%	56.10%	0.00%	100.00%	Liquidated
Slagenveien AS	Norway	0.00%	56.10%	0.00%	100.00%	Liquidated
Åsane Kulturutvikling AS	Norway	0.00%	27.99%	0.00%	49.90%	Liquidated
Åsane Hotellutvikling AS	Norway	0.00%	27.99%	0.00%	49.90%	Liquidated
Torvbyen Utvikling AS	Norway	0.00%	56.10%	0.00%	100.00%	Disposed
KS Markedet	Norway	0.00%	56.10%	0.00%	100.00%	Liquidated
Markedet Haugesund II AS	Norway	0.00%	56.10%	0.00%	100.00%	Liquidated
Torvhjømet Lillestrøm ANS	Norway	0.00%	56.10%	0.00%	100.00%	Liquidated
Nordbyen Senterforening AS	Norway	0.00%	41.85%	0.00%	74.60%	Liquidated
Corio NV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Corio Beleggingen II BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Corio Woningen BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Corio France BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Corio Frankrijk BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
VIB North America BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Corio Launchlab & Concepts BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Corio Britelayer BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Bocan BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Corio Portugal Holding BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Patio Onroerend Goed BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Bresta IV BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
Bresta V BV	The Netherlands	0.00%	0.00%	0.00%	0.00%	Merged(2)
FAB Viskaholm	Sweden	0.00%	56.10%	0.00%	100.00%	Disposed

(1) New company consolidated over the period and liquidated over the period.
(2) New company consolidated over the period and merged over the period.

As of December 31, 2015 the Group's scope of consolidation includes 309 companies compared to 245 at December 31, 2014, including 266 fully consolidated companies and 43 companies consolidated under the equity method.

4.1. Main events of the year

Within the acquisition of the Corio Group, the Group has integrated 98 new companies, including 88 fully consolidated companies and 10 companies consolidated under the equity method. Corio NV was merged into Klépierre SA on March 31, 2015 (see note 4.2).

On March 26, 2015, Klépierre acquired 100% of Orion Columba from the Orion Group for an amount of 160.9 million euros. This company owns a prime shopping center in Madrid. The acquisition was treated as a business combination according to IFRS 3. The net amount of the identifiable assets and liabilities at their fair value at the acquisition date stands at 114.1 million euros. The 46.8 million euro goodwill is allocated to the possibility of optimizing income taxes when disposing the assets. In accordance with IFRS 3, this purchase price allocation is provisional and could be subject to change for a period of 12 months after the acquisition date. Since the acquisition date, Orion Columba has contributed with 15.1 million euros to rental income and 14.4 million euros to the net rental income of the Group. If the acquisition had taken place at the beginning of the year, the contribution of the company would have been 19.9 million euros to rental income and 18.4 million euros to the net rental income.

In France, the companies Klécapnor and Immo Dauland were merged into Klémurs on March 3, and March 9, 2015 respectively. Centre Jaude Clermont, Carré Jaude 2 and Klépierre Participations et Financements were merged into Klépierre SA, and Corio France SARL was merged into Klépierre Management.

In Scandinavia, the companies Torvbyen Utvikling AS and FAB Viskaholm were sold during the period.

On April 1, 2015, Klépierre completed the sale of three shopping centers in Hungary. The Hungarian entity Szeged Plaza is no longer included in the scope of consolidation. In November, two additional shopping centers were disposed of; as a consequence, Szolnok plaza and KPSVR 2002 are no longer in the scope of consolidation.

On December 31, 2015, the group has acquired 66.70% of Oslo City Kjøpesenter AS, for 336 million euros.

According to the shareholder agreement concluded with Group Entra (which owns the remaining 33.30%), the group has decided to consolidate Oslo City Kjøpesenter AS under equity method (see note 9.4 Shareholders' agreements).

4.2. Public Exchange Offer on Corio NV

On July 29, 2014, Klépierre S.A and Corio N.V reached an agreement for a strategic combination of their businesses by means of a Public Exchange Offer followed by a cross-border merger. The aim of this combination was to create a leading pure player retail property company in Europe.

The Public Exchange Offer was launched on October 27, 2014, after obtaining the authorization of the Dutch "Autoriteit Financiële Markten" (the "AFM") and from the French "Autorité des Marchés Financiers" (the "AMF"). The exchange ratio for the Public Exchange Offer was 1.14 new Klépierre shares with a nominal value of 1.40 euros for each Corio share.

On January 8, 2015, the Public Exchange Offer was declared unconditional. 84,727,783 Corio shares, representing 84.07% of the issued and outstanding shares, were tendered under the Offer. A Post-Acceptance period was reopened between January 12, 2015 and January 16, 2015. Following the Post-Acceptance period of the Offer, Klépierre SA issued 10,976,874 new shares as compensation for the 9,628,837 additional Corio shares tendered.
Upon completion of the Offer and of the Post-Acceptance period, Klépierre held 93.6% of Corio shares. The share capital of Klépierre SA was increased from 279 million euros to 430 million euros. The share issue premium amounts to 3.8 billion euros. Issuance costs related to the issue of Klépierre shares amount to 28.9 million euros and were deducted from the share issue premium.
On March 31, 2015 Klépierre and Corio finalized the merger. The exchange ratio applied for the merger tallies with the one used in the Offer, 1.14 new Klépierre shares for each Corio share. By the end of the merger 7,319,177 new Klépierre shares have been issued in exchange for 6,420,331 Corio shares, increasing the capital of Klépierre SA from 430 million euros to 440 million euros.

Accounting for Business Combination

In accordance with IFRS3 - Business Combinations, the cost of the business combination is equal to the market value of Klépierre shares issued in exchange of Corio shares. The consideration given and fair value of Non-Controlling Interests has been determined as follows at the acquisition date:

Number of Corio shares		100,776,951
Exchange ratio into Klépierre shares		1.14
Number of Klépierre shares issued (exchange offer)	84.07%	96,589,672
Number of Klépierre shares issued (post-acceptance)	9.55%	10,976,874
Number of Klépierre shares issued following the merger	6.37%	7,319,177
Klépierre Stock share price (as of January 8, 2015) (in euros)		37,185
Total consideration given (M€)		**4,272**

The purchase price allocation was processed based on Corio's financial statements as of December 31, 2014 restated for the main impacts of the period from 1 to 8 January 2015. Moreover the following main restatements have been made to complete the fair value of assets and liabilities identified at the acquisition date:
— The Corio fixed-rate debt was revalued by 331.2 million euros and so increased to its fair value at the acquisition date. In addition, the foreign exchange effect between January 1 and January 8, 2015 resulted in the increase of the USD denominated debt by 18.5 million euros.
— Financial instruments were reassessed at 28.9 million euros to take into consideration the changes in interest rates between January 1st and January 8, 2015, leading to an additional increase in the assets.
— 71 million euros of historical goodwill from previous business combinations on the balance sheet of Corio were withdrawn.
— Investment Properties and Investment Properties under construction were subject to external and internal valuations and an impairment of 54.1 million euros was recognized (mainly on properties under construction).
— The review of deferred tax positions, tax liabilities and of the tax impact over restatements mentioned above resulted in the recognition of a liability of 44.3 million euros.

The amounts by category of assets and liabilities recognized at the acquisition date are:

In million of euros	**January 8, 2015**
Property, plant and equipment	19.6
Investments properties	6,419.6
Equity method securities	418.2
Financial assets and other non-current assets	110.6
Deferred tax assets[1]	-
NON-CURRENT ASSETS	**6,968.0**
Trade receivables	21.7
Other receivables	176.4
Derivatives	71.1
Cash and cash equivalents	19.0
CURRENT ASSETS	**288.2**
Total Assets	**7,256.2**
SHAREHOLDERS' EQUITY, Group share	**2,909.1**
Non-controlling interests	48.4
Non-current financial liabilities	3,005.0
Long-term provisions	28.9
Security deposits and guarantees	29.9
Deferred tax liabilities[1]	353.6
NON-CURRENT LIABILITIES	**3,417.5**
Current financial liabilities	456.4
Trade payables	137.9
Other liabilities	286.9
CURRENT LIABILITIES	**881.2**
Total Liabilities	**7,256.2**

[1] Both current and future income taxes are offset where such offsetting is legally permissible and where they originate within the same tax consolidation Group and are subject to the same tax authority.

The difference between the total consideration given (4,272 million euros) and Corio Shareholders' equity group share (2,909 million euros) represents the goodwill of 1,363 million euros.

During the period, the Group sold a portfolio of nine shopping centers located in the Netherlands. A part of Corio's goodwill was allocated to the sold operation for 110 million euros and was consequently written-off.

After the disposal of Netherlands nine assets, the gross goodwill amounts to 1,253 million euros.

According to IAS 36, the group has twelve months after the end of the acquisition's financial year to allocate the goodwill to the cash generating units (CGU) or group of CGUs. As of December 31, 2015 Corio goodwill has not yet been allocated. Consequently, Corio's goodwill has been tested for impairment based on the recoverable amount of the Corio operations as a whole. This recoverable amount was determined based on:
— the fair value of investments properties acquired through the Corio transaction as determined by external appraisals as of December 31, 2015. For a description of the the valuation methodology used by external appraisers please refer to note 2.12.2;
— the value of managements activities including costs synergies, as estimated by independent appraisers as of December 31, 2015. For the valuation methodology used by external appraisers please refer to note 2.12.1;
— the expected gain on deferred taxes calculated as the difference between the deferred tax liability recognized on the investment property and the optimized value of this deferred tax as of December 31, 2015.

The result of the impairment tests as of December 31, 2015 is presented as follows:

In millions of euros		
Fair value of Corio investments properties		6,515
Value of Management activities		175
Optimized value of deferred taxes		265
Total Recoverable amount	**A**	**6,955**
Carrying net amount of Corio assets		6,297
Goodwill as of January 8, 2015		1,363
Goodwill write-off following Netherlands assets disposal		-110
Total Net accounting value	**B**	**7,550**
Goodwill Impairment	**=A-B**	**-595**
Residual goodwill		**658**

Taking in consideration the recoverable amount as of December 31, 2015, part of the goodwill cannot be documented or justified with reasonable assumptions and was thus impaired for 595 million of euros. The remaining goodwill stands to 658 million euros and will be subject to impairment testing in the future. The Group will finalize the goodwill allocation to the cash generating units or group of CGUs next year in accordance with IFRS standards.

Corio began contributing to Klépierre's results starting in fiscal year 2015. For the period ended December 31, 2015 Corio's contribution to rental income and net rental income was respectively 404.1 million euros and 338.1 million euros. The acquisition was completed on January 8, 2015 but the consolidation date is January 1, 2015. Since the impact of the period from the January 1 to 8 is not significant on net income, it has not been restated.

4.3. Control assessment

In accordance with IFRS 12, the Group discloses its analysis to determine the nature of its interests held in other entities and the associated risks. The main partnerships of the Klépierre Group are described below.

Asane Storesenter DA and Okern Sentrum Ans

The Group holds 56.10% of the equity shares and voting rights of the holding company holding respectively 49.9% of the company Asane Storesenter DA and 50% of the company Okern Sentrum. The remaining shares are held by the partner Nordea for Asane and the partner Storebrand for Okern. In the two partnerships, each partner has the right to elect the same number of members of the Board of Directors. Decisions require the consent of the two parties. As these companies are jointly controlled and considered as joint-ventures they are consolidated under the equity method starting January 1st 2014.

SCI du Bassin Nord

The company Bassin Nord is jointly held by Klépierre SA and its partner Icade SA and is jointly managed. The co-managing directors compensation is approved by collective decision of the shareholders, and these latter can only withdraw themselves totally or partially when unanimously authorized by the other associates. Consequently, SCI du Bassin Nord is considered as being jointly controlled and is consolidated using the equity method.

Holding Klege and Klege Portugal

The Group holds 50% of the equity shares and voting rights of the holding company owning 100% of the company Klege Portugal. Each partner has the right to appoint the same number of members to the Board of Directors. The Chairman is appointed for a period of twelve continuous months on an alternating basis with the partner. All decisions are adopted on simple majority. The sub-group is jointly controlled and is consolidated using the equity method.

Clivia 2000 & Galleria Comerciale Il Destriero

The companies Clivia 2000 and Galleria Commerciale Il Destriero are 50% held by the Klépierre Group and its partner Finiper Group. Each shareholder has equal representation within the Board of Directors. The Chairman and the Vice Chairman are appointed for a period of three consecutive years, on an alternating basis with the partner. Consequently, these companies are consolidated under the equity method.

Nordica Holdco AB (parent company of the Steen & Strøm Group)

Nordica Holdco SA is a company jointly held at 56.10% by the Klépierre Group and 43.9% by the ABP partner. The Group has the right to appoint three members to the Board of Directors including the Chairman, whereas the partner can appoint two members. This latter has protective rights pursuant to the shareholders agreement and following the analysis of the decisions reserved for the partner. As the Group controls Nordica Holdco SA it is consolidated by full integration.

4.4. Investments (EPRA MODEL)

The investments of the period are:

In millions of euros	12/31/2015	12/31/2014
Acquisitions (1)	6,896.9	40.3
Development (2)	276.9	171.9
Like-for-like porfolio (3)	23.4	17.7
Others (4)	20.6	0.2
Net value	**7,217.8**	**230.0**

(1) On December 31, 2015 “Acquisitions” line includes the assets related to the Corio acquisition for 6,475.7 million euros, the acquisition of Plenilunio shopping center for 375.0 million euros and the acquisition on Markthal (Netherlands) for 44.0 million euros. On December 31, 2014, it includes the integration of Massalia shopping center.
(2) On December 31, 2015 “Development” line includes the investments related to development projects, mainly Hoog Catharijne (Ultrecht - Netherlands) for 89.2 million euros, “Val d’Europe” (France) for 35.6 million euros, Pantin (France) for 26.4 million euros, Pasteur (France) for 16.8 million euros, Kristianstad (Sweden) for 16.6 million euros, Fields (Denmark) for 16.1 million euros, “Créteil Soleil” (France) for 15.5 million euros, Veste Berlin (Germany) for 11.7 million euros and Le Prado (France) for 7.0 million euros. On December 31, 2014, it includes the investments related to development projects: Kristianstad (Sweden) for 33.5 million euros, Pasteur (France) for 17.6 million euros, the extension of Savignano (Italy) for 16.7 million euros, Val d’Europe (France) for 15.8 million euros, Emporia (Sweden) for 13.2 million euros, Fields (Denmark) for 11.8 million euros, “Carré Jaude” (France) for 8.4 million euros, Massalia for 7.7 million euros and “Créteil Soleil” for 7.5 million euros.
(3) On December 31, 2015, “Like-for-like portofolio” mainly includes the investments on Corio assets after its acquisition. The main contributors are Veste Dresden (Germany) for 4.3 million euros and “Saint Jacques” (Metz - France) for 3.6 million euros. On December 31, 2014, mainly includes the investments on Val d’Europe (France) for 2.2 million euros and on “Les Arcades - Noisy-le-Grand” (France) for 2.1 million euros and “Odysseum Place de France” for 1.2 million euros.
(4) The line “Others” includes capitalized financial interests, eviction indemnities and lease incentives.

Note 5. Notes to the financial statements: balance sheet

5.1. Goodwill

In millions of euros	12/31/2014	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Impairment	Other movements, reclassification	12/31/2015
Metropoli	0.9					0.9
Vignate	0.5					0.5
Galeria Parque Nascente	1.7					1.7
Klépierre Management Espana	10.9					10.9
Klépierre Management	52.4					52.4
Klépierre Management Magyarorszag	3.4					3.4
SCOO	0.5					0.5
ICD	0.9					0.9
IGC	36.5					36.5
Klépierre Management Italia	8.4					8.4
Steen & Strøm	10.4				-0.6	9.8
Coimbra	3.4					3.4
Orion		46.9				46.9
Corio operation		1,362.9	-110.0	-594.6		658.3
NET GOODWILL	**129.9**	**1,409.8**	**-110.0**	**-594.6**	**-0.6**	**834.6**

At December 31, 2015 goodwill totaled 834.6 million euros, compared to 129.9 million euros at December 31, 2014. The change of 704.6 million euros is mostly related to the Corio acquisition (see note 4.2).

46.9 million euros correspond to the goodwill recognized following the first consolidation of the company Orion (Plenilunio shopping center). This goodwill represents the difference between the deferred tax liability recognized at the acquisition date on the investment property and the fair value of this deferred tax.

5.2. Intangible assets

The "Software" item includes software in service as well as ongoing expenses. The change of this item is related to the deployment of the Group's new software projects.

In millions of euros	12/31/2014	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassification	12/31/2015
Leasehold right	1.8	1.0						2.8
Goodwill	3.7						-0.1	3.6
Software	65.4	7.2	-0.2		-1.2	1.0	3.8	76.0
Concessions, patents and similar rights	1.7							1.7
Other intangible assets	4.9	0.3				0.2		5.4
TOTAL GROSS VALUE	**77.5**	**8.5**	**-0.2**		**-1.2**	**1.2**	**3.7**	**89.5**
Leasehold right	-0.7			-0.1				-0.8
Goodwill	-1.7			-0.2		0.1		-1.8
Software	-23.7		0.2	-10.3	0.4	-0.9	-1.8	-36.1
Concessions, patents and similar rights	-1.1			-0.1				-1.2
Other intangible assets	-3.9			-0.1				-4.0
TOTAL DEPRECIATION AND AMORTIZATION	**-31.0**		**0.2**	**-10.8**	**0.4**	**-0.8**	**-1.8**	**-43.8**
INTANGIBLE ASSETS – NET VALUE	**46.5**	**8.5**		**-10.8**	**-0.8**	**0.4**	**1.9**	**45.7**

5.3. Property, plant and equipment and work in progress

Property, plant and equipment include operating furniture and equipment.

In millions of euros	12/31/2014	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassification	12/31/2015
Depreciable assets and work in progress	33.4	3.9	-8.2		-0.7	32.1	-12.2	48.3
TOTAL GROSS VALUE	**33.4**	**3.9**	**-8.2**		**-0.7**	**32.1**	**-12.2**	**48.3**
Depreciable assets	-20.4		7.3	-6.3	0.2	-12.5	4.0	-27.7
Total depreciation and amortization	**-20.4**		**7.3**	**-6.3**	**0.2**	**-12.5**	**4.0**	**-27.7**
Impairment								
PROPERTY, PLANT AND EQUIPMENT AND WORK IN PROGRESS – NET VALUE	**13.0**	**3.9**	**-0.9**	**-6.3**	**-0.5**	**19.6**	**-8.2**	**20.6**

5.4. Investment property

In millions of euros	12/31/2014	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassifications	12/31/2015
Non-depreciable assets	4,408.2	9.9	-63.8		-14.2	2,267.6	0.5	6,608.2
Depreciable assets	6,259.2	92.4	-854.3		-52.4	4,209.3	95.5	9,749.7
TOTAL GROSS VALUE	**10,667.4**	**102.3**	**-918.1**		**-66.6**	**6,476.9**	**96.0**	**16,357.9**
Amortization of depreciable assets	-1,757.5		58.4	-392.6	5.1	24.6	7.8	-2,054.2
TOTAL DEPRECIATION AND AMORTIZATION	**-1,757.5**		**58.4**	**-392.6**	**5.1**	**24.6**	**7.8**	**-2,054.2**
Impairment	-458.9		52.8	-51.5		19.6	35.9	-402.1
INVESTMENT PROPERTY – NET VALUE	**8,451.0**	**102.3**	**-806.9**	**-444.1**	**-61.5**	**6,521.1**	**139.7**	**13,901.6**

The item “acquisitions, new businesses and contributions” includes the acquisition of Markthal and various shopping center refurbishments completed during the year.

The item “Reduction by disposals, retirement of assets” mainly includes:
— the disposal on August 26, 2015 of a portfolio of nine shopping centers located in the Netherlands for a global rental area of around 236 000 sq.m. to Wereldhave,
— the disposal of retail assets in France,
— the disposal of the Krakow Plaza shopping center in Poland,
— the disposal of the Molina shopping center in Spain.

Changes in the scope of consolidation include newly consolidated investment properties from Corio, the Plenilunio investment and the disposal of five shopping centers in Hungary (Szeged, Zala, Csepel, Szolnok and Kaposvar).

The “Other movements, reclassifications” item represents the net balance arising from the reclassification of investment properties to “Investment properties held for sale” (see note 5.6), and from assets brought into use during the period, thus reclassified from “Investment property under construction”.

The “Impairment” item recorded an impairment allowance net of reversals of 51.5 million euros:
— allowances of 70.9 million euros, mainly related to shopping centers in France (28.9 million euros), Turkey (13.1 million euros), Hungary (9.3 million euros), Spain (9.1 million euros) and Italy (4.6 million euros);
— reversals of 19.4 million euros, mainly related to France (5.3 million euros), Hungary (5.1 million euros) and Portugal (4.1 million euros).

The table below presents the quantitative information used to determine the fair value of assets for the purposes of the impairment tests performed on investment properties:

Shopping centers 12/31/2015		Yield rate	Discount rate[1]	Capitalization yield[2]
France / Belgium	Max	9.0%	11.0%	10,0%
	Min	4.0%	5.6%	4.1%
	Weighted average	5.0%	6.6%	5.0%
Italy	Max	7.6%	9.1%	7.5%
	Min	5.2%	5.8%	5.4%
	Weighted average	5.9%	7.2%	6.0%
Scandinavia	Max	7.3%	9.0%	6.3%
	Min	4.6%	6.8%	4.6%
	Weighted average	5.2%	7.4%	5.2%
Netherlands	Max	12.1%	11.5%	10.1%
	Min	5.3%	6.3%	5.3%
	Weighted average	5.7%	7.1%	6.0%
Iberia (Spain, Portugal)	Max	10.3%	16.5%	10.5%
	Min	5.0%	7.4%	4.8%
	Weighted average	6.3%	8.2%	6.0%
Germany	Max	6.5%	7.4%	5.8%
	Min	4.9%	5.4%	4.5%
	Weighted average	5.2%	6.0%	4.7%
CEE & Turkey	Max	12.1%	15.4%	10.8%
	Min	5.1%	6.9%	5.3%
	Weighted average	7.3%	9.0%	7.4%

Yield rate, discount rate and capitalization yield weighted by gross market values (at 100% and not in Group share).

[1] Rate used to calculate the net present value of future cash-flows.

[2] Rate used to capitalize the exit rent to determine the exit value of an asset.

Annual rent in € per sqm 12/31/2015[3]	France / Belgium	Italy	Scandinavia	Netherlands	Iberia (Spain, Portugal)	Germany	CEE & Turkey
Max	1,664	529	358	390	600	264	1,170
Min	19	80	129	103	75	236	68
Weighted average	313	342	271	217	243	247	220

[3] Average annual rent (minimum guaranteed rent + sales based rent) per asset per sq.m.

Based on an asset fair value excluding estimated transfer taxes and transaction costs, the net initial yield[1] amounts to 5.73% as at December 31, 2015.

A change of +25 basis points of the net initial yield would result in a decrease of 719 million euros (-4.2%) of the total shopping centers portfolio value (excluding assets under development or consolidated under the equity method).

[1] The capitalization yield is the rental yield to appraisal value excluding duties ratio.

5.5. Investment property under construction

In millions of euros	12/31/2014	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in the scope of consolidation	Other movements, reclassifications	12/31/2015
Investment property under construction	422.5	290.0	-20.8		0.8	287.2	-162.2	817.5
Impairment	-22.5		8.4	-0.1			4.6	-9.6
INVESTMENT PROPERTY UNDER CONSTRUCTION – NET VALUE	**400.0**	**290.0**	**-12.4**	**-0.1**	**0.8**	**287.2**	**-157.6**	**807.9**

The consolidation of investment property under construction from the acquisition of Corio is recorded in the column "Changes in the scope of consolidation".

The "Other movements, reclassifications" item is related to assets brought into use.

Main investment properties under construction as of December 31, 2015 (net amounts) are:
— In France: diverse projects for a total amount of 284.1 million euros;
— Abroad: diverse projects for a total amount of 490.7 million euros, including 231.6 million euros in The Netherlands and 145.1 million euros in Scandinavia.

5.6. Investment property held for sale

In millions of euros	12/31/2014	Acquisitions, new businesses and contributions	Reduction by disposals	Other movements, reclassifications	12/31/2015
INVESTMENT PROPERTY HELD FOR SALE	**3.5**		**-3.5**	**23.9**	**23.9**

On December 31, 2015, investment property for sale includes a Spanish shopping center in Alicante, an Italian shopping center in Capodrise in the province of Caserta and a shopping center in Clamart, in France.

5.7. Investment in associates

In millions of euros	12/31/2014	Share in net income 2015	Dividends received	Capital increases and reductions	Currency fluctuations	Changes in the scope of consolidation and other movements	Changes in the Group's interest	12/31/2015
Investments in jointly-controlled companies	423.8	7.5	-6.9	1.9	-13.9	545.2	-	957.6
Investments in significant influence companies	19.7	11.6	-11.5		-22.6	206.7	-	203.9
INVESTMENT IN ASSOCIATES	**443.5**	**19.1**	**-18.4**	**1.9**	**-36.5**	**751.9**		**1,161.5**

Forty-three companies were consolidated under the equity method (see note 4 Scope of consolidation) as of December 31, 2015, of which thirty-six are jointly controlled and seven are subject to significant influence.

The item "Changes in the scope of consolidation and other movements" mainly corresponds to the integration of Oslo City (Norway) and Porta di Roma (Italy) for the jointly-controlled companies and Akmerkez (Turkey) for the significant influence companies.

The main elements of the balance sheet and income statement of joint ventures (jointly-controlled companies) are presented below (the values shown are at 100% and based on the Group's share in each compagny, including consolidation restatements):

In millions of euros	12/31/2015	12/31/2015	12/31/2014	12/31/2014
	100%	Group share	100%	Group share
Non-current assets	2,609.9	1,384.6	1,244.5	621.9
Current assets	107.4	51.9	68.5	34.3
Cash and cash equivalents	76.7	37.8	24.1	12.1
Non-current external financial liabilities	-151.1	-72.9	-84.7	-42.4
Non-current financial liabilities Group and Partners	-662.5	-331.2	-323.1	-161.5
Non-current liabilities	-128.0	-75.3	-2.8	-1.3
Current external financial liabilities	-11.5	-5.7	-9.1	-4.6
Current liabilities	-51.6	-31.7	-69.3	-34.6
Net Assets	**1,789.3**	**957.6**	**848.1**	**423.8**

In millions of euros	12/31/2015	12/31/2015	12/31/2014	12/31/2014
	100%	Group share	100%	Group share
Revenues from ordinary activities	160.1	79.1	105.7	52.8
Operating expenses	-120.0	-59.4	-71.6	-35.8
Financial income	-26.1	-13.0	-15.2	-7.6
Profit before tax	13.9	6.7	18.9	9.4
Tax	1.6	0.8	-5.7	-2.9
Net Income	**15.6**	**7.5**	**13.2**	**6.5**

Klépierre joint venture's share in external net debt for jointly-controlled companies amounts to 40.8 million euros as of December 31, 2015, vs 34.8 million euros as of December 31, 2014.
The key balance sheet and income statement data for companies consolidated using the equity method under significant influence[1] are shown below:

In millions of euros	12/31/2015	12/31/2015	12/31/2014	12/31/2014
	100%	Group share	100%	Group share
Investment property	427.0	194.8	50.3	16.4
Assets	**427.0**	**194.8**	**50.3**	**16.4**
Restated equity	449.4	203.9	54.2	19.7
Liabilities	**449.4**	**203.9**	**54.2**	**19.7**
Gross rental income	41.1	18.5	6.6	2.1
Net income	**26.0**	**11.6**	**5.0**	**1.7**

[1] Akmerkez, SCI La Rocade, SCI La Rocade Ouest, SCI Du Plateau, SCI Achères 2000, SCI Champ de Maïs, SARL Société du bois des fenêtres.

Klépierre share in external net cash position for companies under significant influence amounts to 6.3 million euros as of December 31, 2015, vs 0.2 milion euros as of December 31, 2014. The variation is mainly due to the entry of Akmerkez in the consolidation scope.

5.8. Other non-current assets

In millions of euros	12/31/2014	Newly consolidated	Increases	Reductions	Other	12/31/2015
Other long-term investments[1]	0.1					0.1
Loans and advances to non-consolidated companies and companies consolidated using the equity method	165.8	102.2	241.1	-154.1	-0.4	354.6
Loans	0.0	0.3		-0.1		0.2
Deposits	5.8	8.9	2.1	-1.3		15.6
Other long-term financial investments	1.2	0.1				1.3
Total	**173.0**	**111.6**	**243.2**	**-155.6**	**-0.4**	**371.8**

5.9. Trade accounts and notes receivable

Trade accounts include the effect of spreading lease incentives (stepped rents and rent-free periods) granted to tenants.
All receivables have a maturity of less than one year, except stepped rents and rent-free periods which are spread over the fixed term of the lease.

In millions of euros	12/31/2015	12/31/2014
Trade receivables	216.7	124.2
Stepped rents and rent-free periods of leases	18.7	20.0
Gross value	**235.4**	**144.2**
Provisions on bad debts	-71.1	-41.0
Net value	**164.3**	**103.2**

The increase of the net value is mainly due to the integration of Corio (60.3 million euros).

5.10. Other receivables

In millions of euros	12/31/2015			12/31/2014
	Total	Less than one year	More than one year	Total
Tax receivables	**180.4**	**176.1**	**4.2**	**37.4**
- Corporate income tax	50.8	50.8		8.7
- VAT	129.6	125.4	4.2	28.7
Other receivables	**230.1**	**182.7**	**47.3**	**163.6**
- Service charges due	2.1	2.1		0.5
- Down payments to suppliers	30.3	30.2	0.1	25.8
- Prepaid expenses	46.7	11.1	35.6	36.3
- Other	150.9	139.3	11.6	101.0
Total	**410.4**	**358.9**	**51.5**	**201.0**

The VAT item includes outstanding refunds due from local tax authorities in respect of recent acquisitions or construction projects in progress. The increase of the VAT item is mainly related to the acquisition of German and Italian Corio companies.

Pre-lease payments on building leases or emphyteutic rights are amortized over the lifetime of the lease and recognized under prepaid expenses, totaling 30.3 million euros.

Funds managed by Klépierre Management on behalf of principals are recognized under the item "Other" for 74.8 million euros, compared to 75.2 million euros at December 31, 2014. The management accounts of the principals are recognized under "Other liabilities" (see note 5.16) for the same amount.

5.11. Cash and cash equivalents

In millions of euros	12/31/2015	12/31/2014
Cash equivalents	*4.9*	*7.9*
Treasury and certificates of deposit	1.0	1.0
Money market investments	3.9	6.9
Cash	*408.7*	*132.7*
Gross cash and cash equivalents	**413.7**	**140.6**
Bank facilities	**-265.1**	**-53.8**
Net cash and cash equivalents	**148,.6**	**86.8**

Cash equivalents are composed of French UCITS-type monetary funds for 3.9 million euros and Italian treasury bills for 1 million euros.

After taking into consideration the available funds managed by Klépierre Management on behalf of its principals (see note 5.10), the available cash and cash equivalents stands at 488.5 million euros.

5.12. Shareholders' equity

5.12.1. Share capital

At December 31, 2015, the capital was represented by 314,356,063 shares each of 1.40 euro par value. The capital is fully paid up. Shares are either registered or bearer.

in euros	Number of shares	Capital	Issue premiums	Merger premiums	Other premiums
As of January 1, 2015	199,470,340	279,258,476	1,058,949,405	113,297,287	601,384,000
Issuing of new shares over the 2015 year	114,885,723	160,840,012	3,847,635,496	196,797,869	
As of December 31, 2015	**314,356,063**	**440,098,488**	**4,906,584,901**	**310,095,156**	**601,384,000**

5.12.2. Treasury shares

	12/31/2015				12/31/2014			
	Stock options	Free shares	Liquidity	External growth	Stock options	Free shares	Liquidity	External growth
Number of shares	958,940	847,363	207,035	885,195	1,405,795	757,500	153,258	1,048,574
Of which allocated	*591,321*	*847,363*			*1,278,615*	*757,500*		
Acquisition value (in millions of euros)	14.7	22.2	8.3	18.3	37.9	17.3	4.8	22.0
Income from sale (in millions of euros)	-4.1		7.3		1.0		1.s6	

The acquisition cost of purchased treasury shares and gains made on sales of treasury shares were respectively debited from, and credited to equity.

5.12.3. Non-controlling interests

Non-controlling interests recorded an increase of 122.7 million euros in 2015, of which 44.2 million euros were related to the recent consolidation of non-controlling interests in Corio companies, mainly in Germany, Turkey and France.

The "Other movements" line item relates to the share of non-controlling interests in the recapitalization of Storm Holding (31.4 million euros) and Nordica Holdco (29.7 million euros) for the acquisition of Oslo City Kjøpesenter AS.

The remaining changes come from the payment of the dividends (-58.3 million euros) and the net income of the period of non-controlling interests (62.1 million euros).

5.13. Current and non-current financial liabilities

5.13.1. Change in indebtedness

Current and non-current financial liabilities amount to 9,298 million euros as of December 31, 2015.

Net indebtedness totaled 8,857 million euros, compared to 5,325 million euros at December 31, 2014. Net indebtedness is the difference between financial liabilities (excluding both fair value hedge and Corio's debts revaluation) plus bank overdrafts minus available cash and marketable securities.

This 3,532 million euros increase is mainly attributable to the consolidation of Corio's indebtedness for a total nominal amount of 3.2 billion euros. The other factors explaining the changes are:
— Klépierre paid a 393 million euro dividend of which 180 million euros were paid in January and 213 million euros in April 2015.
— Total investments amounted to 946 million euros including acquisitions of the year, Plenilunio and Oslo City, and development expenses mainly Hoog Catharijne, Val d'Europe and Marseille Prado. In the meantime, Klépierre disposed more than 800 million of assets mainly in the Netherlands. Other disposals concerned former Klémurs' assets and smaller shopping centers in Iberia and Central Europe.
— The appreciation of the euro against the Scandinavian currencies generated 38 million euros of positive foreign-exchange impact on debt.
— The free cash-flow, debt restructuring costs and minorities' contribution represent the balance and contribute to reduce the net debt by circa 200 million euros.

In millions of euros	12/31/2015	12/31/2014
NON-CURRENT		
Bonds net costs/premiums	5,256.0	3,627.8
— Of which revaluation due to fair value hedge	69.7	90.7
Loans and borrowings from credit institutions – more than one year	1,312.3	1,177.5
Other loans and borrowings	145.8	75.1
— Advance payments to the Group and associates	89.8	75.1
— Leasehold (finance lease)[1]	56.0	
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6,714.1**	**4,880.4**
CURRENT		
Bonds net costs/premiums	620.1	
— Of which revaluation due to fair value hedge		
Loans and borrowings from credit institutions – less than one year	534.1	73.9
Accrued interest	126.3	84.4
— On bonds	114.2	76.4
— On loans from credit institutions	9.2	6.0
— On advance payments to the Group and associates	3.0	2.0
Commercial paper	1,299.1	536.9
Other loans and borrowings	4.4	2.1
— Advance payments to the Group and associates	4.4	2.1
TOTAL CURRENT FINANCIAL LIABILITIES	**2,584.0**	**697.4**
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**9,298.2**	**5,577.7**

[1] In accordance with IAS17 the leasehold of the Turkish shopping center "365" is recognized as finance lease (see paragraph 2.14. Leases).

5.13.2. Principal sources of financing

The Group's main financial resources are detailed in the table below.

It includes the former Corio's facilities and debts which remained in place at the end of the year. During the year, Klépierre repurchased 359 million euros of notes denominated in euros mostly issued by Corio and fully prepaid the US Private Placements (840 million euros of nominal value). These financings were partly replaced by new long-term bonds (1.1 billion euros). All of the commercial papers formerly issued by Corio NV have been switched on the Klépierre's commercial paper program.

Klépierre successfully renegotiated the terms of and extended for a period of 2 years its 750 million euro syndicated revolving credit facility. At the same time, all of the former revolving credit facilities of Corio were replaced by a new 850 million euro 5-year (with two extension options by one year) syndicated revolving credit facility.

In millions of euros	Group's financing						
	Borrower	Issue currency	Reference rate	Maturity date	Repayment profile	Maximum amount	Amount used as at 12/31/2015
Bonds						**4,226**	**4,226**
	Klépierre SA	EUR	4.250%	3/16/2016	In fine	526	526
	Klépierre SA	EUR	4.000%	4/13/2017	In fine	615	615
	Klépierre SA	EUR	2.750%	9/17/2019	In fine	500	500
	Klépierre SA	EUR	4.625%	4/14/2020	In fine	300	300
	Klépierre SA	EUR	4.750%	3/15/2021	In fine	600	600
	Klépierre SA	EUR	1.000%	4/17/2023	In fine	750	750
	Klépierre SA	EUR	1.750%	11/6/2024	In fine	630	630
	Klépierre SA	EUR	2.125%	10/22/2025	In fine	255	255
	Klépierre SA	EUR	4.230%	5/21/2027	In fine	50	50
						1,176	**1,176**
	Klépierre (ex Corio)	EUR	5.448%	8/10/2020	In fine	250	250
	Klépierre (ex Corio)	EUR	3.250%	2/26/2021	In fine	500	500
	Klépierre (ex Corio)	EUR	3.516%	12/13/2022	In fine	85	85
	Klépierre (ex Corio)	EUR	2.389%	6/5/2017	In fine	50	50
	Klépierre (ex Corio)	EUR	4.625%	1/22/2018	In fine	291	291
						433	**433**
	Steen & Strøm	NOK	NIBOR	2016	In fine	96	96
	Steen & Strøm	NOK	NIBOR	2017	In fine	168	168
	Steen & Strøm	SEK	STIBOR	2017	In fine	54	54
	Steen & Strøm	NOK	NIBOR	2018	In fine	42	42
	Steen & Strøm	NOK	NIBOR	2019	In fine	31	31
	Steen & Strøm	NOK	2.62%	2022	In fine	42	42
Bank loans						**3,100**	**100**
	Klépierre	EUR	Euribor	6/4/2020	In fine	750	0
	Klépierre	EUR	Euribor	11/17/2019	In fine	250	0
	Klépierre	EUR	Euribor	11/17/2021	In fine	400	0
	Klépierre	EUR	Euribor	07/07/2020 (4)	In fine	850	100
	Klépierre	EUR	Euribor		In fine	850	0
Mortgage loans						**1,266**	**1,266**
	K2	EUR	E3m	1/15/2023	Amortized	33	33
	Principe Pio	EUR	3.750%			29	29
	Steen & Strøm(3)	NOK	NIBOR			261	261
	Steen & Strøm(3)	SEK	STIBOR			496	496
	Steen & Strøm(3)	DKK	CIBOR/Fixed (2)			447	447
Index-linked loan						**221**	**221**
CMBS						**66**	**66**
Property finance leases						**62**	**62**
Short-term lines and bank overdrafts						**249**	**0**
Commercial papers						**1,429**	**1,299**
	Klépierre	EUR	-	-	In fine	1,300	1,170
	Steen & Strøm	NOK			In fine	129	129
Total FOR THE GROUP(1)						**10,929**	**8,850**

(1) Totals are calculated excluding the backup lines of funding since the maximum amount of the "commercial paper" line includes that of the backup line.
(2) Of which fixed rate debt for 43 million euros.
(3) Steen & Strøm has several loans in the three different Scandinavian currencies (NOK,SEK,DKK).
(4) The revolving credit facility includes two extension options by one year.

5.13.3. Financial covenants relating to financing and rating

The Group's main credit agreements contain financial covenants, which could lead to a mandatory prepayment of the debt.

As of December 31, 2015, the Group's financing covenants remain in line with the commitments agreed to under its contracts. The financial ratios are disclosed in the management report (see 'Financial resources' Note).

5.13.4. Breakdown of borrowings by maturity date

Breakdown of current and non-current financial liabilities

In millions of euros	Total	Less than one year	One to five years	More than five years
NON-CURRENT				
Bonds net costs/premiums	**5,256.0**		**2,344.8**	**2,911.3**
— Of which revaluation due to fair value hedge	69.7		69.7	
Loans and borrowings from credit institutions – more than one year	**1,312.3**		**611.9**	**700.4**
Other loans and borrowings	**145.8**		**76.5**	**69.3**
— Advance payments to the Group and associates	89.8		76.5	13.3
— Leasehold (finance lease)[1]	56.0			56.0
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**6,714.1**		**3,033.2**	**3,680.9**
CURRENT				
Bonds net costs/premiums	**620.1**	**620.1**		
— Of which revaluation due to fair value hedge				
Loans and borrowings from credit institutions – less than one year	**534.1**	**534.1**		
Accrued interest	**126.3**	**126.3**		
— On bonds	114.2	114.2		
— On loans from credit institutions	9.2	9.2		
— On advance payments to the Group and associates	3.0	3.0		
Commercial paper	1,299.1	1,299.1		
Other loans and borrowings	4.4	4.4		
— Advance payments to the Group and associates	4.4	4.4		
TOTAL CURRENT FINANCIAL LIABILITIES	**2,584.0**	**2,584.0**		
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**9,298.2**	**2,584.0**	**3,033.2**	**3,680.9**

[1] In accordance with IAS17 the leasehold of the Turkish shopping center "365" is recognized as finance lease (see paragraph 2.14. Leases).

Maturity schedule of financing including principal and interests (non-discounted) amounts are as follows:

In millions of euros										
Repayment year	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024 and after**	**TOTAL**
Principal	2,455	943	541	585	700	1,154	178	802	1,491	8,850
Interest	189	156	135	128	105	56	46	37	111	963
TOTAL FOR THE GROUP (principal + interests)	**2,645**	**1,099**	**676**	**714**	**804**	**1,210**	**224**	**839**	**1,602**	**9,812**

In 2016, 526 million of bonds denominated in euros fall in March and 221 million euros of indexed loan are due in September.

All commercial papers in euros are issued with less than one year maturities (1,170 million euros) and are fully covered by back-up lines. In Scandinavian currencies, 1,240 million Norwegian Kroner of commercial papers (129 million euros) and several loans or bonds in NOK and SEK (315 million euros) will mature in 2016.

At December 31, 2014, the amortization table for these contractual flows was as follows:

In millions of euros										
Repayment year	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023 and after**	**TOTAL**
Principal	644	709	996	238	580	342	735	34	1,117	5,396
Interest	150	128	98	88	81	62	33	26	161	828
TOTAL FOR THE GROUP (principal + interests)	**794**	**837**	**1,094**	**326**	**661**	**404**	**768**	**60**	**1,278**	**6,224**

5.14. Hedging instruments

5.14.1. Rate hedging portfolio

As part of its risk management policy (see section 8 "Exposure to risks and hedging strategy"), Klépierre has settled interest rate swap or cap agreements allowing to switch from floating rate to fixed rate debt and vice-versa. Thanks to these instruments, the Group's hedging rate (the proportion of gross financial debt arranged or hedged at fixed rate) was 77% as of December 31, 2015.

At December 31, 2015, the breakdown of derivatives by maturity date was as follows:

In millions of euros		DERIVATIVES OF KLÉPIERRE GROUP											
Hedging relationship	**Currency**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**TOTAL**
Cash-flow hedge													925
	EUR					200							200
	NOK	125	91		167								383
	SEK		54	22		65	65	33					239
	DKK	40					62						103
Fair value hedge													935
	EUR		585			250	100						935
	NOK												
	SEK												
	DKK												
Trading													2,124
	EUR		564	700	260	400					200		2,124
	NOK												
	SEK												
	DKK												
TOTAL FOR THE GROUP		**165**	**1,295**	**722**	**427**	**915**	**228**	**33**			**200**		**3,984**

The trading category includes a portfolio of caps in euros (1 billion euros of notional), payer and receiver swaps which partly compensate either themselves or some of the cash-flow hedge instruments.

The corresponding contractual flows (interest) break down as follows (positive flows = payer flows):

In millions of euros	Hedging relationship	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	TOTAL
Swaps	Cash-flow hedge	8	9	7	7	0							30
Swaps	Fair value hedge	-26	-16	-11	-10	-4	-0						-67
Swaps/cap	Trading	-6	-7	-8	-7	20	3	2	2	1	0		1
EUR-denominated derivatives		**-24**	**-14**	**-12**	**-10**	**16**	**2**	**2**	**2**	**1**	**0**		**-36**
NOK-denominated derivatives		**7**	**3**	**2**	**0**								**12**
SEK-denominated derivatives		**7**	**6**	**4**	**2**	**1**	**0**	**-0**					**21**
DKK-denominated derivatives		**1**	**1**	**1**	**1**	**1**	**0**						**6**
TOTAL FOR THE GROUP		**-8**	**-4**	**-5**	**-6**	**18**	**3**	**2**	**2**	**1**	**0**		**3**

At December 31, 2014, the breakdown of derivatives by maturity date and the amortization schedule for the corresponding interest flows were as follows:

In millions of euros		DERIVATIVES OF KLÉPIERRE GROUP											
Hedging relationship	**Currency**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**TOTAL**
Cash-flow hedge													**1,460**
	EUR				200		500						700
	NOK		133	97		177							407
	SEK	16		53	21		64	64	32				250
	DKK		40					63					103
Fair value hedge													**935**
	EUR			585			250	100					935
	NOK												
	SEK												
	DKK												
Trading													**1,600**
	EUR	400		200	900	100							1,600
	NOK												
	SEK												
	DKK												
TOTAL FOR THE GROUP		**416**	**173**	**935**	**1,121**	**277**	**814**	**227**	**32**				**3,995**

At December 31, 2014, the corresponding contractual flows (interest) break down as follows (positive flows = payer flows):

In millions of euros	Hedging relationship	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
Swaps	Cash-flow hedge	27	26	26	24	17							120
Swaps	Fair value hedge	-26	-26	-15	-10	-9	-4						-90
Swaps/cap	Trading	6	7	7	2								23
EUR-denominated derivatives		**7**	**8**	**18**	**16**	**8**	**-4**						**52**
NOK-denominated derivatives		**8**	**6**	**2**	**1**								**18**
SEK-denominated derivatives		**6**	**5**	**5**	**3**	**2**	**2**	**1**					**24**
DKK-denominated derivatives		**2**	**1**	**1**	**1**	**1**	**1**	**1**					**7**
TOTAL FOR THE GROUP		**23**	**21**	**27**	**22**	**11**	**-2**	**1**					**101**

Fair value of the interest rate hedging portfolio

Derivatives In millions of euros	Fair value net of accrued interest as of 12/31/2015	Change in fair value during 2015	Counterparty
Cash-flow hedge	-70.5	98.9	Shareholders' equity
Fair value hedge	69.7	-21.0	Borrowings
Trading	3.5	-30.5	Earnings
TOTAL	**2.7**	**47.4**	

5.14.2. Exchange rate hedging

Klépierre manages its exposure to foreign exchange risk linked to the holding of Turkish malls with rents denominated in USD, by selling forward USD (261.5 million USD) against euros. These transactions are qualified of Net Investment Hedges.

5.15. Long-term provisions

Increased by 25.7 million euros, provisions amount to 43.1 million euros. This change in long-term provisions can be mainly explained by the acquisition of Corio including a provision related to a turnkey project.

This item otherwise includes a 8.3 million euro provision to cover the risk relating to tax litigations.

The remaining balance of 15.2 million euros mainly concerns provisions for litigation and provisions for other business-related risks (tenants, warranty claims, etc.).

5.16. Social and tax liabilities and other liabilities

In millions of euros	12/31/2015	12/31/2014
Social and tax liabilities	**192.2**	**98.3**
Staff and related accounts	35.6	28.8
Social security and other bodies	15.5	11.4
Tax payables		
— Corporate income tax	39.7	20.4
— VAT	59.6	15.9
Other taxes and duties	41.8	21.9
Other liabilities	**298.7**	**182.8**
Creditor customers	17.1	6.4
Prepaid income	51.4	47.9
Other liabilities	230.2	128.6

The increase of the VAT item is mainly related to the acquisition of German, Dutch and Italian Corio companies.
The 17.1 million euro advance payments received from tenants related to call of charges are recognized in “Creditor customers”.

The “Other liabilities” item consists primarily of funds representing the management accounts of Klépierre Management’s principals, balanced by an equal amount in “Other receivables” on the asset side of the balance sheet. These funds totaled 74.8 million euros at December 31, 2015, compared to 75.2 million euros at December 31, 2014.

Note 6. Notes to the financial statements: comprehensive income statement

The Corio contribution to main aggregates of the income statement as of December 31, 2015 is disclosed in the paragraph 4.2 Public Exchange Offer on Corio N.V.

6.1. Gross rental income

Gross rental income includes:
— rents from investment property and rent-related income, such as car park rentals and early termination indemnities;
— other rental income: income from entry fees and other income.
Stepped rents, rent-free periods and entry fees are spread over the fixed term of the lease.

Charges invoiced to tenants are not included in gross rental income but deducted from rental expenses.

6.2. Land expenses (real estate)

Land expenses (real estate) correspond to lease payments (or depreciation of initial payments) for properties built on land subject to a building lease or an operating contract (concession).

6.3. Non-recovered rental expenses

These expenses are stated net of charges re-invoiced to tenants and mainly comprise expenses on vacant premises.

6.4. Owners’ building expenses

These expenses are composed of owners’ rental expenses, expenses related to construction work, legal costs, expenses on bad debts and costs related to real estate management.

6.5. Other operating revenue

Other operating revenue includes:
— building works re-invoiced to tenants;
— other income.

6.6. Depreciation and impairment allowance on investment property, tangible and intangible assets

Depreciation and impairment allowance on investment properties and other fixed assets, amount to 461.3 million euros, an increase of 64 million euros.

This figure includes asset impairment allowances net of reversals for 53.2 million euros, down by 75.1 million euros. Depreciation on investment property amounts to 391 million euros, up by 134.4 million euros compared to the year 2014. Moreover the depreciation and impairment allowance on intangible and tangible assets increased by 4.7 million euros over the period.

6.7. Income from disposals of investment properties and equity investments

Income from disposals totaled 14.1 million euros and mainly resulted from the disposal of:
— a portfolio of retail properties in France,
— a Spanish shopping center in Molina,
— five shopping centers in Hungary (Szeged, Csepel, Zalaegerszeg, Szolnok and Kaspovar), by disposal of shares,
— 50% of the shopping center Hovlandbanen in Norway,
— a portfolio of nine shopping centers located in the Netherlands to Wereldhave.

Income from disposals also includes registration fees and expenses incurred relate to the disposals.

6.8. Net cost of debt

The net cost of debt amounts to 217.1 million euros, compared to 269.6 million euros at December 31, 2014.

The debt restructuration (bonds buy back and hedging adjustments) that has been implemented in 2015 was aimed to optimize the cost of debt while extending debt duration.

According to IFRS standards, the debt related to Corio has been reappraised at the market value at the first consolidation date (January 8, 2015) for an amount of 331 million euros. This cost will be amortized on the remaining maturity of the underlying debt. The impact is 184.1 million euros for the year.

In millions of euros	12/31/2015	12/31/2014
Financial income	**161.1**	**99.5**
Income from sale of securities	0.2	0.2
Interest income on swaps	104.0	64.7
Deferral of payments on swaps	0.3	0.3
Capitalized interest	14.9	2.8
Interest on associates' advances	12.0	6.6
Sundry interest received	5.2	0.9
Other revenue and financial income	6.6	5.7
Currency translation gains	18.0	18.2
Financial expenses	**-378.2**	**-369.1**
Expenses from sale of securities		
Interest on bonds	-172.1	-134.2
Interest on loans from credit institutions	-92.3	-39.4
Interest expense on swaps	-68.0	-70.9
Deferral of payments on swaps	-54.0	-66.4
Interest on associates' advances	-2.3	-2.3
Sundry interest paid	-2.8	-0.6
Other financial expenses(1)	-161.8	-43.6
Currency translation losses	-16.7	-21.0
Transfer of financial expenses	7.6	9.3
Amortization of the fair value of debt(2)	184.1	
Net cost of debt	**-217.1**	**-269.6**

(1) Including the result of bonds buy back for the amount of -34 million euros, and the reimbursement of the USPP loan for -99 million euros.
(2) Corresponds to the amortization of the market value adjustment of Corio's debt at the acquisition date (annual amortization equals to 74 million euros, accelerated amortization due to the reimbursement of the USPP loan equals to 110 million euros, see paragraph 4.2).

Note 7. Taxes

In millions of euros	12/31/2015	12/31/2014
Current tax	-32.8	-49.2
Deferred tax	36.4	18.8
Total	**3.6**	**-30.4**

The Group's tax impact for the period is a profit of 3.6 million euros mainly due to deferred tax reversals at December 31, 2015, compared to -30.4 million euros at December 31, 2014.

A breakdown of tax expense between France (SIIC sector and common law) and foreign companies is shown in the reconciliation between theoretical and actual tax expense:

In millions of euros	France		Foreign companies	Total
	SIIC sector	Common law		
Pre-tax earnings and earnings from equity-method companies	-586.5	-7.6	133.8	**-460.3**
Theoretical tax expense at 34.43%	**201.9**	**2.6**	**-46.1**	**158.5**
Exonerated earnings of the SIIC sector	**-187.9**			**-187.9**
Taxable sectors				
Impact of permanent time lags	4.4	-5.0	15.4	**14.8**
Untaxed consolidation restatements	4.1	-0.1	22.2	**26.2**
Impact of non-capitalized losses	-25.0	-0.2	-17.6	**-42.8**
Assignment of non-capitalized losses			0.9	**1.2**
Exit tax on special reserve of long-term capital gains				
Change of tax regime				
Discounting of deferred tax following restructuring				
Discounting of tax rates and other taxes		1.0	12.3	**13.4**
Rate differences			19.7	**20.2**
Actual tax expense	**-2.1**	**-1.0**	**6.7**	**3.6**

Deferred taxes are composed of:

In millions of euros	12/31/2014	Change in scope	Change in net income	Cash-flow hedging reserves	Asset, liability reclassifications	Other changes	12/31/2015
Investment properties	-378.3	-428.1	14.5		33.6	6.2	-752.0
Derivatives	12.2			-2.6	-0.3	-0.1	9.1
Losses carried forward	49.1	22.7	-9.5		-0.4	-3.5	58.6
Other items	-5.4		-11.7		8.1	0.1	-8.8
Total for entities in a net liability position	**-322.3**	**-405.4**	**-6.6**	**-2.6**	**41.0**	**2.8**	**-693.1**

In millions of euros	12/31/2014	Change in scope	Change in net income	Cash flow hedging reserves	Asset, liability reclassifications	Other changes	12/31/2015
Investment properties	7.1	-2.1	34.4		-33.6	-0.2	5.6
Derivatives	33.8			3.2	0.3		37.4
Losses carried forward	8.8	7.3	-1.7		0.4	1.4	16.1
Other items	-1.0	-5.2	10.3		-8.1	-2.1	-6.1
Total for entities in a net asset position	**48.7**	**0.0**	**43.0**	**3.2**	**-41.0**	**-0.8**	**53.0**
NET POSITIONS	**-273.6**	**-405.4**	**36.4**	**0.6**	**0.0**	**2.0**	**-640.1**

The deferred tax in the income statement shows a net profit of 36.4 million euros. This gain is mainly comprised of:
— a 48.9 million euro gain resulting from the variation of deferred taxes on temporary differences related to investment properties;
— a -11.2 million euro expense, resulting from the use of losses carried forward partially offset by the activation of losses of the period;
— a -2.1 million euro expense related to the variation of other balance sheet temporary differences (including deferred taxes on translation differences and derivatives).

"Change in scope" mainly corresponds to the effect of first consolidation of Corio Group and Orion Columba.

The "Other changes" column, showing a variation of 2.7 million euros, mainly records the effect of currency fluctuations.
The ordinary tax losses carried forward are capitalized where their realization is deemed probable. The expected time scale for recovering tax loss carried forward capitalized for all entities within the Group is five to seven years.

Non-capitalized deferred taxes on tax losses carried forward amount to 235.6 million euros at December 31, 2015 compared to 165.8 million euros at December 31, 2014.

Country	Tax rate	Inventory of ordinary losses at 12/31/2014	Inventory of ordinary losses at 12/31/2015	Change in ordinary losses in 2015	Capitalized deferred tax at 12/31/2014	Deferred tax capital-izable at 12/31/2015	Change in capitalized amounts	Deferred tax capitalized at 12/31/2015	Deferred tax not capitalized at 12/31/2015	Comments
Belgium	33.99%	(37,868)	(39,835)	(1,967)	4,880	13,540	214	5,094	8,446	Unlimited deferral of ordinary losses.
Denmark	22.00%	(28,286)	(23,861)	4,426	6,223	5,249	(974)	5,249	(0)	Unlimited deferral of ordinary losses. Use of losses carried forward limited to 60% of taxable income (beyond DKK 7,5 million).
Spain	30.00%	(37,912)	(129,592)	(91,680)	4,249	32,398	17,111	21,360	11,038	Losses can be deferred for 18 years. Use of losses carried forward limited to 60% of taxable income.
France	34.43% or 33.00% or 19.00%	(326,662)	(456,948)	(130,285)		113,027			113,027	Unlimited deferral of ordinary losses. Use of losses carried forward limited to 50% of taxable income (beyond €1million).
Greece	26.00%	(6,515)	(14,704)	(8,189)		3,823			3,823	Losses can be deferred for 5 years.
Hungary	10.00%	(177,227)	(179,367)	(2,141)		17,937			17,937	Unlimited deferral of ordinary losses generated before 2014. Losses generated after 2014 can only be deffered for 5 years. Use of losses carried forward limited to 50% of taxable income.
Italy	24.00% or 27.90%	(19,354)	(75,752)	(56,398)		20,614	11,046	11,046	9,568	Unlimited deferral of ordinary losses. No limitation for the losses for the first 3 years. After 3 years use of losses carried forward limited to 80% of taxable income.
Luxembourg	29.22%	(36,158)	(41,113)	(4,955)		12,013			12,013	Unlimited deferral of ordinary losses.
Norway	25.00%	(105,218)	(94,259)	10,959	20,475	23,565	(4,765)	15,710	7,855	Unlimited deferral of ordinary losses.
Netherlands	25.00%	(7,510)	(7,842)	(332)		1,961			1,961	Losses can be deferred for 9 years.
Poland	19.00%	(12,036)	(60,318)	(48,283)		11,460			11,460	Losses can be deferred for 5 years. Maximum 50% of the losses carried forward can be use in a fiscal year.
Portugal	22.50%	(8,381)	(11,578)	(3,197)		2,605			2,605	Losses deferred after 2014 can be used for 12 years. Use of losses carried forward limited to 70% of taxable income.
Czech Republic	19.00%	(1,651)	(1,349)	302	314	256	(58)	256	0	Losses can be deferred for 5 years.
Turkey	20.00%		(63,555)	(63,555)		12,711			12,711	Losses can be deferred for 5 years.
Germany	32.98%		(17,374)	(17,374)		5,730			5,730	Unlimited deferral of ordinary losses. Use of losses carried forward limited to 60% of taxable income (beyond € 1M).
Sweden	22.00%	(154,261)	(151,646)	2,615	20,630	33,362	(4,652)	15,978	17,384	Unlimited deferral of ordinary losses.
TOTAL		**(959,038)**	**(1,369,093)**	**(410,054)**	**56,771**	**310,251**	**17,922**	**74,693**	**235,558**	

In Italy, due to the change in tax rate (IRES), applicable after 2017, deferred tax on loss carried forward is calculated by using the long term rate of 27.9% (against 31.4% on December 31, 2014). The rate of 24% is an exception applicable on some Italian companies that were exempt of IRAP (additional rate of 3.9%).

Note 8. Exposure to risks and hedging strategy

Klépierre identifies and regularly measures its exposure to the various sources of risk (interest rates, liquidity, foreign exchange, counterparties, equity markets shares, etc.) and sets applicable management policies as required. The Group pays close attention to manage the inherent financial risks in its business activity and the financial instruments it uses.

8.1. Interests rate risk

6.8.1.1.Interest rate risk – exposure to variable-rate debt

Recurrence of variable-rate financing requirement

Variable-rate debt represents 35% of the Group's borrowings at December 31, 2015 (before hedging). It includes: bank loans (standard and mortgages), commercial papers and the use of authorized overdrafts.

Identified risk

An increase in the interest rate against which variable-rate debts are indexed (Euribor, Nibor, Stibor and Cibor) could result in an increase in future interest rate expenses.

Measurement of risk exposure

The two following tables show the exposure of Klépierre's income to an interest rate rise, before and after hedging.

Given that changes in the fair value of "cash-flow hedge" swaps are recognized in equity, the following table quantifies the likely impact on equity of an interest rate rise based on Klépierre's cash-flow hedge swaps portfolio at the period end (including deferred swaps).

Interest rate position after hedging (in millions of euros)	Amount	Change in financial expenses caused by a 1% increase in interest rates
Gross position before hedging (floating rate debt)	**3,112.4**	**31.1**
— Net hedge	-1,113.8	-11.1
Gross position after hedging	**1,998.7**	**20.0**
— Marketable securities	-5.0	-0.0
Net position after hedging	**1,993.7**	**19.9**

Fair value of cash-flow hedge (in millions of euros)	Fair value net of accrued interest	Change in financial expenses caused by a 1% increase in interest rates
Cash-Flow Hedge Swaps at 12/31/2015		
— Euro-denominated portfolio	-30.9	8.8
— Steen & Strøm portfolio	-39.6	20.4
Cash-Flow Hedge Swaps at 12/31/2015	**-70.5**	**29.1**

Break down of financial borrowings after interest rate hedging:

In millions of euros	Fixed-rate borrowings Converted to fixed-rate			Variable-rate borrowings			Total gross borrowings		Average cost of debt, base 12/31/2015
	Amount	Rate	Fixed part	Amount	Rate	Variable part	Amount	Rate	
12/31/2013	5,019	4.01%	69%	2,218	1.72%	31%	7,237	3.31%	**3.38%**
12/31/2014	4,029	3.03%	75%	1,368	1.56%	25%	5,396	2.66%	**2.76%**
12/31/2015	6,851	2.43%	77%	1,999	1.15%	23%	8,850	2.14%	**2.20%**

N.B.: The average cost of debt, "base 12/31/2015" is calculated on the basis of the interest rates and funding structure in place at December 31, 2015, and does not therefore constitute a forecast of the average cost of debt for Klépierre over the coming period. It includes the spreading of issue costs and premiums.

Hedging strategy

Klépierre has set a target hedging rate of approximately 70%. This rate is defined as the proportion of fixed-rate debt (after hedging) to gross borrowings. On December 31, 2015 the hedging rate is above the objective and is established at 77%.

In order to achieve its target rate, Klépierre focuses on the use of swap agreements, which enable fixed rates to be swapped for variable rates, and vice-versa.

Klépierre also hedges its risk from short-term rate increases by buying caps that limit the possible variations compared to a benchmark index.

Given the nature of its business as a long-term property owner and its growth strategy, Klépierre is structurally a borrower. Since the Group is not seeking to reduce the proportion of short-term debt in its total indebtedness, it is highly likely that its short-term variable-rate loans will be renewed in the medium term. This is the reason why Klépierre's hedging strategy includes both the long-term and short-term aspects of its borrowings.

Generally, hedge terms may exceed those of the debts hedged, on the condition that Klépierre's financing plan emphasizes the high probability of these debts being renewed.

8.1.2. Interest rate risk – exposure to fixed-rate debt

Description of fixed-rate borrowing

The majority of Klépierre's fixed-rate borrowing currently consists of euro bonds and mortgage loans in Scandinavia.

Identified risk

Klépierre's fixed-rate debt exposes the Group to fluctuations in risk-free interest rates, as the fair value of fixed-rate debt increases as rates fall, and vice-versa.

At any given time, Klépierre may also find itself in the position of needing to increase its future fixed-rate debt (e.g.: for a future acquisition). It would then be exposed to the risk of a change in interest rate prior to arrangement of the loan. Klépierre may then consider hedging this risk, which is treated as a cash-flow hedge risk under IFRS.

Measurement of risk exposure and hedging strategy

At December 31, 2015, fixed rate debt totaled 5,737 million euros before hedging.

The fair value hedge strategy is calibrated to meet the overall hedging rate target. It is also based on the use of rate swaps allowing fixed-rate payments to be swapped to variable-rate payments. The credit margin component is not hedged.

The duration of fair value hedge instruments is never longer than that of the debt hedged, since Klépierre wishes to obtain a very high level of effectiveness, as defined by IAS 32/39.

8.1.3. Marketable securities

At December 31, 2015, Klépierre held 4.9 million euros of marketable securities.

Cash equivalents refer only to amounts invested in French open-ended money market funds (3.9 million euros) and Italian treasury bills (1.0 million euros).

These investments expose Klépierre to a moderate interest rate risk as a result of their temporary nature (cash investments) and the amounts involved.

8.1.4. Fair value of financial assets and liabilities

The Group recognizes the borrowings in the balance sheet at amortized cost.

The following table compares the fair values of debts with their corresponding nominal values. Fair values are established on the basis of these principles:
— variable-rate bank debt: the fair value is equal to the nominal value;
— fixed-rate bank debt: the fair value is calculated solely on the basis of rate fluctuations;
— bonds : use of market quotations where these are available.

Klépierre has chosen not to revalue the margin component of these unlisted loans in view of small amounts.

In millions of euros	12/31/2015			12/31/2014		
	Par value	Fair value	Change in fair value caused by a 1% increase in interest rate[1]	Par value	Fair value	Change in fair value caused by a 1% increase in interest rate[1]
Fixed-rate bonds	5,443.5	5,805.9	-235.1	3,141.0	3,480.7	-130.0
Fixed-rate bank loans	293.8	299.8	-1.5	44.9	45.7	-1.0
Other variable-rate loans	3,112.6	3,112.6		2,210.1	2,210.1	
Total	**8,850.0**	**9,218.3**	**-236.7**	**5,396.0**	**5,736.5**	**-131.0**

[1] Change in the fair value of the debt as a result of a parallel shift in the rate curve.

Derivatives are recognized in the balance sheet at their fair value. At December 31, 2015, a 50 basis point rise in rates would have resulted in a 10.0 million euro decrease of in the value of the Group's euro-denominated interest rate derivatives.

8.2. Liquidity risk

Klépierre is attentive to the long-term refinancing needs of its business and the need to diversify maturity dates and the sources of finance in such a way as to facilitate renewals.

The average duration of indebtedness at December 31, 2015 was 5.5 years, with borrowings spread between different markets (the bond market and commercial papers represent 81%, with the balance being raised in the banking market). Within the banking market, the company uses a range of different loans types (syndicated loans, mortgage loans, etc.) and counterparties.

Outstanding commercial paper, which represents the bulk of short-term financing, never exceeds the backup lines. This means that the company can refinance immediately if it has difficulty renewing its borrowings on the commercial paper market.

Klépierre also has unused credit lines (including bank overdrafts) totaling 2,079 million euros at December 31, 2015. These lines will be sufficient to absorb the main refinancing scheduled for the next year.

Generally speaking, access to finance for real estate companies is facilitated by the security offered to lenders in the form of the companies' property assets.

Some Klépierre sources of funding (bilateral loans, bonds, etc.) are accompanied by financial covenants which could lead to a mandatory prepayment of the debt. These covenants are based on the standard ratios applying to real estate companies, and the limits imposed leave Klépierre with sufficient flexibility. Failure to comply with these covenants may result in mandatory prepayment.

Some of Klépierre SA bonds (5,402 million euros) include a bearer put option, providing the possibility of requesting early repayment in the event of a change of control generating a change of Klépierre's rating to "non-investment grade". Apart from this clause, no other financial covenant refers to Standard & Poor's rating for Klépierre.

The main financial covenants are detailed in the financial report.

8.3. Currency risk

The bulk of Klépierre's business was conducted within the Eurozone with the exception of Norway, Sweden, Denmark, Czech Republic, Hungary, Poland and Turkey.

Except Scandinavia and Turkey, the currency risk in these countries has not been assessed sufficiently high to warrant derivative hedging, since the acquisitions and the acquisition financing were denominated in euros.

Generally, rents are invoiced to lessees in euros and converted into the local currency on the billing date. Lessees have the choice of paying their rents in local currency or in euros. The currency risk on minimum guaranteed rents is therefore limited to any variance between the rent as invoiced and the rent actually collected if the currency should fall in value against the euro between the invoice date and the date of payment in local currency by the lessee.

At the same time, Klépierre ensures that rent payments from tenants do not represent an excessively high proportion of their revenue in order to avoid any worsening of their financial position in the event of a sharp increase in the value of the euro, which could increase the risk of their defaulting on payments due to Klépierre.

In Scandinavia though, leases are denominated in local currency. Funding is therefore also raised in local currency. The principal exposure of the Klépierre Group to Scandinavian currency risk is therefore limited essentially to the funds invested in the company (share in equity of Steen & Strøm), which were financed in euros. In Turkey, the leases are denominated either in euros or USD. Turkish investments are fully hedged by selling forward contracts in USD against euros.

8.4. Counterparty risk

Counterparty risk is limited by the fact that Klépierre is structurally a borrower. This risk is therefore limited essentially to investments made by the Group and the Group's derivative transactions counterparties.

8.4.1. Counterparty risk on marketable securities

The counterparty risk on investments is limited by the type of products used:
— monetary UCITS managed by recognized institutions, and therefore carrying a range of signatures;
— Government debt (loans or borrowings) of countries in which Klépierre operates;
— occasionally, deposit certificates issued by leading banks.

8.4.2. Counterparty risk on hedging instruments

Klépierre conducts derivative instrument transactions only with financial institutions recognized as financially sound.

8.5. Equity risk

As of December 31, 2015, Klépierre holds no equities shares quoted on an exchange market other than its own shares (2,898,533 shares at December 31, 2015), which are recognized in equity at their historical cost.

Note 9. Finance and guarantee commitments

9.1. Commitments given

Commitments given In millions of euros	12/31/2015	12/31/2014
Commitments related to the Group's consolidated scope	**3.0**	**3.0**
Purchase commitments	3.0	3.0
Commitments related to Group financing	**1,632.8**	**1,370.8**
Financial guarantees given	1,632.8	1,370.8
Commitments related to the Group's operating activities	**98.6**	**51.9**
Commitments under conditions precedent	7.8	10.4
Work completion commitments	50.8	27.4
Rental guarantees and deposits	3.9	0.4
Other commitments given	36.1	13.8
Total	**1,734.4**	**1,425.7**

9.1.1. Commitments related to the Group's consolidated scope

Equity acquisition commitments

At December 31, 2015, this item includes a possible earn-out payment related to the acquisition of a project in France, contractually limited to 3 million euros excluding duties. The amount of the earn-out payment, subject to the realization of predetermined conditions, will be calculated in the following 30 days after the second anniversary of the shopping center opening date.

9.1.2. Commitments related to Group financing

Financial guarantees given

The Group finances its assets with equity or debt mostly contracted by Klépierre SA. In some cases, especially in Scandinavian countries, Steen & Strøm mainly relies on local currency mortgages to fund its activities.

The breakdown by country of guaranteed debts and mortgages is shown in the following table:

In millions of euros	Loan amount as of 12/31/2015	Mortgage amount as of 12/31/2015
France	38.8	79.3
Italy	201.2	460.0
Norway	461.1	559.4
Sweden	454.9	494.0
Denmark	446.6	532.0
Spain	30.2	92.0
Total	**1,632.8**	**2,216.7**

9.1.3. Commitments related to the Group's operating activities

Commitments under conditions precedent

The commitments under conditions precedent relate to purchase promissory agreements on land or assets and earn-out payments on acquisitions.

Commitments have been given mainly for the acquisition of a land for the amount of 4.6 million euros.

Work completion commitments

The work completion commitments increased by 23.4 million euros compared to 2014.

The work completion commitments concern amounts to be paid on works under way not yet realized. The main relate to Val d'Europe extension (28.4 million euros), Centre Bourse (6.9 million euros), the Prado project (4.5 million euros), Carré Jaude (3.4 million euros), Portet sur Garonne (2.4 million euros), Besançon Pasteur (2.2 million euros) and Creteil Soleil (2.2 million euros) in France.

Rental guarantees and deposits

The "Rental guarantees and deposits" item is mainly composed of deposits for the business premises of the Group's management subsidiaries (Klépierre Management) abroad.

Other commitments given

Other commitments given include payment guarantees on amounts owed to the state (28.7 million euros), a possible compensation to be paid in case of the non-realization of a project before 2018 in Hungary and deposits on loans to employees.

9.2. Reciprocal commitments

Related to developments projects, they amount to 221.2 million euros and are related to financial warranties given to contractors on Hoog Catharijne in The Netherlands (109 million euros), Prado shopping center (79 million euros) and Pantin (33 million euros). Reciprocally, Klépierre received from contractors financial warranties to complete the works.

9.3. Commitments received

Commitments received In millions of euros	12/31/2015	12/31/2014
Commitments related to Group Financing	**1,830.0**	**1,873.5**
Financing agreements obtained and used	1,830.0	1,873.5
Commitments related to the Group's operating activities	**460.2**	**430.3**
Sale commitments	87.2	87.2
Financial warranty received in connection with management activity (Loi Hoguet)	190.0	260.0
Financial warranties received from tenants	183.0	83.1
Total	**2,290.2**	**2,303.8**

9.3.1. Commitments related to Group financing

Financing agreements obtained and not used

At December 31, 2015, Klépierre has 1,830 million euros of committed and undrawn credit lines on bilateral and syndicated loans.

An additional amount of 155 million euros is also available in the form of an uncommitted overdraft with several banks, as of December 31, 2015. Steen & Strøm has 94 million euros available credit lines as overdrafts.

9.3.2. Commitments related to the Group's operating activities

Sale commitments

At December 31, 2015 the sale commitments concern the disposal of an office project.

Financial warranty received in connection with management activity (Loi Hoguet)

As part of its real-estate management activities, a financial guarantee has been delivered to Klépierre Management from CGE (Natixis) for an amount capped at 190 million euros as of December 31, 2015.

Financial warranties received from tenants

As part of its rental business, the Group receives payment guarantees issued by financial institutions guaranteeing the amounts owed by tenants.

To the best of our knowledge, we have not omitted any significant or potentially significant off-balance sheet commitment as defined by the applicable accounting standards.

9.4. Shareholders' agreements

Shareholder agreements relating to Klécar France, Klécar Europe Sud, Solorec and Klécar Participations Italie

The shareholder agreements between Klépierre and CNP Assurances and Écureuil Vie were amended by a rider signed on December 30, 2004, the effect of which was to cancel the liquidity commitments given by Klépierre to its partners.

The agreement provides the usual protections for non-controlling interests: pre-emption right, joint exit right and the decision-making process applying to investment or divestment. Each agreement contains two additional clauses:
— one in favor of Klépierre: an obligation for the non-controlling shareholders to exit at the request of Klépierre in the event of Klécar assets being sold to a third party;
— the other in favor of the non-controlling shareholders: a process enabling the non-controlling shareholder to consider a range of exit scenarios in 2016 and 2017 (for the Italian companies):
· asset sharing or sale;
· purchase of non-controlling shareholdings by Klépierre (with no obligation for Klépierre);
· disposal to a third party with payment of a discount by Klépierre if the offer is less than the Net Asset Value.

Partners' agreements concluded by Klépierre and Assurécureuil Pierre 3 in respect of Bègles Arcins

This agreement, which was entered into between Klépierre and Assurécureuil Pierre 3 on September 2, 2003, contains provisions relating to the governance of the company, and contains the usual protections found in proposed share sales, as well as a dispute resolution clause.

Partners' agreement between Klépierre and SCI Vendôme Commerces in respect of SCS Cecobil

Signed on October 25, 2007 following the transition of Cecobil to a limited partnership, this agreement provides the usual protections in the event of a proposed sale of equity shares to a third party (first refusal and total joint exit rights) and change of control of a partner.

Klépierre succeeded to the rights and obligations of the company SNC Kléber La Pérouse in respect of this agreement following the transfer of all the latter's assets and liabilities to Klépierre on July 4, 2012.

Partners' agreement between Klépierre and SCI Vendôme Commerces in respect of SCI Secovalde and SCI Valdebac

Signed on October 25, 2007, this agreement provides the usual protections in the event of a proposed sale of equity shares to a third party (first refusal and total joint exit rights) and change of control of a partner.

This partners' agreement amended on December 29, 2008 and November 23, 2010, also includes SCI Valdebac since December 8, 2010 when more than 99.99% of its shares were transferred from SNC Kléber La Pérouse and SCI Vendôme Commerces to SCI Secovalde. As a consequence, the partners' agreement relating to SCI Valdebac alone, signed by SNC Kléber La Pérouse and SCI Vendôme on June 21, 2010, was terminated on December 8, 2010.

Klépierre succeeded to the rights and obligations of the company SNC Kléber La Pérouse in respect of this agreement following the transfer of all the latter's assets and liabilities to Klépierre on July 4, 2012.

Partners' agreements between Klépierre, Klefin Italia, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Clivia, and between Klépierre, Klefin Italia, Klépierre Luxembourg, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Immobiliare Gallerie Commerciali (IGC)

A partners' agreement was signed in 2002 during the acquisition of IGC shares by the Klépierre Group.

Its main provisions – including those regarding Klépierre's preemption right – were restated in a new agreement in 2007 applying to IGC and/or Clivia (owner of the Lonato, Verona and Vittuone shopping centers). In the case of IGC, this was replaced by an agreement signed on July 23, 2009 wich is no more used since February 27, 2014 when the Group adcquired 100% of IGC company.

All these agreements grant Finiper a put (option to sell) enabling it to sell its shares in Clivia to Klépierre. This put expires in 2017 and can be split into two parts of 25%.

Any refusal by Klépierre regarding both Clivia parts will result in a penalty becoming payable to the Finiper group.

Partners' agreements between Klépierre and Stichting Pensioenfonds ABP in respect of the Swedish company Nordica Holdco AB, and the Norwegian companies Storm Holding Norway AS and Steen & Strøm

The shares in Steen & Strøm were acquired via Storm Holding Norway AS, a company registered in Norway and wholly-owned by Nordica Holdco AB, a company registered in Sweden.

This agreement was made on July 25, 2008 and an amendment made on October 7, 2008. It includes the usual provisions to protect non-controlling interests: qualified majority voting for certain decisions, purchase option in the event of deadlock and joint exit rights, as well as the following provisions:
— a one-year inalienability period applied to Steen & Strøm shares from the date of acquisition;
— each party has a right of first offer on any shares which the other party wishes to transfer to a third party, subject to the provision that if shares are transferred by one party (other than Klépierre or one of its affiliates) to a Klépierre competitor (as defined in the agreement), the shares concerned will be subject to a right of first refusal and not a right of first offer;
— from the sixth year following acquisition, either party may request a meeting of shareholders to approve, subject to a two-thirds majority, the disposal of all the shares or assets of Steen & Strøm, or a market flotation of the Company.

Through deeds of adherence dated December 23, 2009, Storm ABP Holding BV and APG Strategic Real Estate Pool NV adhered to this partners' agreement.

Through a deed of adherence dated September 30, 2011, Stichting Depositary APG Real Estate Pool adhered to this partners' agreement.

Partners' agreement between Klépierre Luxembourg SA and Torelli SARL in respect of Holding Klege SARL

Signed on November 24, 2008, this partners' agreement sets out the operating structure for Holding Klege SARL, and includes the usual provisions governing share capital transactions, decision-making and the right to information. Both parties enjoy preemption rights in the event of planned disposals of shares in the Company to a third party.

Holding Klege SARL owns 100% of the share capital of Klege Portugal SA, the company formed specifically to manage the construction of a shopping center in Portimão, Portugal.

Partners' agreement between Kleprojet 1 and Holprim's in respect of Kleprims

Signed on September 20, 2010, the agreement gives Kleprojet 1 exit rights if the conditions precedent are unmet as well as the usual protections in the event of a proposed sale of equity shares to a third party (first refusal and total joint exit rights), change of control of a partner and other circumstances affecting the relationship between partners.

Partners' agreement between Klépierre and CARDIF ASSURANCE VIE in respect of SCI Portes de Claye

This agreement, signed on April 16, 2012, contains provisions governing relations between company partners.

It provides the usual protections in the event of proposed sale of equity shares to third parties:
— reciprocal pre-emption right,
— reciprocal total joint exit right,
— total joint exit obligation by non-controlling partner in the event the majority partner plans to sell its full equity stake.

It also gives minority partner a right of first offer in the event of a sale of assets by the Company.

The company Klécar France SNC succeeded to the rights and obligations of the company KC 2 SNC in respect of this agreement following the transfer of all the latter's assets and liabilities to Klécar France SNC on June 5, 2012.

Furthermore, Klépierre succeeded to the rights and obligations of the company Klécar France SNC in respect of this agreement following the transfer by the latter of its stake in SCI Portes de Claye to Klépierre.

Partners' agreement between Klépierre, Klépierre MASSALIA and LACYDON SA on companies MASSALIA INVEST and MASSALIA SHOPPING MALL SCI

This agreement, signed on November 14, 2014, contains provisions governing relationships between partners of the above companies, particularly the corporate governance apparatus of Massalia Invest and Massalia Shopping Mall SCI, the terms of assignment and liquidity of investment of partners in Massalia Invest (right of first refusal, tag-along right, a change of control clause, option to purchase) and the terms and main methods of funding of Massalia Invest and Massalia Shopping Mall SCI.

Partners' agreement between CORIO NV, ALLIANZ LEBENVERSICHERUNGS AG, ALLIANZ VERISCHEUNGS AG and ALLIANZ PRIVATE KRANKENVERISCHERUNGS AG in respect of INTERNATIONAL SHOPPING CENTRE INVESTMENT SA and ITALIAN SHOPPING CENTRE INVESTMENT SRL

This partners' agreement was signed on April 30, 2010, amended on September 27, 2010, related circumstances affecting the relationship between partners, including decisions for which approval must be compulsorily submitted to the partners agreement. It includes a right of first offer and a clause of dispute resolution process ("deadlock").

Following Klépierre's merger of Corio NV, it succeeded to Corio NV's rights and obligations in respect of the said agreement.

Following Klépierre's sale of the shares of International Shopping Centre Investment SA to the company Capucine BV, the latter succeeded to Klépierre's rights and obligations in respect of the said agreement.

Partners' agreement between the Klépierre Group with the main shareholders of the company AKMERKEZ (admitted to trading in Turkey)

This partners' agreement signed in 2005 includes circumstances affecting the relationship between partners including the composition of the Board of Directors, including the number of representatives of each shareholder in this Board. It includes circumstances related to the majority requirements for the adoption of decisions which must be compulsorily submitted to the Board of Directors approval.

Partners' agreement between the Klépierre Group and ENTRA ASA regarding Oslo City Kjøpesenter AS, the owner of the Oslo City property

The main purpose of this shareholder's agreement is to organize the demerger of the company Oslo City Kjøpesenter AS in three entities and the sectioning of the Oslo City property in three parts, so as to result in: (i) Steen & Strøm being the exclusive shareholder of the entity owning the shopping center, (ii) Entra being the exclusive shareholder of the entity owning the offices and (iii) Steen & Strøm and Entra being the joint shareholders on a 50/50 basis of the entity owning the parking garage. In this respect, the objective is to organize during the period commencing as from the Closing of the Oslo City acquisition (December 31st, 2015) and ending on the effective date of the demerger of the Company the relationship and allocation of assets, liabilities and risks between the parties as if the demerger had taken place on such closing.

9.5. Commitments under operating leases – Lessors

The main clauses contained in the lessor's lease agreement are described below.

Rental periods vary in different countries. The terms governing the fixing and indexing of rents are set out in the agreement.

Indexation enables the review of the Minimum Guaranteed Rent. The indices used vary from country to country.

Indexation specific to each country

France indexes its leases to the French commercial rents index (ILC) or cost of construction index (ICC). The ILC is a compound index derived from the French consumer price index (IPC), retail trade sales value index (ICAV) and cost of construction index (ICC). Leases are modified in line with the index on January 1, each year. Most leases, 75%, are indexed to the ILC for the second quarter, which is published in October and applicable to the following January 1. Most leases have duration of ten or twelve years, with an opt-out every three years for the tenant.

In Spain, the consumer price index (CPI) is recorded annually every January 1.

In Italy, the system is based on the consumer price indices (excluding tobacco) for working class and junior management (ISTAT), but is more complex in its implementation. Depending on the lease, either the ISTAT is applied at 75% ("locazione" regulated leases) or the full reference segment index is applied. Under "locazione" leases, the duration is twelve years with an opt-out for tenants after six years. For other types of leases, the duration is not regulated.

In Portugal, the index used is the consumer price index (CPI), excluding properties.

In Greece, the consumer price index (CPI) is applied.

The Eurostat IPCH Eurozone index used in Central Europe is based on consumer prices in the EMU countries.

There is no obligatory minimum or maximum period in Norway. However leases are usually written for periods of five or ten years. Unless agreed otherwise, either party may request an annual rent review based on the trend in the Norwegian consumer price index.

In Sweden, the period of a commercial lease is agreed by the parties to the agreement. By default leases are open-ended, but most commercial leases are written for at least three years. Where the lease is written for a period in excess of three years, annual indexation linked to the national consumer price index is the norm.

In Denmark, the parties are free to agree the amount of rent and rent payment methods. Rents may be fixed or indexed against the revenue reported by the lessee. In most cases, the rent is reviewed annually on the basis of the trend in the Danish consumer price index. Under the terms of commercial lease legislation, either party may request that the rent is adjusted to reflect the market rate every four years. This provision applies unless the parties agree otherwise.

Minimum guaranteed rent and variable rent

Appraised on a year-by-year basis, the rent payable is equivalent to a percentage of the revenues generated by the lessee during the calendar year concerned. The rate applied differs depending on business type. The total amount of this two-part rent (a fixed part + a variable part) can never be less than the Minimum Guaranteed Rent (MGR).

The MGR is reviewed annually by application of the index according to the terms specified above. The variable part of the rent is equivalent to the difference between the revenue percentage contained in the lease and the minimum guaranteed rent after indexation.

Wherever possible, all or part of the variable rent is consolidated into the MGR at the point of lease renewal. In this way, the variable part of the rent is usually reduced to zero at the end of the lease. Every year, it is mechanically deducted from the indexation rise in MGR.

The total amount of conditional rents recognized in income

The conditional rent is that portion of the total rent which is not a fixed amount, but is a variable amount based on a factor other than time (e.g. percentage of revenues, degree of use, price indices, market interest rates, etc.).

Minimum payments made under the lease are those payments which the lessee is, or may be, required to make during the term of the lease, excluding the conditional rent, the cost of services and taxes to be paid or refunded to the lessor.

Future minimum rents receivable

At December 31, 2015, the total future minimum rents receivable under non-cancelable operating leases were as follows:

In millions of euros	12/31/2015
Less than one year	983.3
Between one and five years	1,869.2
More than five years	611.9
Total	**3,464.5**

9.6. Retention commitments

In France, some assets are subject to the tax regime set out in article 210-E of the French General Tax Code (for reminder applicable to transactions up to December 31, 2011), under which the buildings must be retained for at least five years after acquisition.

This retention commitment still applied for three finance leases acquired in 2011 and relating to real estate assets located in Roques-sur-Garonne.

Note 10. Employee compensation and benefits

10.1. Payroll expenses

At December 31, 2015 total payroll expenses amounted to 149.2 million euros.

Fixed and variable salaries and wages plus incentives and profit sharing totaled 115.7 million euros, pension-related expenses, retirement expenses and other staff benefits were 30.8 million euros, taxes and similar compensation-related payments were 2.7 million euros.

10.2. Employees

At December 31, 2015 the Group had in average 1,496 employees: 967 work outside France, including 226 in the Scandinavian real estate company Steen & Strøm. The Corio acquisition increased the number of employees by 420 in 2015. The average headcount of the Klépierre Group at December 31, 2015 breaks down as follows:

	12/31/2015	12/31/2014
France-Belgium	529	490
Scandinavia	226	302
The Netherlands	117	
Italy	198	111
Iberia	125	101
Germany	67	
CEE & Turkey	234	180
Total	**1,496**	**1,184**

10.3. Employee benefits

10.3.1. Defined contribution pension plans

In France, the Klépierre Group contributes to a number of national and inter-profession basic and supplementary pension organizations.

10.3.2. Defined benefit pension plans

The provisions recognized for defined benefit pension plans totaled 13 million euros at December 31, 2015.

In millions of euros	12/31/2014	Allowances for the period	Write-backs (provision used)	Write-backs (provision unused)	Other movements	Changes in the scope of consolidation	12/31/2015
Provisions for employee benefit commitments							
— Defined benefit schemes	14.1	2.0	-1.2	-3.1	-0.8	0.0	11.1
— Other long term benefits	3.4	0.1			-1.7		1.9
Total	**17.6**	**2.1**	**-1.2**	**-3.1**	**-2.4**	**0.0**	**13.0**

The defined benefit plans in place **in France** are subject to independent actuarial appraisal, which uses the projected unit credit method to calculate the expense relating to rights acquired by employees and the outstanding benefits to be paid to pre-retirees and retirees. The demographic and financial assumptions used when estimating the discounted value of the plan obligations and financed schemes' assets reflect the economic conditions specific to the monetary zone concerned.

Klépierre has set up supplementary pension plans under a corporate agreement. Under these supplementary plans, employee beneficiaries will, on retirement, receive additional income over and above their national state pensions (where applicable) in accordance with the type of plan they are entitled to.

Group employees also benefit from agreed or contractual personal protection plans in various forms, such as retirement gratuities.

In Italy, Klépierre Management Italia operates a "Trattamento di Fine Rapporto" (TFR) plan. The amount payable by the employer on termination of the employment contract (as a result of resignation, dismissal or retirement) is calculated by applying an annual coefficient for each year worked. The final amount is capped. Since the liability is known, it can be recognized under other liabilities and not as a provision for contingencies.

Until 31st December 2014, Scandinavia had both public and supplemental pension plans. Both required annual contributions to pension funds. In addition to these plans, Steen & Strøm had put in place a private plan for some employees **in Norway.** According to IAS 19R, this system enters the definition a defined benefit pension plan. As of December 31, 2015, the subsidiaries in Norway has terminated their defined benefit Plan and started with a defined contribution pension plan.

According to IAS 19R, this change on system is not a change in assumptions but a change in system recognition; consequently the net pension liability previously recognized has been fully reversed as of December 31, 2015.

Under defined contribution plans the entity's obligation is now limited to the amount that it agrees to contribute to the fund who'll assume the payment of the obligation.

In Spain, a provision for retirement commitments may be recognized where specific provision is made in the collective agreement, but this does not affect the staff working in the Spanish subsidiaries of the Klépierre Group.

The existing commitments for post-employment medical assistance plans are measured on the basis of assumed rises in medical costs. These assumptions, based on historical observations, take into account the estimated future changes in the cost of medical services resulting both from the cost of medical benefits and inflation.

Components of net obligation (five-year comparison of actuarial liabilities)

In millions of euros	2015	2014	2013	2012	2011
Surplus of obligations over the assets of financed schemes					
Gross discounted value of obligations fully or partially financed by assets	14.3	19.2	16.6	20.1	18.7
Fair value of the schemes' assets	-0.1	-5.8	-5.9	-6.5	-7.1
Discounted value of non-financed obligations	**14.1**	**13.4**	**10.7**	**13.6**	**11.6**
Costs not yet recognized in accordance with the provisions of IAS 19					
Cost of past services	1.2			-0.5	-0.1
Net actuarial losses or gains	-1.8			-0.1	-0.1
Acquisition/Disposal	-2.1				
Matured rights	-0.3	0.7	0.7	-0.3	
NET OBLIGATION RECOGNIZED IN THE BALANCE SHEET FOR DEFINED BENEFIT PLANS	**11.1**	**14.1**	**11.5**	**12.7**	**11.5**

Change in net obligation

In millions of euros	12/31/2015
Net obligation at the beginning of the period	14.1
Retirement expense recognized in income of the period	-1.9
Contributions paid by Klépierre recognized in income of the period	
Acquisition/Disposal	1.0
Benefits paid to recipients of non-financed benefits unfunded	-0.3
Actuarial gains or losses, and other rights modifications	-1.8
Currency effects	
NET OBLIGATION AT THE END OF THE PERIOD	**11.1**

Components of retirement expenses

In millions of euros	12/31/2015
Cost of services rendered during the year	**1.0**
Financial cost	0.2
Forecasted yield of the scheme's assets	
Amortization of actuarial gains and losses	
Amortization of past services	
Effects of reduction or liquidation of the scheme	-3.1
Currency effect	
TOTAL RECOGNIZED IN "PAYROLL EXPENSES"	**-1.9**

Main actuarial assumptions used for balance sheet calculations

	12/31/2015	12/31/2014
Group		
Discount rate	2.03%	1.49% - 3.00%
Forecasted yield rate of the scheme's assets	1.49% - 3.00%	1.49% - 3.00%
Forecasted yield rate of redemption rights	NA	NA
FUTURE SALARY INCREASE RATE	**0.50% - 2.25%**	**1.28% - 3.25%**

The discount rate for the euro zone is taken from the yield on euro zone government bonds (iBoxx index) with a maturity equivalent to the date of the obligations being valued.

The effect of the actuarial gain or loss variation for -1.8 million euros is mainly explained by the significant increase in turnover on the period, and is booked in the other comprehensive income.

10.4. Stock-options

To date, five stock option plans have been set up for Group executives and employees. Plan n°1 expired on May 30, 2014, and plan n°2 also expired during the year 2015.

10.4.1. Summary data

	Plan n°2	Plan n°3	
		Without performance conditions	With performance conditions
Date of the general meeting of shareholders	7-Apr-06	7-Apr-06	7-Apr-06
Date of the Executive Board	15-May-07	6-Apr-09	6-Apr-09
Start date for exercising options	16-May-11	6-Apr-13	6-Apr-13
Expiration date	15-May-15	5-Apr-17	5-Apr-17
Subscription or purchase price[1]	46.38	22.60	between 22.6 and 27.12
Stock purchase options originally granted before any adjustment	143,000	377,750	103,250
Stock purchase options originally granted (number adjusted to reflect the division of the face value per 3 and the discount of preferential rights granted for the capital increase of December 2008)	443,146	NA	NA
Stock purchase options canceled or obsolete at December 31, 2015	404,977	46,000	7,500
Stock purchase options exercised at December 31, 2015	38,169	297,150	79,308
Outstanding stock purchase options at December 31, 2015 (after additional adjustment to reflect the discount of preferential rights granted for the capital increase of December 2008)		34,600	16,442

[1] After adjustment of the division per three of the face value in 2007 and the discount of preferential rights granted for the capital increase of December 2008.

	Plan n°4		Plan n°5	
	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
Date of the general meeting of shareholders	9-Apr-09	9-Apr-09	9-Apr-09	9-Apr-09
Date of the Executive Board	21-Jun-10	21-Jun-10	27-May-11	27-May-11
Start date for exercising options	21-Jun-14	21-Jun-14	27-May-15	27-May-15
Expiration date	20-Jun-18	20-Jun-18	26-May-19	26-May-19
Subscription or purchase price	22.31	between 22.31 and 26.77	27.94	between 27.94 and 33.53
Stock purchase options originally granted before any adjustment	403,000	90,000	492,000	114,000
Stock purchase options canceled or obsolete at December 31, 2015	66,000		117,000	6,000
Stock purchase options exercised at December 31, 2015	246,585	18,700	104,436	
Outstanding stock purchase options at December 31, 2015	90,415	71,300	270,564	108,000

The second is a standard stock option plan, and are therefore not performance linked. The third, fourth and fifth plans are performance-related for Executive Board members and partly performance-related for the Executive Committee.

10.4.2. Other information

The expense recognized for the period amounts to 0.3 million euros for all plans and takes into account an estimate of the population of beneficiaries at the end of each vesting period, as a beneficiary may lose his or her entitlements should he or she leave the Klépierre Group during this period.

The characteristics of the plans are as follows:

Plans authorized in 2006 and 2007	Plan no. 2
Exercise price [1]	€ 47.90
Share price on the date of allocation	€ 47.30
Volatility	21.20%
Risk-free interest rate (8-year maturity)	4.51%
Dividend per share	Growth of 10% in 2007, followed by assumed growth calculated as a straight-line regression of the dividends for previous years.
Estimated unit value	€ 10.40
Expense for the period	-

[1] Restated for the threefold nominal reduction to the stock in 2007, but before correction of the discount granted as part of the preferential subscription rights capital increase in December 2008.

<table>
<tr><th rowspan="2">Plan authorized in 2009</th><th colspan="2">Plan no. 3</th></tr>
<tr><th>Without performance conditions</th><th>With performance conditions</th></tr>
<tr><td>Exercise price</td><td colspan="2">€ 22.60</td></tr>
<tr><td>Share price on the date of allocation</td><td colspan="2">€ 15.30
Level of EPRA Euro zone index 1,141.59</td></tr>
<tr><td>Volatility</td><td colspan="2">Klépierre share: 30.7%; EPRA 19.4%; correlation: 0.87</td></tr>
<tr><td>Risk-free interest rate (8-year maturity)</td><td colspan="2">3.19%</td></tr>
<tr><td>Dividend per share</td><td colspan="2">€ 1.25 in 2009 then € 1.06 thereafter</td></tr>
<tr><td rowspan="4">Estimated unit value</td><td rowspan="4">€ 1.20</td><td>2009 : € 0.97</td></tr>
<tr><td>2010 : € 1.12</td></tr>
<tr><td>2011 : € 1.13</td></tr>
<tr><td>2012 : € 1.12</td></tr>
<tr><td>Expense for the period</td><td colspan="2">-</td></tr>
</table>

Plan authorized in 2010	Plan no. 4	
	Without performance conditions	With performance conditions
Exercise price	€ 22.31	
Share price on the date of allocation	€ 23.43 Level of EPRA Euro zone index 1,202.90	
Volatility	Klépierre share: 33.3%; EPRA 22.2%; correlation 0.75	
Risk-free interest rate (8-year maturity)	2.83%	
Dividend per share	€ 1.25	
Estimated unit value	€ 5.53	2010 : € 5.39 2011 : € 4.78 2012 : € 5.03 2013 : € 5.03
Expense for the period	-	

Plan authorized in 2011	Plan no. 5	
	Without performance conditions	With performance conditions
Exercise price	€ 27.94	
Share price on the date of allocation	€ 28.85 Level of FTSE EPRA Euro zone index 1,473.59	
Volatility	Klépierre share: 33.3%; EPRA 22.2%; correlation 0.75	
Risk-free interest rate (8-year maturity)	3.27%	
Dividend per share	€ 1.35	
Estimated unit value	€ 7.44	2011 : € 2.81 2012 : € 6.87 2013 : € 6.81 2014 : € 6.81
Expense for the period	**0.3 million euros**	

10.5. Free shares

There are currently four free shares plans in place for Group executives and employees.

10.5.1. Summary data

Plan authorized in 2012	Plan no. 1				
	FRANCE			FOREIGN COUNTRIES	
	Without performance conditions	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
Date of the general meeting of shareholders	4/12/2012	4/12/2012	4/12/2012	4/12/2012	4/12/2012
Date of the Executive Board	10/23/2012	10/23/2012	10/23/2012	10/23/2012	10/23/2012
End of period of acquisition	1/31/2016	10/23/2015	10/23/2015	10/23/2016	10/23/2016
End of period of conservation	1/31/2018	10/23/2017	10/23/2017	-	-
Shares originally granted	40,000	22,100	159,000	13,600	25,500
Shares canceled at December 31, 2015		850	0	4,250	8,500
Reduction of shares with performance in 2015			13,499	0	1,446
Shares definitively acquired in 2015		21,250	145,501		
Outstanding shares at December 31, 2015	40,000	0	0	9,350	15,554

Plan authorized in 2013	Plan n°2	
	With performance conditions	
	FRANCE	FOREIGN COUNTRIES
Date of the general meeting of shareholders	4/12/2012	4/12/2012
Date of the Executive Board	2/25/2013	2/25/2013
End of period of acquisition	2/25/2016	2/25/2017
End of period of conservation	2/25/2018	-
Shares originally granted	230,000	25,000
Shares canceled at December 31, 2015	8,000	2,000
Outstanding shares at December 31, 2015	222,000	23,000

Plan authorized in 2014 i.e. under 10.5.2	Plan n°3	
	With performance conditions	
	FRANCE	FOREIGN COUNTRIES
Date of the general meeting of shareholders	4/12/2012	4/12/2012
Date of the Executive Board	3/10/2014	3/10/2014
End of period of acquisition	3/10/2017	3/10/2018
End of period of conservation	3/10/2019	-
Shares originally granted	208,000	47,500
Shares canceled at December 31, 2015	0	6,000
Outstanding shares at December 31, 2015	208,000	41,500

Plan authorized in 2015 i.e. under 10.5.2	Plan n°4	
	With performance conditions	
	FRANCE	FOREIGN COUNTRIES
Date of the general meeting of shareholders	4/14/2015	4/14/2015
Date of the Executive Board	5/4/2015	5/4/2015
End of period of acquisition	5/4/2018	5/4/2019
End of period of conservation	5/4/2020	-
Shares originally granted	235,059	52,500
Additional shares granted	0	2,400[1]
Shares canceled at December 31, 2015	0	2,000
Outstanding shares at December 31, 2015	235,059	52,900

[1] The additional plan is dated July 6, 2015, with end of period of acquisition at July 6, 2019, without conservation period.

10.5.2. Other information

On May 4, 2015, 287,559 shares have been allocated to management and Group employees, as part of a free share plan authorized by the Executive Board. The allocation is divided into two fractions with the following characteristics:

Plan authorized in 2012	Plan no. 1				
	FRANCE			FOREIGN COUNTRIES	
	Without performance conditions	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
Share price on the date of allocation Average of the 20 opening quotations preceeding October 23. 2012	€ 28.31		€ 28.31		€ 28.31
Volatility for Klépierre share quotes : Historical volatility over 8 years. as calculated as of October 22. 2012 based on daily variation	35% Klépierre share	35 % Klépierre share ; 23.2 % FTSE EPRA Euro zone ; correlation 0.82		35 % Klépierre share ; 23.2 % FTSE EPRA Euro zone ; correlation 0.82	
Dividend per share	€ 1.45	€ 1.45	€ 1.45	€ 1.45	€ 1.45
Share value	€ 24.26	€ 24.29	€ 13.31	€ 22.99	€ 12.53
Expense for the period	0.3 million euros	0.2 million euros	0.6 million euros	0.0 million euros	0.0 million euros

Plan authorized in 2013	Plan n°2	
	With performance conditions	
	FRANCE	FOREIGN COUNTRIES
Share price on the date of allocation Average of the 20 opening quotations preceeding February 25, 2013	€ 29.54	€ 29.54
Volatility for Klépierre share quotes : Historical volatility over 8 years, as calculated as of February 25, 2013 based on daily variation	34.9 % Klépierre share ; 23.2 % FTSE EPRA Euro zone ; correlation : 0.82	
Dividend per share	€ 1.50	€ 1.50
Share value	€ 14.19	€ 13.65
Expense for the period	1.1 million euros	0.1 million euros

Plan authorized in 2014	Plan n°3	
	With performance conditions	
	FRANCE	FOREIGN COUNTRIES
Share price on the date of allocation Average of the 20 opening quotations preceeding March 10, 2014	€ 33.19	€ 33.19
Volatility for Klépierre share quotes : Historical volatility over 8 years, as calculated as of March 10, 2014 based on daily variation	23.68 % Klépierre share and FTSE EPRA Euro zone ; correlation : 0.66	
Dividend per share	€ 1.55	€ 1.55
Share value	€ 15.67	€ 15.06
Expense for the period	1.1 million euros	0.1 million euros

Plan authorized in 2015	Plan n°4	
	With performance conditions	
	FRANCE	FOREIGN COUNTRIES
Share price on the date of allocation Average of the 20 opening quotations preceeding March 10, 2014	€ 45.12	€ 45.12
Volatility for Klépierre share quotes : Historical volatility over 3 years, as calculated as of May 4, 2015 based on daily variation	20 % Klépierre share and 13,50 % FTSE EPRA Euro zone ; correlation : 0.82	
Dividend per share	€ 1.55	€ 1.55
Share value	€ 17.00	€ 16.20
Expense for the period	0.8 million euros	0.1 million euros

The expense recognized for the period amounts to 4.4 million euros and takes into account an estimate of the population of beneficiary at the end of each vesting period, as a beneficiary may lose his or her entitlements should he or she leave the Klépierre Group during this period.

Note 11. Additional information

11.1. Disclosures about the fair value model

Klépierre chose to apply the IAS 40 cost model and, as a result, must disclose the fair value of investment property in the notes to the financial statements.

6. Consolidated financial statements as of December 31, 2015

Comprehensive income statement at fair value (EPRA model) In millions of euros	12/31/2015 Fair value model	12/31/2014 Fair value model
Gross rental income	1,208.4	833.0
Land expenses (real estate)	-14.8	-6.9
Non-recovered rental expenses	-67.0	-36.3
Building expenses (owner)	-57.1	-43.2
Net rental income	**1,069.6**	**746.6**
Management, administrative and related income	86.8	70.8
Other operating revenue	13.9	15.8
Change in the fair value of investment property	883.3	197.4
Survey and research costs	-2.8	-4.0
Payroll expenses	-149.2	-109.1
Other general expenses	-77.4	-47.6
Depreciation and impairment allowance on investment property	0.0	0.0
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-17.1	-12.4
Provisions	-0.3	-3.6
Gains on the disposal of investment property and equity investments	850.9	2,027.9
Net book value of investment property and equity investments sold	-852.0	-2,106.9
Income from the disposal of investment property and equity investments	**-1.1**	**-79.0**
Goodwill impairment	**-922.6**	
Operating income	**882.9**	**774.8**
Net dividends and provisions on non-consolidated investments	0.1	0.0
Financial income	161.1	99.5
Financial expenses	-378.2	-369.1
Net cost of debt	-217.1	-269.6
Change in the fair value of financial instruments	-30.6	-17.3
Share in earnings of equity method investees	97.5	35.1
Profit before tax	**732.9**	**523.1**
Corporate income tax	-204.6	-54.1
Net income of consolidated entity	**528.3**	**469.0**
Of which		
— Group share	274.7	328.5
— Non-controlling interests	253.6	140.5
Undiluted average number of shares	**306,803,561**	**195,912,339**
Undiluted comprehensive earnings per share (euro) - Group share	**0.9**	**1.7**
Diluted average number of shares	**306,803,561**	**195,912,339**
Diluted comprehensive earnings per share (euro) - Group share	**0.9**	**1.7**

In millions of euros	12/31/2015 Fair value model	12/31/2014 Fair value model
Net income of consolidated entity	**528.3**	**469.0**
Other comprehensive income items recognized directly as equity	**-13.5**	**-77.1**
— Effective portion of profits and losses on cash-flow hedging instruments (IAS 39)	70.7	-4.3
— Translation profits and losses	-90.6	-79.0
— Tax on other comprehensive income items	0.6	5.4
Items that will be reclassified subsequently to profit or loss	**-19.3**	**-78.0**
— Result from sales of treasury shares	4.1	2.6
— Actuarial gains	1.8	-1.8
Items that will not be reclassified subsequently to profit or loss	**5.9**	**0.8**
Share of other comprehensive income items of equity method investees		
Total comprehensive income	**514.8**	**391.9**
Of which		
— Group share	271.3	286.8
— Non-controlling interests	243.6	105.1
Undiluted comprehensive earnings per share (euro) - Group Share	**0.9**	**1.5**
Diluted comprehensive earnings per share (euro) - Group share	**0.9**	**1.5**

Consolidated statement of financial position (EPRA model) In millions of euros	12/31/2015 Fair value model	12/31/2014 Fair value model
Goodwill	612.5	125.9
Intangible assets	45.7	46.5
Property, plant and equipment and work in progress	20.6	13.0
Investment property at fair value	18,750.5	12,362.2
Investment property at cost model	1,076.1	304.1
Equity method securities	1,455.9	663.8
Other non-current assets	371.8	173.0
Non-current derivatives	96.5	118.1
Deferred tax assets	67.6	54.1
NON-CURRENT ASSETS	**22,497.1**	**13,860.7**
Fair value of property held for sale	23.9	3.2
Trade accounts and notes receivable	164.3	103.2
Other receivables	380.3	167.3
— Tax receivables	180.4	37.4
— Other debtors	199.9	129.9
Current derivatives	4.3	3.7
Cash and cash equivalents	413.7	140.6
CURRENT ASSETS	**986.5**	**418.0**
TOTAL ASSETS	**23,483.6**	**14,278.7**
Share capital	440.1	279.3
Additional paid-in capital	5,818.1	1,773.6
Legal reserves	44.0	27.9
Consolidated reserves	2,949.5	3,000.7
— Treasury shares	-78.4	-82.0
— Hedging reserves	-104.0	-172.0
— Fair value of investment property	2,990.8	3,325.1
— Other consolidated reserves	141.3	-70.3
Consolidated earnings	274.7	328.5
Shareholders' equity, group share	9,526.4	5,410.0
Non-controlling interests	2 202.9	1,892.7
SHAREHOLDERS' EQUITY	**11,729.3**	**7,302.7**
Non-current financial liabilities	6,714.1	4,880.4
Long-term provisions	43.1	17.4
Pension commitments	13.0	17.6
Non-current derivatives	76.2	173.4
Security deposits and guarantees	145.7	110.8
Deferred tax liabilities	1,176.9	588.2
NON-CURRENT LIABILITIES	**8,169.0**	**5,787.7**
Current financial liabilities	2,584.0	697.4
Bank facilities	265.1	53.8
Trade payables	227.1	117.7
Payables to fixed asset suppliers	17.7	13.0
Other liabilities	298.7	182.8
Current derivatives	0.5	25.3
Social and tax liabilities	192.2	98.3
CURRENT LIABILITIES	**3,585.4**	**1,188.3**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**23,483.6**	**14,278.7**

6. Consolidated financial statements as of December 31, 2015

Comprehensive income statement at fair value (EPRA model) In millions of euros	12/31/2015 Cost model	Fair value restatements	12/31/2015 Fair value model
Gross rental income	1,208.4		1,208.4
Land expenses (real estate)	-15.4	0.6	-14.8
Non-recovered rental expenses	-67.0		-67.0
Building expenses (owner)	-58.0	1.0	-57.1
Net rental income	**1,068.0**	**1.5**	**1,069.6**
Management, administrative and related income	86.8		86.8
Other operating revenue	13.9		13.9
Change in the fair value of investment property		883.3	883.3
Survey and research costs	-2.8		-2.8
Payroll expenses	-149.2		-149.2
Other general expenses	-77.4		-77.4
Depreciation and impairment allowance on investment property	-444.2	444.2	0.0
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-17.1		-17.1
Provisions	-0.3		-0.3
Gains on the disposal of investment property and equity investments	850.8		850.8
Net book value of investment property and equity investments sold	-836.8	-15.2	-852.0
Income from the disposal of investment property and equity investments	**14.1**	**-15.2**	**-1.1**
Goodwill impairment	**-704.5**	**-218.1**	**-922.6**
Operating income	**-212.8**	**1,095.7**	**882.9**
Net dividends and provisions on non-consolidated investments	0.1		0.1
Financial income	161.1		161.1
Financial expenses	-378.2		-378.2
Net cost of debt	-217.1		-217.1
Change in the fair value of financial instruments	-30.6		-30.6
Share in earnings of equity method investees	19.1	78.5	97.5
Profit before tax	**-441.3**	**1,174.1**	**732.9**
Corporate income tax	3.6	-208.2	-204.6
Net income of consolidated entity	**-437.7**	**966.0**	**528.3**
of which			
Group share	-499.8	774.5	274.7
Non-controlling interests	62.1	191.6	253.6
Undiluted average number of shares	**306,803,561**		**306,803,561**
Undiluted comprehensive earnings per share (euro)	-1.6		0.9
Diluted average number of shares	**306,803,561**		**306,803,561**
Diluted comprehensive earnings per share (euro)	-1.6		0.9

In millions of euros	12/31/2015 Cost model	Fair value restatements	12/31/2015 Fair value model
Net income of consolidated entity	**-437.7**	**966.0**	**528.3**
Other comprehensive income items recognized directly as equity	**-6.9**	**-6.5**	**-13.5**
— Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	70.7		70.7
— Translation profits and losses	-84.0	-6.5	-90.6
— Tax on other comprehensive income items	0.6		0.6
Items that will be reclassified subsequently to profit or loss	**-12.8**	**-6.5**	**-19.3**
— Result from sales of treasury shares	4.1		4.1
— Actuarial gains	1.8		1.8
Items that will not be reclassified subsequently to profit or loss	**5.9**		**5.9**
Share of other comprehensive income items of equity method investees			
Total comprehensive income	**-444.6**	**959.4**	**514.8**
Of which			
— Group share	-501.6	772.9	271.3
— Non-controlling interests	57.0	186.7	243.6
Undiluted comprehensive earnings per share (euro)	**-1.6**		**0.9**
Diluted comprehensive earnings per share (euro)	**-1.6**		**0.9**

Consolidated statement of financial position (EPRA model) In millions of euros	12/31/2015 Cost model	Fair value restatements	12/31/2015 Fair value model
Goodwill	834.6	-222.1	612.5
Intangible assets	45.7		45.7
Property, plant and equipment and work in progress	20.6		20.6
Investment property	13,901.6	-13,901.6	
Investment property under construction	807.9	-807.9	
Investment property at fair value		18,750.5	18,750.5
Investment property at cost model		1,076.1	1,076.1
Equity method securities	1,161.5	294.4	1,455.9
Other non-current assets	371.8		371.8
Non-current derivatives	96.5		96.5
Deferred tax assets	53.0	14.6	67.6
NON-CURRENT ASSETS	**17,293.2**	**5,203.9**	**22,497.1**
Investment property held for sale	23.9	-23.9	
Fair value of property held for sale		23.9	23.9
Trade accounts and notes receivable	164.3		164.3
Other receivables	410.4	-30.1	380.3
— Tax receivables	180.4		180.4
— Other debtors	230.1	-30.1	199.9
Current derivatives	4.3		4.3
Cash and cash equivalents	413.7		413.7
CURRENT ASSETS	**1,016.6**	**-30.1**	**986.5**
TOTAL ASSETS	**18,309.8**	**5,173.8**	**23,483.6**
Share capital	440.1		440.1
Additional paid-in capital	5,818.1		5,818.1
Legal reserves	44.0		44.0
Consolidated reserves	-30.3	2,979.9	2,949.5
— Treasury shares	-78.4		-78.4
— Hedging reserves	-104.0		-104.0
— Fair value of investment property		2,990.8	2,990.8
— Other consolidated reserves	152.1	-10.9	141.3
Consolidated earnings	-499.8	774.5	274.7
Shareholders' equity, group share	5,772.0	3,754.4	9,526.4
Non-controlling interests	1,267.2	935.7	2,202.9
SHAREHOLDERS' EQUITY	**7,039.2**	**4,690.1**	**11,729.3**
Non-current financial liabilities	6,714.1		6,714.1
Long-term provisions	43.1		43.1
Pension commitments	13.0		13.0
Non-current derivatives	76.2		76.2
Security deposits and guarantees	145.7		145.7
Deferred tax liabilities	693.1	483.7	1176.9
NON-CURRENT LIABILITIES	**7,685.3**	**483.7**	**8,169.0**
Current financial liabilities	2,584.0		2,584.0
Bank facilities	265.1		265.1
Trade payables	227.1		227.1
Payables to fixed asset suppliers	17.7		17.7
Other liabilities	298.7		298.7
Current derivatives	0.5		0.5
Social and tax liabilities	192.2		192.2
CURRENT LIABILITIES	**3,585.4**		**3,585.4**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**18,309.8**	**5,173.8**	**23,483.6**

11.2. Transactions with related parties

11.2.1. Transactions with the Simon Property Group

At Company's knowledge, the Simon Property Group holds a 20.3% equity stake in Klépierre SA as of December 31, 2015.

At this date, there is no reciprocal transaction between the two companies.

11.2.2. Transactions with the APG Group

At company's knowledge, the APG Group holds a 13.09% equity stake in Klépierre SA as of December 31, 2015.

An inflation linked loan of an initial amount of 200 million euros for seven years was granted in 2009 by a related party of APG. The balance of this loan equals to 220.8 million euros as of December 31, 2015 and the amount of interests due for 2015 totals 6.8 million euros.

11.2.3. Relationships between Klépierre Group consolidated companies

A full list of Klépierre Group companies is given in section 4 "Scope of consolidation".

Transactions between related parties were governed by the same terms as those applying to transactions subject to normal conditions of competition.

The end-of-period balance sheet positions and transactions conducted during the period between fully consolidated companies are fully eliminated.

The following tables show the positions and reciprocal transactions of companies consolidated using the equity method (over which the Group has significant influence) that have not been eliminated.

Balance sheet positions with related parties at period-end

In millions of euros	12/31/2015	12/31/2014
	Companies consolidated using the equity method	Companies consolidated using the equity method
Non-current assets	331.2	163.4
NON-CURRENT ASSETS	**331.2**	**163.4**
Trade accounts and notes receivable	15.2	1.2
Other receivables	8.0	5.8
CURRENT ASSETS	**23.2**	**7.0**
TOTAL ASSETS	**354.4**	**170.4**
Non-current financial liabilities	1.9	1.8
NON-CURRENT LIABILITIES	**1.9**	**1.8**
Trade payables	2.5	0.2
Other liabilities	1.6	1.6
CURRENT LIABILITIES	**4.1**	**1.8**
TOTAL LIABILITIES	**6.0**	**3.5**

"Income" items related to transactions with related parties

In millions of euros	12/31/2015	12/31/2014
	Companies consolidated using the equity method	Companies consolidated using the equity method
Management, administrative and related income	7.5	5.0
Operating income	**7.5**	**5.0**
Net cost of debt	11.8	2.5
Profit before tax	**19.3**	**7.5**
Net income of the consolidated entity	**19.3**	**7.5**

Most of these items relate to management and administration fees and income on financing arrangements for these companies' businesses.

11.2.4. Post-employment benefit plans

The main post-employment benefits are severance pay and defined benefit or defined contribution pension plans.

Post-employment benefit plans are administered by insurance companies and other independent management companies external to the Klépierre Group.

11.2.5. Compensation paid to the principal executives of the Klépierre Group

Klépierre SA, the parent company of the Klépierre Group, is a French corporation (Société anonyme) whose governance structure comprises an Executive Board and a Supervisory Board.

The amount of directors' fees allocated to the members of the Supervisory Board during the fiscal year 2015 totaled 399,137 euros, including 58,614 euros paid to the Chairman of the Supervisory Board.

Compensation paid to the Executive Committee breaks down as follows:

in thousands of euros	12/31/2015
Short-term benefits excluding employer's contribution	4,517
Short-term benefits: employer's contribution	1,892
Post-employment benefits	1,276
Other long term benefits	540
Termination benefits	
Share-based payment[1]	2,704

[1] Expense posted in the profit and loss account related to stock-option and free shares plans.

11.3. Contingent liabilities

In the last fiscal year, neither Klépierre nor its subsidiaries have been the subject of any governmental, judicial or arbitration action (including any action of which the issuer has knowledge, which is currently suspended or is threatened) which has recently had a significant impact on the financial position or profitability of the issuer and/or the Group.

11.4. Post-balance sheet date events

In January 2016, Klépierre set up a new 350 million euros five year syndicated credit line facility fully hedged in fixed rate.

11.5. Statutory auditors' fees

In millions of euros (excluding VAT)	Deloitte				Mazars				Others[2]			
			%				%				%	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
AUDIT	**1.1**	**1.7**	**100%**	**100%**	**0.8**	**0.8**	**100%**	**100%**	**0.6**	**-**	**100%**	**0%**
Auditing, certification and review of individual and consolidated financial statements												
— Issuer	0.3	0.2	25%	12%	0.2	0.1	28%	18%			0%	0%
— Fully-consolidated subsidiaries	0.8	0.5	67%	32%	0.6	0.5	67%	61%	0.6		100%	0%
Other diligences and services directly related to the statutory auditors engagement												
— Issuer[1]	0.1	0.9	7%	51%	0.0	0.1	1%	17%			0%	0%
— Fully-consolidated subsidiaries	0.0	0.1	1%	5%	0.0	0.0	3%	5%			0%	0%
OTHER SERVICES PROVIDED BY STATUTORY AUDITORS TO FULLY-INTEGRATED SUBSIDIARIES	**0.0**											
Legal, tax, employment related and other services	0.0											
TOTAL	**1.2**	**1.7**	**100%**	**100%**	**0.8**	**0.8**	**100%**	**100%**	**0.6**		**100%**	**0%**

[1] In 2014, these fees are mainly related to services and diligences regarding the Klépierre-Corio combination.
[2] Corresponds to the audit fees paid for PwC & KPMG which mandates continued during 2015.

11.6. Identity of the consolidating companies

At December 31, 2015, Klépierre is consolidated using the equity method by Simon Property Group and the APG Group which hold respectively a 20.3% and a 13.09% stake in the equity of Klépierre (including treasury shares).

6.6. Statutory auditors' report on the consolidated financial statements

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English-speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were made for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements. This report also includes information to the specific verification of information given in the group's management report. This report should be read in conjunction with, and is construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2015 on:
— the audit of the accompanying consolidated financial statements of Klépierre,
— the justification of our assessments,
— the specific verifications and information required by law.

These consolidated financial statements have been approved by Executive Board. Our role is to express an opinion on these consolidated financial statements, based on our audit.

I. Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting principles used and reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Without qualifying our opinion expressed above, we draw your attention to the note 4.2 to the consolidated financial statements, relating to the accounting treatment of the business combination of Corio N.V and the impairment of the relative goodwill as at December 31, 2015.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code du commerce*) relating to the justification of our assessments, we bring to your attention the following matters:
— Notes 2.4 and 2.12.2 to the consolidated financial statements specify that investment properties are assessed by independent appraisers to estimate the fair values of buildings and the impairments, if any. Our procedures consisted notably in examining the valuation methodology used by the appraisers and to ensure ourselves that the impairments as well as the fair values were correctly based on external appraisals.
— Note 2.12.1 to the consolidated financial statements indicate that your Group used some estimates for the follow-up of the value of goodwill. Our procedures consisted in assessing the appropriateness of the data and the assumptions on which are based these estimates, in reviewing the calculation performed by the independent appraiser and your Group, in examining the approval process of these estimates by the management board and then, in verifying that notes to the consolidated financial statements provide appropriate information about the assumptions used.
— Notes 2.21 and 5.14 to the consolidated financial statements set forth the accounting rules and methods to determine the fair value of derivative instruments as well as the characteristics of the Group's hedging instruments. We examined the classification criteria and the documentation required specifically by IAS 39 and verified the appropriateness of these accounting methods and the disclosures provided in the notes to the consolidated financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore served in forming our audit opinion expressed in the first part of this report.

III. Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Paris-La Défense and Neuilly-sur-Seine, March 4, 2016

The statutory auditors
French original signed by

Mazars
Gilles Magnan

Deloitte & Associés
José-Luis Garcia **Joël Assayah**


Bershka

Left
Grand Littoral, Marseille (France)
Above
Nave de Vero, Venise (Italy)

7.

Corporate financial statements at December 31, 2015

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7.1. Income statement

(in thousands of euros)			12/31/2015	12/31/2014
OPERATING REVENUE				
Lease income			28,482	4,356
Rents			20,529	2,757
Re-invoiced charges to tenants			7,953	1,598
Write-back of provisions (and depreciation and amortization) & expense transferts			5,063	3,030
Other income			1,398	280
		TOTAL I	**34,943**	**7,665**
OPERATING EXPENSES				
Purchases and external expenses			-21,660	-11,675
Taxes and related			-1,855	-1,513
Salaries and wages			-1,096	-924
Social benefits charges			-4,723	-3,234
Allowances for depreciation and provisions			0	0
–on fixed assets and defferred expenses: depreciation and amortization allowances			-8,963	-818
–on fixed assets: provisions			-793	0
–on current assets: provisions			-3,503	-1
–For contingencies and losses: provisions			-2,506	-2,222
Other expenses			-2,949	-693
		TOTAL II	**-48,049**	**-21,080**
Operating Income (I+II)	**5.1**		**-13,106**	**-13,414**
SHARE OF INCOME FROM JOINT OPERATIONS	**5.2**			
Profits applied or losses transferred		**TOTAL III**	**117,780**	**795,247**
Losses borne or profits transferred		**TOTAL IV**	**-42,367**	**-18,616**
FINANCIAL INCOME	**5.3.1**			
From Investments			893,417	158,380
From other marketable securities and receivables from fixed assets			0	0
Other interests and similar income			26,123	4,934
Reversal of provisions and transferred charges			171,407	90,160
Positive exchange rate variances			4,555	149
Net income from disposal of marketable securities			93	48
		TOTAL V	**1,095,594**	**253,670**
FINANCIAL EXPENSES	**5.3.2**			
Allowance for depreciation and provisions			-806,617	-31,319
Interest and similar expenses			-244,215	-254,659
Negative exchange rate vacancies			-15,600	-609
Net expenses from disposal of marketable securities				
		TOTAL VI	**-1,066,432**	**-286,587**
NET FINANCIAL INCOME (V+VI)			**29,162**	**-32,917**
NET INCOME FROM ORDINARY OPERATIONS BEFORE TAX (I+II+III+IV+V+VI)			**91,469**	**730,299**
NON-RECURRING income				
On management transactions			0	0
On capital transactions			101,537	85,631
Write-back of provisions and transfer of expenses			0	4,856
		TOTAL VII	**101,537**	**90,487**
NON-RECURRING EXPENSES				
On management transactions			0	0
On capital transactions			-119,456	-99,129
Allowances for depreciation and provisions			-184,564	0
		TOTAL VIII	**-304,020**	**-99,129**
NON-RECURRING INCOME (VII-VIII)	**5.4**		**-202,483**	**-8,642**
Employee profit-sharing (IX)		**IX**	**0**	**0**
Corporate income tax (X)	**5.5**	**X**	**127**	**-3,753**
TOTAL REVENUE (I+III+V+VII)			**1,349,854**	**1,147,070**
TOTAL EXPENSES (II+IV+VI+VIII+IX+X)			**-1,460,740**	**-429,165**
NET INCOME			**-110,886**	**717,904**

7.2. Balance sheet

7.2.1. Assets

(in thousands of euros)		12/31/2015			12/31/2014
		Gross	Depreciation and provisions	Net	Net
FIXED ASSETS					
INTANGIBLE ASSETS	**3.1**	**818,268**	**206,220**	**612,048**	**964**
Set-up costs		-	-	-	-
Research and development costs		-	-	-	-
Concessions, patents and similar rights		18,304	18,304	0	19
Goodwill		796,611	184,564	612,047	945
Intangible assets in progress		3,352	3,352	-	-
TANGIBLE ASSETS	**3.1**	**283,004**	**53,108**	**229,895**	**21,765**
Land		53,338	1,504	51,834	2,764
Buildings and fixtures		177,887	47,102	130,785	2,755
— Structures		105,058	25,386	79,672	2,106
— Facades, cladding and roofing		21,988	5,990	15,997	331
— General and technical installations		37,340	10,756	26,584	235
— Fittings		13,500	4,969	8,531	83
Technical installations, plant and equipment		19	18	1	1
Other		4,500	4,485	15	15
Tangible assets in progress		47,261	-	47,261	16,230
Advances and pre-payments		-	-	-	-
FINANCIAL ASSETS	**3.2.1**	**14,398,868**	**878,232**	**13,520,636**	**7,602,930**
Investments	3.2.1	7,939,222	779,663	7,159,560	4,290,661
Loans to subsidiaries and related companies	3.2.2	6,206,081	98,391	6,107,691	3,290,140
Other long-term investments		179	179	0	-
Loans	3.3.1	235,037	-	235,037	90
Other	3.3.1	18,348	-	18,348	22,039
TOTAL I		**15,500,139**	**1,137,561**	**14,362,579**	**7,625,657**
CURRENT ASSETS					
Advances and pre-payments on orders		**11,647**	**-**	**11,647**	**3,730**
Receivables	**3.4**	**584,402**	**742**	**583,660**	**11,000**
Trade accounts and notes receivable		16,480	742	15,738	2,129
Other		567,922	-	567,922	8,871
Marketable securities	**3.5**	**64,012**	**-**	**64,012**	**65,835**
Treasury shares		60,074	-	60,074	59,979
Other securities		3,938	-	3,938	5,856
Cash & cash equivalents		**67,505**	**-**	**67,505**	**40,982**
Prepaid expenses	**3.6**	**95,005**	**-**	**95,005**	**66,388**
TOTAL II		**822,572**	**742**	**821,830**	**187,934**
Deffered expenses (III)	3.6	24,986	-	24,986	17,340
Loan issue premiums (IV)	3.6	11,385	-	11,385	8,815
Currency translation adjustment - assets (V)	3.7	4,869	-	4,869	3,961
GRAND TOTAL (I+II+III+IV+V)		**16,363,951**	**1,138,303**	**15,225,648**	**7,843,707**

7.2.1. Liabilities

(in thousands of euros)		12/31/2015	12/31/2014
SHAREHOLDERS' EQUITY	**4.1**		
Share capital (of which paid-in 440,098)		440,098	279,258
Additional paid-in capital (from share issues, mergers and contributions)		5,650,010	1,605,577
Positive merger variance		197,952	197,952
Positive canceled share variance		18,557	18,557
Revaluation variances		-	-
Legal reserve		44,010	27,926
Other reserves		168,055	168,055
Retained earnings		732,268	401,329
NET INCOME		**-110,886**	**717,904**
Investment subsidies		-	-
Regulated provisions		-	-
TOTAL I		**7,140,063**	**3,416,558**
PROVISIONS FOR CONTINGENCIES AND LOSSES	**4.2**	**71,463**	**44,034**
Provision for contingencies		70,755	43,443
Provision for losses		708	591
TOTAL II		**71,463**	**44,034**
DEBTS			
FINANCIAL DEBTS	**4.3**	**7,757,403**	**4,341,202**
Other bonds		5,761,374	3,460,379
Loans and borrowings and debts from credit institutions		519,978	5,839
Other loans and borrowings		1,476,051	874,983
TRADE ACCOUNTS AND NOTES RECEIVABLE		**9,345**	**9,038**
TRADE PAYABLES		**29,058**	**8,144**
Trade payables and related accounts	4.4	27,114	7,153
Social and tax liabilities	4.5	1,944	991
OTHER PAYABLES		**185,393**	**1,588**
Payables to fixed asset suppliers		166	247
Other	4.6	185,227	1,342
PREPAID INCOME	**4.7**	**32,923**	**23,143**
TOTAL III		**8,014,122**	**4,383,116**
Currency translation adjustment - liabilities (IV)		-	-
GRAND TOTAL (I+II+III+IV)		**15,225,648**	**7,843,707**

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Note 1. Significant events

1.1. Public exchange offer for Corio N.V.

On July 29, 2014, Klépierre S.A and Corio N.V reached an agreement for a strategic combination of their businesses by means of a Public Exchange Offer followed by a cross-border merger.

The Public Exchange Offer was launched on October 27, 2014, after obtaining the authorization of the Dutch "Autoriteit Financiële Markten" (the "AFM") and from the French "Autorité des Marchés Financiers" (the "AFM"). The exchange ratio for the Public Exchange Offer was 1.14 new Klépierre shares with a nominal value of 1.40 euros for each Corio share.

On January 8, 2015, the Public Exchange Offer was declared unconditional. 84,727,783 Corio shares, representing 84.07% of the issued and outstanding shares, were tendered under the Offer. A Post-Acceptance period was reopened between January 12, 2015 and January 16, 2015. Following the Post-Acceptance period of the Offer, Klépierre SA issued 10,976,874 new shares as compensation for the 9,628,837 additional Corio shares tendered.

Upon completion of the Offer and of the Post-Acceptance period, Klépierre held 93.6% of Corio shares. The share capital of Klépierre SA was increased from 279 million euros to 430 million euros. The share issue premium amounts to 3.8 billion euros. Issuance costs related to the issue of Klépierre shares amount to 28.9 million euros and were deducted from the share issue premium.

On March 31, 2015 Klépierre and Corio finalized the merger. The exchange ratio applied for the merger tallies with the one used in the Offer, 1.14 new Klépierre shares for each Corio share. By the end of the merger 7,319,177 new Klépierre shares have been issued in exchange for 6,420,331 Corio shares, increasing the capital of Klépierre SA from 430 million euros to 440 million euros.

A technical loss of 748 million euros resulting from the Corio merger was recorded as an intangible asset as of March 31, 2015. This technical loss results from the difference between the total cost of Corio N.V. shares at merger date (4,250 million euros) and the net asset value of Corio NV recorded at merger date (3,502 million euros). This technical loss was allocated as a whole on participation interest and has been tested for impairment at year end. This impairment test resulted in a depreciation of the intangible asset of an amount of 185 million euros. The Intangible (technical loss) after impairment amounts to 563 million euros.

1.2. Payment of dividends

On April 14, 2015 the General Meeting of Shareholders set the dividend amount per share for 2014 at 1.60 euros and recommended that it be paid in cash.

The total amount of dividends paid out was 394 million euros, including 179 million euros paid in January and 215 million euros paid in April 2015.

1.3. Changes in debt

Klépierre continued the active management of its borrowings, which enabled it to reduce borrowing costs and extend the average debt maturity.

Klépierre redeemed 359 million euros of its short-term liabilities via a purchase bid and market transactions.

At the same time, Klépierre issued new long-term bonds totaling 1,135 million euros by approving a series of bonds maturing in November 2024 (130 million euros) and by placing a benchmark issue maturing in April 2023 (750 million euros), carrying a coupon rate of 1% (an all-time low), and by two private placements maturing in October 2025 (255 million euros).

In early July 2015, Klépierre successfully renegotiated the main terms of its syndicated, renewable credit facility of 750 million euros and extended it by 2 years. Two credit lines subscribed in 2014 totaling 250 million euros were also extended for another year. At the same time, all previous renewable credit facilities for Corio were replaced by a new renewable credit facility of 850 million euros maturing in 5 years (including two one-year extension options) granted by a syndicate of 16 international banks.

1.4. Internal restructuring

Corio NV

On March 31, 2015, Klépierre SA carried out a cross-border merger with a view to the strategic combination of their business with Corio's business activities, by absorbing CORIO NV in order to achieve operational, commercial, organizational and financial profits.

The merger was carried out based on net book value at the balance sheet date, i.e. March 31, 2015. There is no retroactive tax effect.

This transaction was included under the preferential treatment for mergers provided in articles 208 C and 210 A of the French General Tax Code (corporate income tax).

Centre Jaude Clermont and Carré Jaude II

On June 8 and July 31, 2015, with a view to simplifying the ownership of stock, Klépierre SA carried out a merger by absorption of SAS Centre Jaude and SAS Carré Jaude II. These companies own a commercial building complex, which is rented out. As the absorbed companies are controlled by Klépierre SA, the mergers were carried out based on net book value with accounting and tax effects retroactive to January 1, 2015.

These transactions were included under the preferential treatment for mergers provided in articles 208 C and 210 A of the French General Tax Code.

Dutch mergers

On December 31, 2015, with a view to simplifying the ownership of stock, Klépierre SA carried out the cross-border mergers of the Dutch companies VIB North America BV and CORIO France BV. As the absorbed companies are controlled by Klépierre SA, the mergers were carried out based on net book value with accounting and tax effects retroactive to April 1, 2015.

Klépierre carried out the cross-border merger of CORIO Portugal Holding BV based on net book values at December 31, 2015. There is no retroactive tax effect.

These transactions were included under the preferential treatment for mergers provided in Article 208 C and 210 A of the French General Tax Code.

Transfer of assets and liabilities

On October 28, 2015 Klépierre SA approved the simplified dissolution with no liquidation or retroactive tax effects of SAS Klépierre Participations et Financements.

This transaction was included under the preferential tax treatment for mergers provided in Article 210 A of the French General Tax Code.

1.5. Acquisition of Orion Columba

On March 26, Klépierre acquired 100% of Orion Columba from the Orion Group for an amount of 161 million euros. This company owns a prime shopping center in Madrid.

1.6. Inclusion in the CAC 40 index

On December 7, 2015, Euronext announced the results of the reweighting of the CAC family that took place after the close of the markets. The resulting changes came into effect on December 21, 2015, the date on which Klépierre entered the CAC 40 index.

Note 2. Accounting principles and measurement methods

2.1. Application of accounting conventions

The corporate financial statements for the period ended December 31, 2015, have been prepared in accordance with the general chart of accounts. General accounting conventions have been applied in compliance with the following principles:
— prudence;
— independence of fiscal years;
— compliance with the general rules applying to the preparation and presentation of annual corporate financial statements, and on the basis of going concern.

No changes were made to methods or estimations during the fiscal year.

2.2. Measurement methods

2.2.1. Fixed assets

General criteria applied to the recognition and measurement of assets

Property, plant and equipment and intangible assets are recognized as assets when all the following conditions are met:
— it is probable that future economic benefit associated with the item will flow to the entity;
— their cost or value can be measured reliably.

At the recognition date asset values are measured either at their cost of acquisition or their cost of construction.

Financial interest relating specifically to the production of fixed assets is included in their cost of acquisition.

2.2.2. Intangible assets: the technical goodwill

Generally recognized as a result of mergers or complete transfers of assets and liabilities measured at their book value, the technical goodwill, or “false” goodwill, arise when the net value of the acquired company’s shares as stated in the assets of the acquiring company is higher than the net book asset contributed.

To determine whether the goodwill is “true” or “false”, it must be compared to the underlying capital gains on the asset items recognized or not in the accounts of the acquired company after deduction of all assumed liabilities even those not recorded in the accounts of the absorbed company when the accounting is not mandatory (e.g. pensions accruals, deferred tax liabilities).

The goodwill shown in the Goodwill item is not amortizable, since the time of use of its future economic benefits cannot be determined reliably.

Impairment of technical goodwill
The goodwill is impaired when the present value (the market value or value in use, whichever is the greater) of one or more underlying assets to which a percentage of the goodwill has been assigned falls below the total amount of the net book value of the corresponding assets plus the proportion of goodwill assigned.

2.2.3. Property, plant and equipment

Definition and recognition of components
Based on Fédération des Sociétés Immobilières et Foncières (French Federation of Property Companies) recommendations concerning components and useful life, the component method is applied as follows:
— for properties developed by the companies themselves, assets are classified by component type and measured at their realizable value;
— where investment properties are held in the portfolio (sometimes for long periods), components were identified depending the type of assets : business premises, shopping centers, offices and residential properties.

Four components have been identified for each of these asset types (in addition to land):
— structures;
— facades, cladding and roofing;
— general and technical installations (GTI);
— fittings.

When applying regulations 2004-06 and 2002-10, buildings have been broken down using the following percentages (according to FSIF template):

Components	Shopping centers properties	Depreciable life (Straight Line)
Structures	50%	35 to 50 years
Facades	15%	25 years
GTI	25%	20 years
Fittings	10%	10 to 15 years

All component figures are based on assumed "as new" values. The Company has therefore calculated the proportions of the fittings, technical installations and facade components on the basis of the periods shown in the table applied since the date of construction or most recent major renovation of the property asset concerned. The proportion for structures is calculated on the basis of the proportions previously identified for the other components.

In accordance with the recommendations of the Fédération des Sociétés Immobilières et Foncières (French Federation of Property Companies), the depreciable lives have been determined in such a way as to obtain a zero residual value on maturity of the depreciation schedule.

Depreciation is calculated on the basis of the useful lifespan of each component.

The maintenance expenses involved in multi-year capital repairs programs or major refurbishments governed by legislation, regulations or the standard practices of the entity concerned must be recognized from the outset as distinct asset components, unless a provision has been recognized for capital repairs or major refurbishments. This convention is intended to cover those maintenance expenses whose sole purpose is to verify the condition and serviceability of installations and to carry out maintenance to such installations without extending their working life beyond that initially intended, subject to compliance with the applicable accounting recognition conditions.

Principles of asset impairment

At each balance sheet and interim reporting date, the Company carries out an appraisal to determine any indication that an asset could have suffered a significant loss in value (article 214-16 of the French General Accounting Code).

An asset is impaired when its actual value falls below its net book value. The actual value is the market value (appraised value excluding taxes on the balance sheet date) or the value in use (article 214-6 of the French General Accounting Code), whichever is the higher.

The market value of the asset is determined by independent appraisers, with the exception of those assets acquired less than six months earlier, whose market value is estimated as the cost of acquisition.

However, given the fact that these appraisals are, by their nature, estimates, it is possible that the amount realized on the disposal of some real estate assets will differ from the appraised value of those assets, even where such disposal occurs within a few months of the balance sheet date.

Assets covered by a contract of sale (mandat de vente) are appraised at their selling price net of exit expenses.

2.2.4. Long-term financial investments

Equity investments are recognized at their cost of acquisition.

At year end, provisions for impairment of investments are booked when inventory value is less than their carrying net value. The inventory value of equities is equivalent to their value in use, as calculated to take into account the net asset value and the future cash flows.

The net asset value of real estate companies is estimated on the basis of external appraisals conducted by independent real estate appraisers except for the assets under promise.

Management Company shares are valued at each fiscal year end by an independent appraiser.

Treasury shares acquired for the purpose of transfer to a vendor as part of an external growth transaction are depreciated if the average stock market price for the last month of the fiscal year is lower than the acquisition value.

2.2.5. Acquisition cost of fixed assets

Transfer duties, fees, commissions and legal expenses are included in the capitalized cost of the intangible and tangible assets (articles 213-8 and 213-22 of the French General Accounting Code).

The Company has exercised the option of recognizing the acquisition cost of long-term financial investments as expenses.

2.2.6. Eviction costs

When a lessor terminates a lease prior to the expiration date, he must pay eviction compensation to the lessee.

Where eviction compensation is paid as a result of major renovation or reconstruction work on a property requiring the prior removal of tenants, the cost is included in total renovation costs.

Expenditure that does not meet the combined criteria applying to the definition and recognition of assets and which cannot be allocated to acquisition or production costs is recognized as an expense: eviction costs paid to tenants during commercial restructuring is recognized as an expense for the fiscal year.

2.2.7. Marketing expenses

Marketing, re-marketing and renewal fees are recognized as expenses for the fiscal year.

2.3. Mergers and similar transactions

CNC recommendation 2004-01 of March 25, 2004, as approved on May 4, 2004, by the Comité de Réglementation Comptable (CRC), relating to the treatment of mergers and similar transactions states the following rule regarding positive or negative variances in respect of canceled shares:

Negative variance
A negative variance arising from these transactions must be treated in the same way as a negative merger goodwill:
— recognition of the technical negative variance in intangible assets;
— recognition of the balance of the negative variance in financial expenses.

Positive variance
The positive variance from these transactions must be treated in the same way as a positive merger variance. Any positive variance in the percentage of earnings accumulated by the merged entity (since the acquisition of the acquired company's equity by the acquiring company) remaining undistributed must be shown in the financial income of the acquiring company. Any residual balance is recognized as shareholders' equity.

2.4. Receivables, debts and cash and cash equivalents

Receivables, debts and cash and cash equivalents have been measured at par value.

Trade receivables are estimated individually at each balance sheet date and interim reporting date, and a provision entered wherever there is a perceived risk of non-recovery.

2.5. Marketable securities

Marketable securities are recognized at their cost of acquisition net of provisions.

Provisions for impairment of treasury shares are taken when their inventory value based on the average stock market price for the last month of the fiscal year is lower than their existing book value.

Provisions are made under liabilities for stocks granted to employees as soon as it becomes probable that the stock options will be exercised (continued service and performance conditions met and stocks likely to be exercised). The provision is recognized if the average purchase price exceeds the purchase price offered to employees.

2.6. Deferred expenses: loan issue costs

Expenditure that does not meet the combined criteria applying to the definition and recognition of assets must be recognized as an expense. It is no longer possible to amortize these costs over several periods.

CNC recommendation 2004-15 on assets dated June 23, 2004 does not apply to financial instruments and related expenditure, such as loan issue costs, issurance premiums and loan repayment premiums.

Bond insurance costs and the commissions and fees relating to bank loans are spread over the full loan period.

2.7. Forward financial instruments

Expenses and gains on forward financial instruments (swaps) entered into for the purpose of hedging the Company's risk exposure to interest rate fluctuations are recognized pro rata in the income statement.

Unrealized losses and gains arising as a result of the difference between the market value of agreements estimated at the end of the year and their par value are not recognized.

2.8. Translation adjustment (assets and liabilities)

Receivables and debts in foreign currencies are translated and recognized in local currency based on the Banque de France's last exchange rate.

When the application of the translation rate on the balance sheet date causes the amounts in local currency previously recognized to be modified, the translation differences are recorded under translation difference - assets, and translation difference - liabilities.

Unrealized gains are not recognized in income but are recorded under balance sheet liabilities. In contrast, a provision for risks is recognized for unrealized losses.

The regulations related to these receivables and debts are compared with the original historical values and result in the recognition of foreign exchange gains and losses without set-off.

2.9. Operating income and expenses

Rental income is recognized on a straight-line basis over the full duration of the lease agreement, building expenses are re-billed to clients on payment, and interest is entered on receipt or payment. At the end of the fiscal year, gains and expenses are adjusted by the addition of accrued amounts not yet due and the subtraction of pre-posted non-accrued amounts.

Accruals for building expenses are recognized as payables in “Suppliers - invoices to be received”.

2.9.1. Leases

Rental income is recognized on a straight-line basis throughout the full period of the lease.

Stepped rents and rent-free periods are recognized every fiscal year by spreading the resulting increase or decrease in rental income over the reference period.

The reference period adopted is the first firm lease term.

2.9.2. Early termination indemnities

Tenants who terminate their leases prior to the contractual expiration date are liable to pay early termination penalties. This revenue is allocated to the terminated lease and credited to income for the period in which it is recognized.

2.10. Employee benefits

There are two types of plans:
— defined contribution pension plans ;
— defined benefit pension plans grouping long-term benefits and post-employment benefits.

In accordance with Recommendation No. 2013-02 of November 7, 2013 the pension commitments have been provisioned in full (preferred method) in order to comply with the new disposals of the revised IAS 19 standard. Under this method commitments are valued according to the same disposals as recommended by the revised IAS 19 standard.

2.11. The tax credit for competitiveness and employment (CICE)

The 3rd Amending Finance Law 2012 set up the CICE starting January 1, 2013, with the following main characteristics:
— a 4% (6% for 2014) tax credit calculated per calendar year based on compensation less than or equal to 2.5 SMIC paid starting January 1, 2013;
— unless it is applied to taxes due, the credit will be reimbursable within three years.

The CICE is recognized as an employee expense.

In this particular case, Klépierre SA has CICE reassembled by its subsidiary partnerships submitted to the status, Klépierre Management SNC.

2.12. Tax regime adopted by the Company

Following its option to apply the regime mentioned in article 11 of the Finance Law of December 30, 2002, Klépierre SA is exempted from corporate income tax and hence shall follow the following three conditions for distribution:
— distribution of 95% of profits from building lease transactions prior to the end of the financial year following the year in which they were made;
— distribution of 60% of capital gains made on disposals of buildings, equity investments in companies covered by the provisions of article 8 whose purpose is identical to that of an SIIC or stocks in subsidiary companies subject to corporate income tax, where such companies have exercised the option prior to the end of the second financial year following the year in which the gains were made;
— distribution of all dividends received from subsidiary companies exercising the option during the fiscal year following the year in which the dividends were received.

A 3% tax is applicable on dividend effectively paid to shareholders levied out of (i) non-SIIC profits and, residually, out of (ii) SIIC profits to the extent that the amount distributed exceeds the annual distribution requirement.

Income from the exempt sector is distinguished from that from the taxable sector in accordance with the applicable legal requirements:
— direct allocation of expenses and income, wherever possible;
— allocation of general expenses pro rata to the income of both sectors;
— allocation of financial fees pro rata to the gross fixed assets of both sectors.

Klépierre SA also calculates the taxable income of the sector subject to corporate income tax.

Note 3. Notes to the financial statements: balance sheet assets

3.1. Intangible assets and property, plant and equipment

3.1.1. Gross fixed assets

In thousands of euros	Gross values at 12/31/2014	Acquisitions, new businesses and contributions	Reductions by disposals, retirement of assets	Inter-item transfers	Merger	Gross values at 12/31/2015
INTANGIBLE ASSETS						
Set-up costs	-	-	-	-	-	-
Other intangible assets	964	-	-19	-	817,323	818,268
— Technical negative variance	945	-	-	-	795,666	796,611
— Other	19	-	-19	-	21,657	21,657
TOTAL	**964**	**0**	**-19**	**0**	**817,323**	**818,268**
TANGIBLE ASSETS - NET VALUE						
Land	**3,475**	**-**	**-**	**-**	**49,863**	**53,338**
— Operating lease	3,475	-	-	-	49,863	53,338
Structures	**2,526**	**40**	**-**	**-**	**102,492**	**105,058**
— Operating lease	2,526	40	-	-	102,492	105,058
Facades, cladding and roofing	**449**	**284**	**-102**	**-**	**21,357**	**21,988**
— Operating lease	449	285	-102	-	21,356	21,988
General and Technical Installations	**359**	**386**	**-**	**-**	**36,595**	**37,340**
— Operating lease	359	386	-	-	36,595	37,340
Fittings	**267**	**16**	**-**	**4**	**13,213**	**13,500**
— Operating lease	267	16	-	4	13,213	13,500
Fittings and construction in progress	**16,230**	**29,840**	**-**	**-4**	**1,195**	**47,261**
Other property, plant and equipment	**15**	**-**	**-**	**-**	**4,504**	**4,519**
TOTAL	**23,321**	**30,566**	**-102**	**0**	**229,219**	**283,004**
TOTAL GROSS FIXED ASSETS	**24,285**	**30,566**	**-121**	**0**	**1,046,542**	**1,101,272**

The "Merger" item under intangible assets corresponds to the merger losses generated during the mergers of the following companies:
— Corio NV, dated April 1, 2015 : 747.9 million euros : the Corio N.V merger technical loss corresponds to the difference between the acquisition cost of Corio NV shares and the net assets of Corio NV recognized in the balance sheet of Klépierre SA at the merger date.
The technical loss has been allocated to the shares held by Corio N.V.

In thousands of euros

Net asset value CORIO NV at 03/31/2015	Value of shares after merger	Merger gain (+) / loss (-)
3,502,347	4,250,213	-747,866

— SAS CLERMONT JAUDE, dated June 8, 2015: 46.3 million euros
— SAS CARRE JAUDE 2, dated July 31, 2015: 1.4 million euros

The "Merger" item under property, plant and equipment corresponds to the transfer of the following assets:
— Marques Avenue - Cholet (Corio NV merger);
— Clermont Jaude shopping center (SAS Clermont Jaude merger);
— Le Grand Carré Jaude cinema and shopping center complex (SAS Carré Jaude II merger).

The "Fittings and construction in progress" item mainly comprises investment expenditure linked to an off-plan sale contract (VEFA) signed on November 14, 2013 with SNC PANTIN ZAC DU PORT for the construction of an office building located in Pantin (93) and for which delivery is planned in 2016.

3.1.2. Depreciation and amortization

In thousands of euros	Amortization at 12/31/2014	Allowances	Disposals	Other movements	Merger	Amortization at 12/31/2015
INTANGIBLE ASSETS						
Set-up costs	-	-	-	-	-	-
Other intangible assets	-	190,315	-	-	15,905	206,220
— Technical negative variance	-	184,564	-	-	-	184,564
— Other	-	5,751	-	-	15,905	21,656
TOTAL	**0**	**190,315**	**0**	**0**	**15,905**	**206,220**
TANGIBLE ASSETS - NET VALUE						
Structures	**420**	**2,433**	**-**	**-**	**22,533**	**25,386**
— Operating lease	420	2,433	-	-	22,533	25,386
Facades, cladding and roofing	**118**	**841**	**-102**	**-**	**5,133**	**5,990**
— Operating lease	118	841	-102	-	5,133	5,990
General and Technical Installations	**123**	**1,706**	**-**	**-**	**8,927**	**10,756**
— Operating lease	123	1,706	-	-	8,927	10,756
Fittings	**185**	**811**	**-**	**-**	**3,973**	**4,969**
— Operating lease	185	811	-	-	3,974	4,970
Other property, plant and equipment	**-**	**509**	**-**	**-**	**3,994**	**4,503**
Total	**846**	**6,300**	**-102**	**0**	**44,560**	**51,604**
TOTAL AMORTIZATION	**846**	**196,615**	**-102**	**0**	**60,465**	**257,824**

In thousands of euros	Provision at 12/31/2014	Allowances	Disposals	Other movements	Merger	Provision at 12/31/2015
TANGIBLE ASSETS						
Land	**711**	**793**	**-**	**-**	**-**	**1,504**
TOTAL PROVISIONS	**711**	**793**	**0**	**0**	**0**	**1,504**
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	**1,557**	**197,408**	**-102**	**0**	**60,465**	**259,328**

3.1.3. Net fixed assets

In thousands of euros	Net values at 12/31/2014	Net increases in allowances	Net reduction in write-backs	Inter-item transfers	Merger	Net values at 12/31/2015
INTANGIBLE ASSETS						
Set-up costs	**-**	**-**	**-**	**-**	**-**	**-**
Other intangible assets	**964**	**-190,315**	**-19**	**0**	**801,418**	**612,048**
— Technical negative variance	945	-184,564	0	0	795,666	612,047
— Other	19	-5,751	-19	0	5,752	1
TOTAL	**964**	**-190,315**	**-19**	**0**	**801,418**	**612,048**
TANGIBLE ASSETS - NET VALUE						
Land	**2,764**	**-793**	**0**	**0**	**49,863**	**51,834**
— Operating lease	2,764	-793	0	0	49,863	51,834
Structures	**2,106**	**-2,393**	**0**	**0**	**79,959**	**79,672**
— Operating lease	2,106	-2,393	0	0	79,959	79,672
Facades, cladding and roofing	**331**	**-556**	**0**	**0**	**16,223**	**15,998**
— Operating lease	331	-556	0	0	16,223	15,998
General and Technical Installations	**236**	**-1,320**	**0**	**0**	**27,668**	**26,584**
— Operating lease	236	-1,320	0	0	27,668	26,584
Fittings	**83**	**-795**	**0**	**4**	**9,239**	**8,531**
— Operating lease	83	-795	0	4	9,239	8,531
Fittings and construction in progress	**16,230**	**29,840**	**0**	**-4**	**1,195**	**47,261**
Other property, plant and equipment	**15**	**-509**	**0**	**0**	**510**	**16**
TOTAL	**21,765**	**23,474**	**0**	**0**	**184,657**	**229,895**
TOTAL NET FIXED ASSETS	**22,729**	**-166,841**	**-19**	**0**	**986,075**	**841,943**

A technical loss of 748 million euros resulting from the Corio NV merger was recorded as an asset at merger date.
This technical loss was allocated as a whole on participation interest and has been tested for impairment at year end. This impairment test resulted in a depreciation of the intangible asset of an amount of 185 million euros. The Intangible (technical loss) after impairment amounts to 563 million euros.

3.2. Financial assets

3.2.1. Equity investments

In thousands of euros	
Gross equity investments on opening	**4,397,992**
Acquisitions of equities	**8,037,330**
— received in payment for contributions of buildings or shares to subsidiaries	0
— purchases, capital increase and contributions	8,037,330
Decrease in equities	**-98,490**
— Decreases, capital reductions and contributions	-98,490
Disposals and transfers of equities	**-4,397,610**
— retirement of shares	-4,397,610
Gross equity investments on closing	**7,939,222**

Changes in the item “Acquisitions of equities” mainly include:
— the acquisition of Corio NV shares after the completion of the public exchange offer for 4.25 billion euros;
— the value of company shares owned by the companies absorbed in 2015 for 3.3 billion euros;
— the acquisition of the shares of Klépierre Vallecas for 181.9 million euros and Orion Columba (Klépierre Plenilunio) for 161 million euros;
— the contribution of ISCI shares to Capucine BV for 77.8 million euros and of Klépierre Management Italia to Corio Italia for 22.4 million euros.

The item “Decrease in equities” mainly includes:
— the ISCI shares for 70.3 million and Klépierre Management Italia shares for 22.4 million that were contributed to Capucine BV and Corio Italia.

The item “Disposals and transfers of equities” includes:
— the retirement of shares following the mergers and TUPs of the following companies:
· Corio NV for 4.25 billion euros;
· Clermont Jaude for 116.5 million euros;
· Corio Portugal Holding for 21.3 million euros;
· Corio France BV for 6.9 million euros;
· Klépierre Participations et Financements for 1.4 million euros;
· VIB North America for 1.3 million euros.

Provisions

In thousands of euros	Provisions at 12/31/2014	Allowances	Write-backs	Mergers	Provisions at 12/31/2015
FINANCIAL ASSETS					
Investments	107,331	648,425	-34,566	58,473	779,663
Total provisions	**107,331**	**648,425**	**-34,566**	**58,473**	**779,663**

Changes in the item “Provisions for investments” are mainly due to:
— impairment of shares of:
· Klépierre Nederland for 610.3 million euros;
· Reluxco International SA for 22.6 million euros;
· Galeries Drancéennes SCI for 8.8 million euros;
· Akmerkez Gayrimenkul for 6.2 million euros.

— Write-backs of impaired shares of:
· Klépierre Management España for 6 million euros;
· Klépierre Management Polska for 5.6 million euros;
· Klépierre Management Ceska Republika for 3.9 million euros;
· Klépierre Créteil for 3.8 million euros;
· Klépierre Management Portugal for 3.7 million euros.

— Provisions for equity investments recorded during the merger with Corio NV mainly concern Corio Real Estate RL for 54.7 million euros (adjusted to 44.01 million of euros at December 31, 2015) and CVL BerlinGmbh for 4.4 million euros.

Financial information on subsidiaries and investments

Financial information on subsidiaries and investments In thousands of euros	Share capital	Shareholders equity other than share capital & net income	Percentage holding	Net income at year end	Pre-tax revenues	Gross book value	Net book value	Guarantees and sureties given	Loans and advances granted	Dividends received
1. Subsidiaries owned by more than 50%										
Bègles d'Arcins SCS	26,679	18,814	52	10,033	22,489	44,991	44,991	-	44,562	-
Bègles Papin SCI	765	6,871	100	350	1,290	7,636	7,636	-	4,391	-
Bresta I BV	23	21,136	100	-96	-	21,088	21,063	-	1,005	-
Capucine BV	58,510	480,053	100	-3,695	-	737,459	713,238	-	210,876	-
Cécoville SAS	2,723	160,538	100	9,848	40,299	161,956	161,956	38,756	92,754	1,498
Centre Bourse SNC	3,813	-	100	2,377	4,143	47,419	47,419	-	15,703	-
Combault SCI	777	6,984	100	854	1,817	7,762	7,762	-	3,297	-
Corio SA	10,212	197,752	100	9,378	7,097	755,167	755,167	-	-	-
Corio Belegingen I BV	58	2,290	100	-3	-	2,348	2,348	-	1	-
Corio Deutschland GMBH	25	-10,629	100	-2,672	10,611	25	-	-	25,349	-
Corio Italia SRL	40,000	8,673	100	-21,514	3,288	477,630	477,630	-	690,491	-
Corio Lulin EDOD	3	-5,468	100	-403	-	3	-0	-	16,802	-
Corio real estate SL	3	-5,468	100	-403	-	54,437	10,429	-	215,336	-
Corio Services BV	-	96	100	-32	107	103	64	-	-	-
Corio veste Berlin Gmbh	25	149,623	95	-4,598	15,095	122,199	122,199	-	205,355	-
CVL Berlin Gbmh	25	-2,843	100	-58	776	4,447	-	-	13,325	-
Foncière de Louvain-la-Neuve SA	12,062	-30,571	100	-297	-	12,061	12,061	-	53,165	-
Galeria Commerciale Klépierre SRL	1,560	37,984	100	1,038	4,461	41,052	41,052	-	2,800	904
Galeries Drancéennes SCI	4	600	100	2,162	4,741	58,596	53,631	-	8,867	-
Havre Colbert SNC	80	9,946	100	615	1,638	10,026	10,026	-	3,429	-
Holding Gondomar 1 SAS	5,085	24,359	100	3,333	5,343	64,735	64,735	-	5,653	3,411
Holding Gondomar 3 SAS	835	6,432	100	460	-	8,021	8,021	-	-	412
KLE 1 SAS	8,248	20,627	100	8,390	181	82,154	82,154	-	7,234	7,913
Klecab SCI	450	1,350	100	117	400	1,800	1,800	-	1,757	-
Klé Projet 1 SAS	3,754	26,476	100	-3,343	3,818	37,201	37,201	-	39,473	-
Kleber Odysseum SCI	743	77,273	100	4,074	-	78,016	78,016	-	42,573	-
Klécar Europe Sud SCS	292,107	-644	83	280	-	242,449	242,449	-	-	-
Klécar France SNC	465,819	-	83	47,277	1,627	565,229	565,229	-	-	-
Klécar Participations Italie SAS	20,456	-46,376	83	51,502	-	17,587	17,587	-	45,984	42,896
Kléfin Italia SPA	15,450	75,060	100	35	-	125,625	125,625	-	63,825	-
Klémentine BV	2,406	13,643	100	165,834	-	24,066	24,066	-	25	-
Klémurs SCA	82,500	49,647	100	31,565	39,086	156,760	156,760	-	216,487	-
Klépierre Conseil SAS	1,108	4,241	100	-273	1,458	7,934	6,435	-	2,091	-
Klépierre Créteil SCI	21,073	2,022	100	4,100	2,231	75,624	26,422	-	24,096	-
Klépierre Finance SAS	38	4	100	591	-	38	38	-	-	424
Klépierre Luxembourg SA	117,834	303,584	100	11,455	-	346,553	346,553	-	282,624	-
Klépierre Management Ceska Republica SRO	111	175	100	558	2,825	10,500	6,600	-	-	254
Klépierre Management Espana SL	472	2,381	100	-1,653	10,027	16,779	10,767	504	1,483	-
Klépierre Management Hellas SA	24	-12	100	-238	96	987	256	-	-	-
Klépierre Management Magyarorszag KFT	9	631	100	75	2,357	7,900	6,300	-	-	-
Klépierre Management Polska SPZOO	12	1,120	100	715	3,702	10,900	5,300	-	-	222
Klépierre Management Portugal SPA	200	393	100	24	2,177	9,600	3,600	-	-	-
Klépierre Management SNC	1,682	10,120	100	-12,000	88,172	71,127	71,127	1,895	-	-
Klépierre Massalia SAS	100	-838	100	-1,506	-	100	100	-	12,837	-
Klépierre Nederland BV	90,034	808,944	100	-12,238	-	1,541,985	931,685	-	490	631,000
Klépierre Nordica BV	60,000	297,854	100	-45	-	358,016	358,016	-	19,293	-
Klépierre Trading KFT	158	1,585	100	151	481	199	199	-	-	-
Klétransactions SNC	348	403	100	286	800	751	751	-	-	-
Klévannes SCI	15	-	100	-15	-	15	15	-	352	-
Les Ailes SNC	2	1,106	100	-10	-	2	-	-	827	-
Lyonarc SNC	15	9,097	100	-799	-	15	-	-	-	-
LP 7 SAS	45	67	100	-13	-	261	261	-	-	266

Nancy Bonsecours SCI	3,054	3,053	100	-93	-	6,565	6,107	-	1,941	-
Orion Columba	5,000	-25,361	100	-10,374	19,941	160,985	160,985	-	173,703	-
Pasteur SNC	227	1,738	100	-8,742	816	2,091	2,091	-	47,156	-
Portes de Clayes SCI	63,645	190,935	55	10,330	19,238	140,019	140,019	-	-	-
Progest SAS	7,703	25,462	100	7,424	908	116,055	116,055	-	23,841	6,789
Reluxco international SA	730	2,994	100	-93,793	-	22,580	-	-	1,160,471	-
Saint Maximin Construction SCI	2	-	55	44	50	524	229	-	-	-
SCOO SC	24,431	315,839	54	30,823	56,037	193,910	193,910	-	-	-
Sécovalde SCI	12,189	115,929	55	18,225	36,551	92,482	92,482	-	39,664	-
Soaval SCS	4,501	33,344	99	4,726	22,650	42,046	42,046	645	79,612	-
Sodévac SNC	2,918	26,245	100	3,355	6,945	29,163	29,163	-	4,278	-
TOTAL I				**263,498**	**445,770**	**7,235,756**	**6,449,826**	**41,800**	**3,905,479**	**695,989**

Financial information on subsidiaries and investments **In thousands of euros**	**Share capital**	**Shareholders equity other than share capital & net income**	**Percentage holding**	**Net income at year end**	**Pre-tax revenues**	**Gross book value**	**Net book value**	**Guarantees and sureties given**	**Loans and advances granted**	**Dividends received**
2. Investments of between 10% and 50%										
Akmerkez gayrimenkul Yatirim Ortakligi AS	-	22,376	47	11,276	-	234,605	228,428	-	-	9,780
Bassin Nord SCI	103,889	41,634	50	-38,067	18,486	72,762	72,762	-	56,507	-
Cecobil SCS	5,122	10,164	50	6,781	17,303	7,642	7,642	-	15,405	-
Corio veste projekte 9 GMBH	25	-26,252	10	-302	-60	3	-	-	13,734	
Forving SARL	11	-16	26	-2	-	668	-	-	345	-
Klépierre Brand Venture SNC	330	-	49	2,246	14,949	490	162	-	-	-
Klépierre Management Slovensko SRO	7	2	15	25	288	4	4	-	-	5
La Plaine du Moulin à Vent SCI	28,307	15,500	50	-4,974	5,494	21,903	21,903	-	-	-
Le Havre Lafayette SNC	525	9	50	4,543	8,851	983	983	-	8,110	-
Le Havre Vauban SNC	300	5	50	188	1,603	237	237	-	2,760	-
Odysseum Place de France SCI	97,712	-	50	8,044	19,896	49,004	49,004	7,250	47,383	-
Plateau des Haies SCI	3	-	12	2,244	2,835	3,253	3,253	-	493	-
Solorec SC	4,869	2,768	49	27,423	42,999	124,104	124,104	-	14,884	-
Ucgen bakim ve yonetim hizmetleri A	NC	NC	10	NC	NC	16	-	-	-	-
TOTAL II				**19,425**	**132,644**	**515,674**	**508,482**	**7,250**	**159,621**	**9,785**
GRAND TOTAL I + II				**282,923**	**578,414**	**7,751,430**	**6,958,308**	**49,050**	**4,065,100**	**705,774**

3.2.2. Loans to subsidiaries and related companies

In thousands of euros	**12/31/2015**	**12/31/2014**
Advances on equity securities	6,008,944	3,073,989
Accrued Interest on advances	88,607	85,746
Share of net income	108,531	131,279
Impairment of receivables from equity investments	-98,391	-874
Total	**6,107,691**	**3,290,140**

Changes to the item “Advances on shares in equities securities” mainly due to the transfer of advances from companies with the merger CORIO NV for 1.9 billion euros.

It’s also refer to increases from the following companies:
— Reluxco International SA for 763 million euros ;
— Klépierre Plenulinio Socimi for 185 million euros ;
— Klépierre Management Nederland BV for 85 million euro ;
— Klécar participation Italie SAS for 43 million euros ;
— Storm Holding Norway for 38 million euros ;
— Capucine BV for 27 million euros.
And by reductions on the following advances:
— Klémurs SCA for 65 million euros ;
— Klépierre Corvin for 25 million euros ;
— Klépierre Luxembourg for 23 million euros.

Changes in the item “Share of net income” mainly relate to a 16 million euro decrease of the share of income coming of Klécar France SNC. In 2014, the share of income Klépierre Management SNC represented 14 million euros ; in 2015 the share has a deficit of 12 million euros and thefore included in “Others loans and borrowings”.

The item “impairment of receivables from equity investments” is the total receivable of Klépierre Larissa EPE and provision on receivables Reluxco International for 97.5 million euros.

3.3. Other fixed assets

3.3.1. Loans and other long-term financial investments

Loans are broken down as follows:
— equity loan repurchased with the acquisition of Orion Columba Socimi shares on March 26, 2015: 24.4 million euros reaching maturity on May 1, 2017;
— equity loan signed on May 18, 2015 with Corio Real Estate S.L.: 101 million euros maturing on May 17, 2016;
— subordinated loan of May 5, 2011 with Barbera Finance S.r.l provided by the CORIO NV merger on April 1, 2015: 103.7 million euros maturing on April 15, 2016.

The interest accrued on these loans amounted to 5.9 million euros at December 31, 2015.

Other financial assets

In thousands of euros	12/31/2015	12/31/2014
Treasury shares	18,348	22,039
Total	**18,348**	**22,039**

The Company's treasury shares, acquired to be transferred to the vendor as part of an external growth transaction, totaled 18.35 million euros.

3.4. Trade and other receivables

The majority of trade receivables (15.7 million euros) are less than one year old.

Other receivables are disclosed in the following tables, according to due date.

Tax receivables relate mainly to VAT credit for 14.6 million euros and to CICE 2013, 2014 & 2015 unused for an amount of 0.8 million euros.

Currents accounts relate mainly to balances transferred from the merger CORIO NV on April 1, 2015 for 501.9 million euros.

In thousands of euros	12/31/2015	12/31/2014
Tax receivables	**16,082**	**5,707**
— VAT	15,325	5,136
— Other taxes and duties	757	571
Other receivables	**551,840**	**3,164**
— Currents accounts	550,719	0
— Other	1,121	3,164
Total	**567,922**	**8,871**

Receivables maturity schedule

In thousands of euros	Total	Less than one year	One to five years	More than five years
Tax receivables	**16,082**	**15,405**	**677**	**0**
— VAT	15,325	15,325	0	0
— Other taxes and duties	757	80	677	0
Other receivables	**551,840**	**1,121**	**550,719**	**0**
— Currents accounts	550,719	0	550,719	0
— Other	1,121	1,121	0	0
Total	**567,922**	**16,526**	**551,396**	**0**

3.5. Marketable securities and treasury shares

At December 31, 2015, the stock of treasury shares totals 2,898,533 shares (0.92% of all shares issued), with a net value of 78.42 million euros.

This stock is allocated as follows:

— **Account 5020000000 treasury shares:**
- 207,035 shares as part of the market liquidity agreement for regulating the share price;
- 367,619 shares for the future stock options plan.

— **Account 5021000000 treasury shares/stock options:**
- 51,042 shares for the 2009 stock options plan;
- 161,715 shares for the 2010 stock options plan;
- 378,564 shares for the 2011 stock options plan;
- 64,904 shares for the 2012 bonus share plan;
- 245,000 shares for the 2013 bonus share plan;
- 249,500 shares for the 2014 bonus share plan;
- 287,959 bonus shares allocated on May 4, 2015 and July 6, 2015 as part of the Klépierre 2015 plan.

— 885,195 shares to cover external growth transactions were recognized in financial assets.

In 2015, 163,379 shares have been transferred from the stock to be allocated on the bonus share plan.

— 2,048,338 treasury shares as part of the market liquidity agreement were sold during the 2015 fiscal year. These transactions resulted in a net gain of 5.79 million euros.

The other shares refer to short-term cash investments totaling 3.94 million euros.

3.6. Prepaid expenses and deferred expenses

In thousands of euros	12/31/2015	12/31/2014
Prepaid expenses	**95,005**	**66,388**
— Deferral of payment on swaps	94,454	66,179
— Construction lease	0	0
— Other	551	209
Deferred expenses	**24,986**	**17,340**
— Bond costs	10,732	5,474
— Lender loan issue costs	14,254	11,866
Bond premiums	**11,385**	**8,815**
Total	**131,376**	**92,543**

The increase in bond costs can be explained mainly by the costs remaining to be written down on 5 bonds assumed with the CORIO NV merger.

3.7. Translation adjustment (assets)

The translation adjustment for assets relates to the unrealized loss on the loan in SEK for 2.12 million euros, together with the difference in asset indexation of the 2009 mortgage loan assumed upon the CORIO NV merger for 2.75 million euros.

Note 4. Notes to the financial statements: balance sheet liabilities

4.1. Shareholders' equity

In thousands of euros	12/31/2014	Allocation of profit	Distribution	Others	12/31/2015
Share capital[1]	**279,258**	-	-	**160,840**[2]	**440,098**
Additional paid-in capital from issues, contributions and merger premiums					
— Issue premiums	1,058,950	-	-	3,847,635[3]	4,906,585
— EOC issue premiums	174,012	-	-	-	174,012
— Contribution premiums	259,318	-	-	-	259,318
— Merger premiums	113,297	-	-	196,798[4]	310,095
Positive merger variance	197,952	-	-	-	197,952
Positive canceled share variance	18,557	-	-	-	18,557
Statutory reserve	27,926	-	-	16,084[5]	44,010
Other reserves					
— Regulated reserves	-	-	-	-	-
— Other reserves	168,055	-	-	-	168,055
Retained earnings	**401,329**	**717,904**	**-398,424**	**11,457**[6]	**732,267**
Net income/loss for the year	**717,904**	**-717,904**	-	**-110,886**	**-110,886**
Total	**3,416,558**	-	**-398,424**	**4,121,928**	**7,140,063**
Ordinary shares	199,470,340			114,885,723	314,356,063
Par value (in euros)	1.40			1.40	1.40

(1) Composition of share capital.
(2) Increase of the capital due to public exchange offer of January 8th and 16th, 2015 made by Klépierre for Corio NV, followed the trans-border merger of Corio NV by Klépierre on March 31st, 2015.
(3) Increase of the share premium for 3,876.5 million euros due to public exchange offer made by Klépierre for Corio NV decreased in expenses bound to the operation for 28.86 M€.
(4) Share premium for 212.88 million euros due to public exchange offer made by Klépierre for Corio NV which 16.08 million euros pu in statutory reserve.
(5) Allocation of a part of Corio NV merger premium to the statutory reserve for 16.08 million euros.
(6) The increase in retained earnings refers to the 5.22 million euros of dividends relating to allocated treasury shares and to the change of method of valuation of swaps resulting from the merger with Corio NV for 6.24 million euros.

4.2. Provisions for contingencies and losses

In thousands of euros	12/31/2015	Allowance	Write-backs	Mergers	12/31/2014
Other provisions for contingencies and losses	71,463	27,145	-36,826	37,110	44,034
Total	**71,463**	**27,145**	**-36,826**	**37,110**	**44,034**

Provisions mainly concern provision for contingencies related to equity securities for an amount of 15,3 million euros, one provision for contingences on stock options and bonus shares for 8.3 million euros, a provision for difference indexing on the inflation linked facility agreement transmitted during the merger with Corio NV for 2,7 million euros and a provision for contingencies for 0,7 million euros on swaps for trading.

Write-backs of provisions mainly include provisions for contingencies of 23.9 million euros on swaps for trading, 6.7 million euros on equity securities, 4.2 million euros on stock options and bonus shares, and a provision for contingencies of 1.8 million euros on foreign exchange losses on an advance in SEK.

4.3. Loans and borrowings

In thousands of euros	12/31/2015	12/31/2014
Other bonds	**5,761,374**	**3,460,379**
— Principal debt	5,401,865	3,141,000
— Accrued interest[1]	114,152	76,436
— Principal debt intra-group (Poland)	241,381	241,381
— Accrued interest intra-group (Poland)	3,976	1,562
Loans and borrowings from credit institutions	**519,978**	**5,839**
— Credit facilities	320,805	-
— Interest accrued on credit facilities	3,343	767
— Bank overdrafts	190,106	675
— Accrued interest on swaps	5,725	4,397
Other loans and borrowings	**1,476,051**	**874,983**
— Security deposits and guarantees received	4,082	248
— Cash-pooling	259,599	485,818
— Commercial paper	1,170,000	376,500
— Interest accrued on commercial paper	-	-
— Debts on equity investments	-	-
— Share of net income	42,370	12,417
Total	**7,757,403**	**4,341,202**

[1] Coupon payable annually depending on the maturity date of the loan.

At December 31, 2015, the main sources of borrowing were as follows:
— bonds for a total amount of 5,401.9 million euros, including 1,005 million euros issued in 2015 and 1,175.9 million euros taken from the merger with Corio NV;
— polish bonds of 241.4 million euros subscribed by some of the group's Polish subsidiaries (KLP Rybnik, and IPOPEMA 96 FIZ);
— a syndicated loan set up in 2015, used in the amount of 100 million euros (maximum authorized contract of 850 million euros);
— an indexed loan assumed from the merger with Corio NV, valued at 218.1 million euros plus the indexation value of 2.7 million euros;
— 1,170 million euros from a commercial paper line (guaranteed by a 1,300 million euro back-up line).

The maturity dates of borrowings at December 31, 2015 were as follows:

Debt maturity schedule

In thousands of euros	Total	Less than one year	One to five years	More than five years
Other bonds	**5,761,374**	**735,428**	**2,156,321**	**2,869,625**
— Principal debt	5,401,865	526,400[1]	2,005,840[2]	2,869,625[3]
— Accrued interest[1]	114,152	114,152	-	-
— Principal debt intra-group (Poland)	241,381	90,900[4]	150,481[5]	-
— Accrued interest intra-group (Poland)	3,976	3,976	-	-
Loans and borrowings from credit institutions	**519,978**	**519,978**	**-**	**-**
— Credit facilities	320,805	320,805	-	-
— Interest accrued on credit facilities	3,343	3,343	-	-
— Bank overdrafts	190,106	190,106	-	-
— Interest accrued on swaps	5,725	5,725	-	-
Other loans and borrowings	**1,476,051**	**1,471,969**	**-**	**4,082**
— Security deposits and guarantees received	4,082	-	-	4,082
— Cash-pooling	259,599	259,599	-	-
— Commercial paper	1,170,000	1,170,000	-	-
— Interest accrued on commercial paper	-	-	-	-
— Debts on equity investments	-	-	-	-
— Share of net income	42,370	42,370	-	-
Total	**7,757,403**	**2,727,375**	**2,156,321**	**2,873,707**

[1] March 2016 € 526,400,000.
[2] April 2017 € 614,600,000, June 2017 € 50,000,000, January 2018 : € 291,240,000, September 2019 € 500,000,000, April 2020 € 300,00,000, August 2020 : € 250,000,000.
[3] February 2021 : € 499,625,000, March 2021 : € 600,000,000, December 2022 : € 85,000,000, April 2023 : € 750,000,000, Novembre 2024 : € 630,000,000, October 2025 : € 255,000,000, May 2027 : € 50,000,000
[4] November 2016 € 90,900,000.
[5] January 2018 € 142,691,000, April 2018 € 7,790,000.

4.4. Trade and other payables

On average, suppliers are paid approximately 40 days from the invoice receipt date.

4.5. Social and tax liabilities

In thousands of euros	12/31/2015	12/31/2014
Personnel and related accounts	625	492
Other taxes	1,319	499
Total	**1,944**	**991**

In 2015, the "other tax" mainly corresponded to unrealized output tax for 749 thousand euros.

4.6. Other liabilities

In thousands of euros	12/31/2015	12/31/2014
Clients - Discounts[1]	375	-
Other[1]	184,852	1,342
Total	**185,227**	**1,342**

[1] Less than one year.

Other liabilities comprised mainly the purchase price of KLÉPIERRE VALLECAS securities sold by KLEMENTINE BV on September 22, 2015 for 181.9 million euros. According to the terms, the price shall be paid within 6 months from that date.

4.7. Prepaid income

In thousands of euros	12/31/2015	12/31/2014
Prepaid income	32,923	23,143
— Deferral of payment on swaps	11,298	1,180
— Deferral of bond issue premiums	20,560	21,963
— Entry fees	267	-
— Other	798	-
Total	**32,923**	**23,143**

— The issuance premium of bonds is straight-lined over the term of bonds.
— The entry fees received from tenants acquired upon the mergers of SAS CLERMONT JAUDE and SAS CARRE JAUDE amounted to 399 thousand euros. The entry fees are staggered over the initial minimum period of the lease, i.e. 3 years. The balance at December 31, 2015 was 267 thousand euros. The amount posted to income for the 2015 financial year came to 282 thousand euros.
— Other prepaid income corresponds to the spreading of income from property, plant and equipment passed on to tenants. This income is spread to the extent that the annual amount exceeds €400,000 per building. The inventory acquired through the merger with SAS CLERMONT JAUDE amounted to 1.15 million euros. The balance at December 31, 2015 was 798 thousand euros. The amount posted to income for 2015 came to 348 thousand euros.

Note 5. Notes to the financial statements: income statement

5.1. Operating income

Operating income at December 31, 2015 came to -13.11 million euros, i.e. a slight increase of 0.31 million euros compared with December 31, 2014.

Revenue increased by 24.13 million euros, due mainly to rental income from the Cholet and Clermont Ferrand centers transferred to Klépierre SA following the mergers of Corio NV, Centre Jaude SAS and Carré Jaude II SAS.

5.2. Share of income from joint operations

This item amounts to 75.4 million euros at December 31, 2015.

It mainly includes:
— the Company's share in the 2014 income reported by the limited partnerships (SCSs) Cecobil, Soaval and Bègles Arcins, which totals 11.6 million euros;
— the Company's share in the 2015 profit of SNC Klécar France for 39.2 million euros, SC SCOO for 16.5 million euros, SCI Solorec for 13.5 million euros and SCI Secovalde for 10 million euros;
— the Company's share in the 2015 loss of SCI Bassin Nord for 19 million euros and SNC Klépierre Management for 12 million euros.

5.3. Net financial income

The Company recorded a net financial profit of 29.16 million euros at December 31, 2015 compared with 32.9 million euros profit at December 31, 2014.

5.3.1. Financial income

In thousands of euros	12/31/2015	12/31/2014
Income from sale of securities	93	48
Income from interest rate swaps[1]	-	-
Income from equity investments	705,774	34,393
Positive variance from merger and canceled shares	952	-
Interest on associates' advances	186,692	123,987
Interest on current accounts and deposits	19,895	-
Other revenue and financial income	6,228	4,934
Reversal of financial provisions	162,547	80,851
transferred financial expenses	8,860	9,308
Currency translation gains	4,555	149
Total financial income	**1,095,594**	**253,670**

[1] Swap-related income and expenses are netted.

The change in income from equity investments is mainly due to the payment of an interim dividend by Klépierre Nederland of 631 million euros and Klécar Participations Italie of 39.4 million euros.

Interest on current accounts and credit deposits includes the interest received from the current accounts taken over from the merger with Corio NV of 17.8 million euros and interest from automatic cash centralization of 2.1 million euros.

Other income and financial income include mainly the share premiums received on bonds of 4.1 million euros and liability compensation of 0.3 million euros.

The reversals of financial provisions are:
— reversal of provisions for contingencies on swaps for trading for 23.9 million euros;
— write-backs of provisions for impairments of shares for 34.6 million euros;
— write-backs of provisions for impairments of receivables from equity investments for 92.6 million euros;
— write-backs of provisions for contingencies for equity securities for 6.7 million euros;
— reversal of provisions for treasury shares for 3 million euros;
— reversal of provisions for foreign exchange losses on the advance in SEK for 1.8 million euros.

The transfers of financial expenditures on December 31, 2015 are composed mainly of bank commissions on syndicated loans and bond issues purchased during the year.

Currency translation gains correspond mainly to the profit made on the repayment of the loan with Reluxco International of 2.2 million euros as well as the gain related to the conversion of bank account balances in foreign currencies of 1.8 million euros.

5.3.2. Financial expenses

in thousands of euros	12/31/2015	12/31/2014
Interest on bonds	158,747	120,671
Interest on polish bonds	2,414	1,562
Interest on associates' advances	6,824	259
Interest on loans from credit institutions	7,533	4,929
Other bank interest	1,486	34
Swap-related expenses[1]	43,869	101,584
Interest on current accounts and deposits	-	4,675
Other financial expenses	23,341	20,945
Amortization allowance on bond premiums	2,514	2,647
Amortization allowance on loan issue fees	8,249	3,977
Allowances for financial provisions	795,855	24,695
Currency translation expenses	15,600	609
TOTAL FINANCIAL EXPENSES	**1,066,432**	**286,587**

[1] Swap-related income and expenses are netted.

The variation of interest on bonds, including Polish bonds, for 38.9 million euros is due to:
— the interest on the bonds transferred on the merger with Corio NV, amounting to 36.2 million euros;
— the increase in interest following the issue of new bonds on an existing loan as well as on two new loans, amounting to 15.7 million euros;
— the drop in interest following the partial redemption of two bond loans, amounting to 13.7 million euros;
— the increase in interest on Polish bonds amounting to 0.9 million euros for a full year.

The interest on associates' advances corresponds to the interest on the loan with Reluxco International SA for 6.8 million euros; this loan was repaid in December 2015.

The variation in the item "Interest on loans from credit institutions" is explained by:
— the interest on the mortgage loan transferred on the merger with Corio NV, amounting to 5.1 million euros;
— a drop in interest on credit lines: bilateral loans and syndicated loans, for 1.9 million euros;
— and a drop in interest on commercial paper for 0.6 million euros.

Allocations to financial provisions mainly include:
— a provision for impairment of securities of 648.4 million euros;
— a provision of 97.5 million euros for impairment of receivables from equity investments;
— a provision of 15.3 million euros for risks on equity investments;
— a provision for treasury shares of 5.9 million euros;
— a provision of 2.7 million euros for mortgage loan indexation;
— a provision for contingencies of 0.7 million euros on swaps for trading.

At December 31, 2015, the item "Swap-related expenses" includes:
— a net interest income of 40.2 million euros;
— the deferred upfront payment of swaps with a net cost of 84.1 million euros.

Currency translation losses mainly concern the nominal balance of the currency swap with Reluxco International SA for 4.2 million euros, and a currency translation loss of 11.3 million on exchange rate swaps.

5.4. Non-recurring income

In thousands of euros	12/31/2015	12/31/2014
Income from disposal of investments properties	-19	15,015
Income from disposal of equity investments	7,507	-4,856
Income from disposal of treasury shares	4,051	2,637
Income from disposal of bond buybacks	-29,458	-26,294
Other non-recurring income and expenses	-184,564	-
Write-back of provisions and transfer of expenses	-	4,856
Total	**-202,483**	**-8,642**

The item "Income from disposal of equity investments" corresponds to the sale of ISCI shares to Capucine BV.

The technical loss resulting from the Corio merger has been tested for impairment at year end. This impairment test resulted in a depreciation of the intangible asset of an amount of 185 million euros.

5.5. Corporate income tax

In thousands of euros	12/31/2015	12/31/2014
Corporate income tax and contributions	127	-3,753
Total	**127**	**-3,753**

The item "Corporate income tax and contributions" for 0.13 million euros, is mainly composed of tax credit.

Note 6. Notes to the financial statements: off-balance sheet commitments

6.1. Reciprocal commitments relating to interest rate hedging instruments

At December 31, 2015, Klépierre SA holds a portfolio of interest rate hedging instruments intended to hedge a proportion of current debt and future debt on the basis of the total funding requirements and corresponding terms set out in the Group financial policy.

The unrealized capital loss on interest rate hedge at December 31, 2015 rises to 31.57 million euros (excluding accrued coupons) in which a part relates to swaps registered for 0.7 million euros (excluding accrued coupons).

Firm deals

Firm deals In thousands of euros	12/31/2015	12/31/2014
Fixed-rate payer Klépierre - Variable-rate payer BNP Paribas and others	200,000	700,000
Fixed-rate payer BNP Paribas and others - Variable-rate payer Klépierre	935,000	935,000
Trading hedging instrument - Extendable fixed-rate payer Klépierre	700,000	600,000
Trading hedging instrument - Cap - Cap-rate buyer Klépierre	1,000,000	1,000,000

Firm deals in currency (in thousands)	12/31/2015	12/31/2014
Fx forward USD	261,500	0

Impact on income

Impact on income (reference capital 1-10 years) In thousands of euros	12/31/2015	
	Income	**Expenses**
Fixed-rate payer Klépierre - Variable-rate payer BNP Paribas and others	**21,880**	**15,185**
Fixed-rate payer BNP Paribas and others - Variable-rate payer Klépierre	**39,633**	**12,870**

In thousands of euros	12/31/2015	12/31/2014
Commitments given		
Commitments on purchases of securities and malls	-	-
Committments on sale promissory agreement	-	-
Funding commitments given to credit institutions	77,656	127,923
Other commitments given	222,312	262,467
Total	**299,968**	**390,390**
Commitments received		
Deposits received from tenants	405	-
Funding commitments received from credit institutions	1,830,000	1,873,500
Commitments to buy securities	-	-
Commitments on sale on buildings	87,150	87,150
Other commitments received	9,500	9,500
Total	**1,927,055**	**1,970,150**

6.2. Others Commitments

The item "Other commitments given" refers mainly to the remaining balance to pay on the sale before completion contract (payment guarantee given by the buyer and completion guarantee received from developer) for construction of buildings in Pantin.

On December 18, 2014, Klépierre SA signed a compromise sale for a building located in Pantin with AG2R La Mondiale for 87.150.000 euros excluding tax.

Shareholder agreements relating to Klécar France, Klécar Europe Sud, Solorec and Klécar Participations Italie

Shareholder agreements between Klépierre and CNP Assurances and Ecureuil Vie were amended by a rider signed on December 30, 2004, the effect of which was to cancel the liquidity commitments given by Klépierre to its partners.

The agreement provides the usual protections for non-controlling interests: pre-emption right, joint exit right and the decision-making process applying to investment or divestment. Each agreement contains two additional clauses:
— one in favor of Klépierre: an obligation for the non-controlling shareholders to exit at the request of Klépierre in the event of Klécar assets being sold to a third party;
— the other in favor of the non-controlling shareholders: a process enabling the non-controlling shareholder to consider a range of exit scenarios for Italian and Greek companies in 2016 and 2017:
- asset sharing or sale,
- purchase of non-controlling shareholdings by Klépierre (with no obligation for Klépierre),
- sale to a third party with payment of a discount by Klépierre if the offer is less than the Net Asset Value.

Partners' agreements in respect of Bègles Arcins

Signed on September 2, 2003, this agreement between Klépierre and Assurécureuil Pierre 3 contains provisions regulating the relationship between the company partners, and, more specifically, a dispute resolution clause.

Partners' agreement between Klépierre and SCI Vendôme Commerces in respect of SCS Cecobil

Signed on October 25, 2007 following the transition of Cecobil to a limited partnerships, this agreement provides for the usual protections regarding the sales project of equity shares to a third party (first refusal and total joint exit rights) and change of control of a partner.

SNC Kléber la Pérouse is no longer party to this agreement since the transfer of its assets and liabilities (TUP) to Klépierre on July 4, 2012.

Partners' agreement between Klépierre and SCI Vendôme Commerces in respect of SCI Secovalde and SCI Valdebac

Signed on October 25, 2007, this agreement provides for the usual protections regarding sales projectof equity shares to a third party (first refusal and total joint exit rights) and change of control of a partner.

This partners' agreement amended on December 29, 2008 and November 23, 2010, also includes SCI Valdebac since December 8, 2010. For instance, in December 8, 2010 more than 99.99% of the shares were transferred from SNC Kléber La Pérouse and SCI Vendôme Commerces to SCI Secovalde. As a consequence, the partners' agreement that only concerns SCI Valdebac, signed by SNC Kléber La Pérouse and SCI Vendôme on June 21, 2010, was terminated on December 8, 2010.

Kléber La Pérouse is no longer party to this agreement since the transfer of its assets and liabilities (TUP) to Klépierre on July 4, 2012.

Partners' agreements between Klépierre, Klefin Italia, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Clivia, and between Klépierre, Klefin Italia, Klépierre Luxembourg, Finiper, Finiper Real Estate & Investment, Ipermontebello, Immobiliare Finiper and Cedro 99 in respect of Immobiliari Galerie Commerciali (IGC)

A partners' agreement was signed in 2002 during the acquisition of IGC shares by the Klépierre Group.

Its main provisions – including those regarding Klépierre's preemptive right – were restated in a new agreement in 2007 applying to IGC and/or Clivia (owner of the Lonato, Verona and Vittuone shopping centers). In the case of IGC, it was replaced with an agreement signed on July 23, 2009 that expired on February 27, 2014, on which date the Group acquired 100% of the share equity of IGC.

Under the 2007 agreement, a put (option to sell) was granted to Finiper enabling it to sell its shares in Clivia to Klépierre. This put expires in 2017 and can be split into two tranches of 25%.

Partners' agreements between Klépierre and Stichting Pensioenfonds ABP in respect of the Swedish company Nordica Holdco AB, and the Norwegian companies Storm Holding Norway AS and Steen & Strøm

The shares in Steen & Strøm were acquired via Storm Holding Norway AS, a company registered in Norway and wholly-owned by Nordica Holdco AB, a company registered in Sweden.

This agreement was made on July 25, 2008 and an amendment made on October 7, 2008. It includes the usual provisions to protect non-controlling interests: qualified majority voting for certain decisions, purchase option in the event of deadlock and joint exit rights, as well as the following provisions:
— a one-year inalienability period applied to Steen & Strøm shares from the date of acquisition;
— each party has a right of first offer on any shares which the other party wishes to transfer to a third party, subject to the proviso that where shares are transferred by one party (other than Klépierre or one of its affiliates) to a Klépierre competitor (as defined in the agreement), the shares concerned will be subject to a right of first refusal and not a right of first offer;
— from the sixth year following acquisition, either party may request a meeting of shareholders to approve, subject to a two-thirds majority, the disposal of all the shares or assets of Steen & Strøm, or a market flotation of the Company.
— Through deeds of adherence dated December 23, 2009, Storm ABP Holding B.V. and APG Strategic Real Estate Pool N.V. adhered to this partners' agreement.
— Through a deed of adherence dated September 30, 2011, Stichting Depositary APG Real Estate Pool adhered to this partners' agreement.

Shareholders' agreement signed by Klépierre and CARDIF ASSURANCE VIE regarding SCI PORTES DE CLAYE

This agreement, signed on April 16, 2012, contains provisions governing relations between company shareholders.

It provides the usual protection in the event of sales project of company shares to third parties:
— reciprocal pre-emption right;
— reciprocal total joint exit right;
— total joint exit obligation in the event of majority shareholder plans to sell its full equity stake.

It also contains minority shareholders' right of first offer in the event of a sale of assets by the Company.

KC 2 SNC has not been party to this agreement since June 5, 2012, following its transfer of assets and liabilities (TUP) in Klécar France SNC.

By decision of the extraordinary general meeting of shareholders on June 28, 2012, Klécar France SNC distributed its entire investment in Portes de Claye SCI to Klépierre.

Partnership agreement between Klépierre, KLÉPIERRE MASSALIA and LACYDON SA relating to MASSALIA INVEST and MASSALIA SHOPPING MALL SCI

This agreement, signed on November 14, 2014, contains provisions governing relationships between partners of the above companies, particularly the corporate governance apparatus of Massalia Invest and Massalia Shopping Mall SCI, the terms of assignment and liquidity of investment of partners in Massalia Invest (right of first refusal, tag-along right, a change of control clause, option to purchase) and the terms and main methods of funding of Massalia Invest and Massalia Shopping Mall SCI.

A partners' agreement signed by CORIO NV, ALLIANZ LEBEN-VERSICHERUNGS AG, ALLIANZ VERISCHEUNGS AG and ALLIANZ PRIVATE KRANKENVERISCHERUNGS AG applying to INTERNATIONAL SHOPPING CENTRE INVESTMENT SA and ITALIAN SHOPPING CENTRE INVESTMENT SRL

This agreement, signed on April 30, 2010, as amended on September 27, 2010, contains provisions regulating the relationship between partners, and in particular the decisions that must be subject to the approval of all partners. It also contains a right of first offer and a deadlock clause.

Following the Corio NV merger carried out by Klépierre, the latter company assumed the rights and obligations of Corio NV by virtue of the aforementioned agreement.

Following the sale by Klépierre of International Shopping Centre Investment SA shares to Capucine BV, the latter company assumed the rights and obligations of Klépierre by virtue of the aforementioned agreement.

Partners' agreement signed by the KLÉPIERRE Group with the main shareholders of AKMERKEZ (listed company in Turkey)

This agreement signed in 2005 contains provisions regulating the relationship between partners, the composition of the Board of Directors and in particular the number of representatives of each shareholder on the Board. It also includes provisions regarding the majority requirements applicable to adopt decisions that must be submitted for the approval of the Board of Directors.

Note 7. Items concerning related companies

Items in thousands of euros	Amounts
Advances and pre-payments on fixed assets	-
Net equity investments	6,825,801
Loan to subsidiaries and related companies	5,957,597
Loans	235,037
Advances and pre-payments to suppliers (current assets)	-
Trade accounts and notes receivables	11,570
Other receivables	737,165
Accruals	-
Subscribed capital called but not paid	-
Convertible bonds	-
Other bonds	-
Loans and borrowings from credit institutions	-
Other loans and borrowings	454,251
Advances and pre-payments received	-
Trade and other payables	10,503
Other liabilities	-
Operating income	2,984
operating expenses	6,241
Financial income	1,053,106
Financial expenses	800,534

Note 8. Other disclosures

8.1. Automatic cash centralization

On November 30, 2000, Klépierre SA joined the cash-pooling managed by Klépierre Finance SAS. At December 31, 2015, Klépierre SA owes 405.2 million euros to Klépierre Finance SAS.

Following the merger of Corio NV, Klépierre SA holds bank accounts that incorporate an automatic cash centralization system applicable to the bank accounts of the Dutch and German subsidiaries. At December 31, 2015, Klépierre SA was owed 145.11 million euros by its subsidiaries.

8.2. Employees

Klépierre SA employs 1 person.
The Company is managed and administered by Klépierre Management SNC.

8.3. Loans and guarantees granted and set up for corporate officers and Supervisory Board members

None.

8.4. Compensation paid to Supervisory Board members

Klépierre SA, the parent company of the Klépierre Group, is a French corporation whose governance structure comprises an Executive Board and a Supervisory Board.

The amount of directors' fees granted to the members of the Supervisory Board for the fiscal year 2015 totaled 399,137 euros. The annual allowance granted to the Chairman of the Supervisory Board for the fiscal year 2015 totaled 58,614 euros.

8.5. Post-balance sheet date events

Klépierre subscribed 350 million paying swaps maturing in January 2021 with several counterparties.

Note 9. Consolidation information

The Klépierre SA corporate financial statements are fully consolidated in the Klépierre Group.

BNP Paribas sold its remaining 6.5% stake in Klépierre.

At December 31, 2015, the Klépierre Group is consolidated under the equity method by Simon Property Group and APG which held respectively a 20.3% and a 13.09% stake in the equity of Klépierre (including treasury shares).

7.4. Statutory auditors' report on the financial statements — Year ended December 31, 2015

This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the Company financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the Company financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the Company financial statements. This report also includes information relating to the specific verification of information given in the management report and in the documents addressed to shareholders.This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2015, on:
— the audit of the accompanying financial statements of Klépierre,
— the justification of our assessments,
— the specific verifications and information required by law.

These financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

I. Opinion on the financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements give a true and fair view of the assets and the liabilities and of the financial position of the Company as at December 31, 2015 and of the results of its operations for the year then ended in accordance with French accounting principles.

Without qualifying our opinion expressed above, we draw your attention to the note 1.1 of the financial statements describing the impacts of the merger of Corio NV and in particular the impairment of the relative "technical merger loss" as at December 31, 2015.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (*Code du commerce*) relating to the justification of our assessments, we bring to your attention the following matters:
— Note 2.2.2 "Intangible assets: the technical goodwill" to the financial statements sets out the accounting rules and methods applicable to the recognition of technical merger loss. As part of our assessment of the accounting policies adopted by your company, we examined the method of recognizing technical merger loss in assets and the method of verifying their current value and we confirmed that Note 2.2.2 to the financial statements contains the appropriate disclosures.
— As indicated in Note 2.2.3 to the financial statements, real estate assets are appraised by independent experts to estimate impairments. Our procedures consisted notably in examining the valuation methodology used by the experts to ensure ourselves that the impairments were based on external expert appraisals.
— Equity investments recorded under assets on your company's balance sheet are valued as described in Note 2.2.4 to the financial statements. Our assessment of these valuations is based on the process implemented by your company to determine the value of equity investments. Our procedures notably consisted in assessing, based on expert valuations, the financial information used by your company to determine the value of the buildings owned by your subsidiaries and by your management's entities.

These assessments were made as part of our audit of the financial statements taken as a whole, and therefore served in forming our audit opinion expressed in the first part of this report.

III. Specific procedures and disclosures

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

We have no matters to report as to the fair presentation and the conformity with the financial statements of the information given in the management report and in the documents addressed to shareholders with respect to the financial position and the financial statements.

Concerning the information given in accordance with the requirements of Article L. 225-102-1 of the French Commercial Code (*Code du commerce*) relating to remuneration and benefits received by the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from companies controlling your company or controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Paris La Défense and Neuilly-sur-Seine, March 4, 2016

The statutory auditors
French original signed by

Mazars
Gilles Magnan

Deloitte & Associés
José-Luis Garcia **Joël Assayah**


LEWOKS
LEWOKS

Left
Hoog Catharijne, Utrecht (Netherlands)
Above
Prado, Marseille (France)

8. Information on the Company and the capital

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8.1. General information

8.1.1. Background

Key dates in Klépierre's development are shown below:

— 1990: Klépierre was formed from the demerger of Locabail-Immobilier and its portfolio of operating leases. Since then, Klépierre has owned, managed and developed shopping centers in France and continental Europe.
— 1998: First international acquisition (Italy) and strengthening of the Company's position resulting from the merger of its 51% shareholder, the Compagnie Bancaire group, with Paribas.
— 2000: Signature of an agreement with Carrefour to acquire 160 retail galleries adjoining its hypermarkets accompanied by property management and development partnerships.
— 2002: Klépierre strengthens its position in Italy by acquiring 11 retail galleries in partnership with Finim and concluding an agreement with Finiper to acquire a 40% stake in IGC in conjunction with a partnership for the joint development of new centers.
— 2003: Acquisition of 28 shopping centers in France, Spain, Italy, Greece and Portugal and its first investment in the Czech Republic (Nový Smìchov, Prague); option of the preferential tax status available to French REIT (*Sociétés d'investissement immobilier cotées* or SIIC).
— 2004: Acquisition of 18 centers including 12 in Hungary.
— 2005: Acquisition of 9 retail galleries, including 4 in Poland and a first investment in Belgium.
— 2006: Continued development of shopping centers and strengthening of the network of managed properties now wholly-owned in Italy and the Czech Republic.
— 2008: A major historic acquisition by Klépierre with the support of its majority shareholder BNP Paribas: 56.1% of Steen & Strøm (shopping center real estate company in Norway, Sweden and Denmark) in partnership with the Netherlands-based APG Pension Fund (43.9%); acquisition of other centers and the start of work on 12 new projects.
— 2011: Ongoing development including notably the opening of the Millénaire (Paris region) and the acquisition of Roques (Toulouse, France).
— 2012-2013: Consolidation of the strategy as a pure player in shopping centers in continental Europe: program for the disposal of mature assets and the start of divestment from the office property segment in the amount of nearly 1.3 billion euros, and delivery of landmark development projects including St.Lazare Paris (France) and Emporia (Malmö, Sweden). Raising of 1.5 billion euros in new financing increasing the Group's liquidity to a record level of nearly 2 billion euros. Simon Property Group, an American group and a global leader in the shopping center industry, acquires a 28% equity stake in Klépierre in early 2012. BNP Paribas becomes the second largest shareholder with a 22% equity stake.
— 2013: Signature of an agreement for the disposal of 126 retail galleries adjoining Carrefour hypermarkets for an amount totaling 2 billion euros.

8.1.2. Klépierre today

2014 was a year of major transformation, in line with the strategy initiated over the last two years and encouraged by the new Klépierre shareholder, Simon Property Group. Fully focusing on its best-performing shopping centers in continental Europe, Klépierre continued to sell off non-core assets: 126 retail galleries in France, Spain and Italy in April, 5 shopping centers in Sweden in early July, and the remaining assets of its Paris office portfolio in the first half. In all, nearly 3 billion euros in non-core assets were sold in 2013 and 2014. As a result of the improvement of the company's profile, its financial structure continued to strengthen, which led Standard & Poor's to raise Klépierre's credit rating to A, placing it among the world's top four rated real estate companies.

In parallel, Klépierre continues to develop its own assets, notably with the launch of the extension project for the Val d'Europe shopping center (Paris region) and the acquisition in November of 60% of the Prado shopping center development project in Marseille (France).

In October 2014, Klépierre launched a public exchange offer for 100% of the ordinary shares of Corio, a Dutch real estate company specialized in shopping centers, in order to create the leadingpure player in shopping centers in continental Europe, with a unique platform of assets located in regions offering the greatest potential in terms of economic and demographic growth. This transaction provided for an exchange ratio of 1.14 new Klépierre shares per Corio share, and a Corio value of 7.2 billion euros. This transaction was welcomed by the shareholders of both groups: 93.6% of Corio shareholders tendered their shares during the public exchange offer that closed in January 2015. This acquisition was followed by the cross-border merger of Klépierre and Corio on March 31, 2015. The new group, with an exceptional portfolio of real estate worth more than 21 billion euros, enjoys critical mass and strong potential for growth thanks to the numerous merger synergies that have been identified. Following this share-based transaction, Klépierre has three main shareholders: Simon Property Group with 18%, and BNP Paribas and APG with 13.5% each.

In 2015, Klépierre pursued its strategy of focusing on top-tier commercial assets in continental Europe's most dynamic regions, notably by acquiring two assets for 720 million euros: Plenilunio, a leading shopping center in Madrid in March, and, in December, Oslo City, a leading shopping center located in the heart of Norway's capital. In parallel, Klépierre continued to sell off non-core assets including, for example, the sale of a portfolio of nine convenience shopping centers in the Netherlands for 730 million euros (excluding duties). The Group further optimized its financial structure by raising nearly 1,2 billion euros in new financing from bond markets at historically attractive conditions.

Finally, in 2015, BNP Paribas, Klépierre's historic shareholder sold off its remaining shares on the market. As a result, Klépierre's free float exceeded 65% at end 2015. In December 2015, Klépierre was included in the CAC 40, the main stock index of the Paris stock exchange.

8.1.3. Company name

Klépierre

8.1.4. Paris Trade and Companies Register

SIREN: 780 152 914
SIRET: 780 152 914 00237
NAF/APE: 6820B

8.1.5. Term of the Company

The Company was registered as a Société anonyme à conseil d'administration (French corporation governed by a Board of Directors) on October 4, 1968. Its term was set at 99 years, expiring on October 3, 2067.

8.1.6. Legal form

Klépierre is a French corporation with an Executive Board and a Supervisory Board. It is governed by the legal provisions applicable to sociétés anonymes, in particular articles L. 225-57 to L. 225-93 of the French Commercial Code and by its own bylaws.

8.1.7. Registered office

26, boulevard des Capucines – 75009 Paris
Tel.: +33 (0)1 40 67 57 40

8.1.8. Tax status

The Company has opted for the tax status of Sociétés d'investissement immobilier cotées (SIIC, French REIT) under the terms of article 208-C of the French General Tax Code.

As such, it is exempt from corporate income tax on:
— earnings from the rental of buildings, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are earned;
— capital gains from the sale of buildings, investments in real estate partnerships (sociétés de personnes) and whose purpose is identical to that of an SIIC or in subsidiaries that have opted for the new tax status, provided that 60% of these capital gains are distributed to shareholders before the end of the second financial year after that in which the gains were made;
— dividends received from subsidiary companies which have opted for SIIC status where these dividends arise as a result of profits and/or capital gains that are exempt from tax under the SIIC arrangements, subject to the provision that they are distributed during the fiscal year following the year in which they were granted.

Following discussions between the Klépierre Group and the Dutch Finance Minister, the latter has considered that some of the activities of the Group were not compatible with the FBI regime (tax regime allowing to benefit from an exemption from Dutch corporate tax). In light of the profitability of these activities, Klépierre has decided that it will not benefit from the FBI regime with retroactive effect as of January 1st, 2015. The tax expense relating to this decision has been fully provisioned in the 2015 accounts.

8.1.9. Other disclosures

Klépierre's bylaws are available in full on the Group's website (www.klepierre.com)

Corporate purpose (article 2 of the bylaws)

The corporate purpose was amended at the General Meeting on April 14, 2015, subject to the condition precedent that this amendment be authorized by the General Meetings of bondholders.

The General Meetings of bondholders approved the amendment of the corporate purpose on September 23, 2015.

Since September 23, 2015, the Company's corporate purpose has been as follows:
— to acquire, sell or exchange, whether directly or indirectly, any lands, real-estate rights and buildings, located in France or abroad, as well as all goods and rights that might constitute an addition or annex to said buildings;
— through its subsidiaries, to construct buildings on its own account or on behalf of group companies and engage in all operations directly or indirectly related to the construction of these buildings;
— to operate and enhance property value by leasing such properties or otherwise;
— to enter into any lease agreement as a tenant, in France or abroad;
— to acquire direct or indirect equity interests in the persons indicated in Article 8 and in paragraphs 1, 2 and 3 of Article 206 of the French Tax Code and, more generally, to acquire equity interests in any company whose purpose is to operate rental properties;
— as a subsidiary matter, to acquire or dispose of equity interests in any company or enterprise exercising any type of activity in the real-estate sector;
— and more generally to engage in all types of civil, commercial, financial, investment and real-estate transactions directly related to the aforementioned purpose or in the furtherance thereof, in particular, borrowing and the constitution of any guarantees or pledges required in relation thereto.

Ownership and transfer of shares (article 7 of the bylaws)

Fully paid-up shares are in registered or bearer form, at the shareholder's discretion.

Shares are registered in an account in accordance with the statutory and regulatory provisions in force.

Shares may be sold or transferred freely in accordance with applicable legislation and regulations.

Shares resulting from a capital increase can be traded as soon as the capital increase has been completed.

Voting rights (article 8 of the bylaws)

Each share gives right to part ownership in the Company's assets, to a share in profits and liquidation surplus in a proportion corresponding to the share capital it represents.

All new or existing shares, provided they are of the same class and the same paid-up nominal value, are fully assimilated once they entitle holders to the same benefits, during the appropriation of any profit, and also during the total or partial refund of their nominal capital, holders receive the same net amount, and all the taxes and duties to which they may be subject are evenly divided among them.

Owners of shares are liable only up to the limit of the nominal amount of the shares they own.

General Meetings of shareholders (articles 25 to 29 of the bylaws)

Depending on the nature of the decisions to be taken, shareholders meet in either an ordinary or extraordinary General Meeting of shareholders.

Meetings are convened by the Executive or Supervisory Board, or by the persons designated by the French Commercial Code. They deliberate in accordance with applicable legal and regulatory provisions. Meetings take place either at the head office or at another venue specified in the notice.

In accordance with article R. 225-85-I of the French Commercial Code, to attend General Meetings, shareholders must have registered their securities either in the accounts of registered securities kept by the Company or in the accounts of bearer securities through an authorized intermediary, within the deadlines and according to the terms set out by applicable law. In the case of bearer securities, the registering of the securities is acknowledged by a certificate of participation issued by the authorized intermediary. Their representation at meetings is managed under the legislation and decrees in force.

The same applies for information to be provided or sent to shareholders.

Prior to any meeting, shareholders can vote or vote remotely as provided for by the applicable laws and regulations. In particular, in accordance with the conditions set out in the relevant laws and regulations, shareholders may vote by mail in the form of a paper absentee ballot, or, if the Executive Board or Supervisory Board so decides at the time of the notice of meeting, by electronic means using a form drawn up by the Company or its centralizing financial establishment.

To be retained, all ballots and proxies must have been received by the Company before the maximum time limit prior to the meeting set out in article R.225-77 of the French Commercial Code. Electronic forms, however, may be received by the company up until 3:00 p.m., Paris time, on the eve of the general meeting.

The decisions of ordinary and extraordinary General Meetings of shareholders are only valid if quorum requirements are met. The quorum is calculated in relation to the total number of existing shares, subject to exceptions provided for by law.

In all meetings, subject to any restrictions stipulated in the prevailing legislation, shareholders shall have one vote per share held or represented without restriction. Pursuant to the option provided for in article L.225-123 of the French Commercial Code, double voting rights will not be conferred on fully paid shares that have been registered in the name of the same shareholder for a period of at least two years.

Fiscal year (article 30 of the bylaws)

The fiscal year begins on January 1 and ends on December 31.

Statutory Distribution of profits – Reserves (article 31 of the bylaws)

At least 5% of the profits for the financial year, less any prior losses, are set aside to establish the statutory reserve fund, until such fund equals one-tenth of the share capital.

The balance and any retained earnings together constitute distributable profit, from which is deducted any amount that the General Meeting of shareholders, acting on the recommendation of the Executive Board, and subject to the approval of the Supervisory Board, may decide to assign to one or more discretionary, ordinary or extraordinary funds, with or without special appropriation, or to carry forward as retained earnings.
The balance is apportioned among the shares.

Any shareholder other than a physical person:
(i) which directly or indirectly holds at least 10% of rights to dividends in the Company; and,
(ii) whose own position or that of its shareholders which directly or indirectly hold 10% or more of its rights to dividends renders the Company liable for the 20% levy stipulated in article 208 C II ter of the French General Tax Code (the "Levy") (the said shareholder is called a "Taxpaying Shareholder"),
will owe the Company a sum equal to the amount of the Levy owed by the Company at the time of payment.

If the Company directly or indirectly holds 10% or more of one or more Sociétés d'investissement immobilier cotées cited in article 208-C of the French General Tax Code (a "SIIC Daughter"), the Taxpaying Shareholder will also owe the Company, when a dividend payment is made, a sum equal to the difference (the "Difference") between (i) the amount which would have been paid to the Company by one or more SIIC Daughters if the said SIIC Daughter(s) had not been liable for the Levy because of the Taxpaying Shareholder multiplied by the percentage of the rights to dividends held by the shareholders other than the Taxpaying Shareholder and (ii) the amount actually paid by the said SIIC Daughter(s) multiplied by the percentage of the rights to dividends held by the shareholders other than the Taxpaying Shareholder, so that the other shareholders are not liable to pay any of the Levy paid by any of the SIICs in the chain of interests because of the Taxpaying Shareholder. Shareholders other than Taxpaying Shareholders will be in credit with the Company for an amount equal to the Difference, in proportion to their dividend entitlement.

If there is more than one Taxpaying Shareholder, each Taxpaying Shareholder will owe the Company the portion of the Levy owed by the Company which its direct or indirect interest generates. The capacity of Taxpaying Shareholder is assessed on the date of the payment.

Subject to the information described in section 8.3.3 of this registration document, any shareholder other than a physical person, which directly or indirectly holds at least 10% of the Company's capital, will be presumed to be a Taxpaying Shareholder.

Any payment to a Taxpaying Shareholder is made by an entry in this shareholder's individual account (without generating interest), the chargeback from the account occurs within five business days of the entry after the sums owed by the Taxpaying Shareholder to the Company have been set off under the above provisions.

The General Meeting of shareholders can grant each shareholder an option between payment of all or part of a dividend or interim dividend in cash or shares. If the payment is in shares, the Taxpaying Shareholder will receive a portion in shares (no odd lots will be created) and the other portion in cash (paid by entry in the individual current account) so the set off mechanism described above can apply to the portion of the dividend entered in the individual account.

Except in the event of a share capital reduction, no distribution can be made to shareholders if shareholders' equity is, or would be as a result of the distribution, less than the amount of the share capital plus the reserves that cannot be distributed under the law or the bylaws.

8.2. General information regarding capital

8.2.1. Share capital – Type of shares

As of December 31, 2015, share capital totaled 440,098,488.20 euros, divided into 314,356,063 fully paid-up shares each with a par value of 1.40 euro.
In accordance with article 28 of the bylaws, each share confers a single vote.
They are in registered or bearer form, at the shareholder's discretion. Share capital may be modified under the conditions provided by law.

8.2.2. Delegations and authorizations granted to the Klépierre Executive Board

On the date of this registration document, the Executive Board holds the following delegations or authorizations pursuant to various decisions taken by the General Meetings of Shareholders on April 10, 2014 and April 14, 2015:

Delegations or authorizations granted by the General Meeting of shareholders of April 10, 2014

Purpose of the resolution	Maximum amount	Duration	Utilizations during fiscal year 2015
Authorization to issue bonus shares to employees and corporate officers	0.5% of share capital	38 months from April 10, 2014 (12th resolution)	Allocation of 289,959 bonus shares representing 0.093% of the capital

Delegations or authorizations granted by the General Meeting of shareholders of April 14, 2015

Purpose of the resolution	Maximum amount	Duration	Utilizations during fiscal year 2015
Authorization for the Company to buy back its own shares	Maximum program amount: 10% of capital and 1,688,702,840 euros Maximum purchase price: 55 euros per share with par value of 1.40 euro	18 months from April 14, 2015 (13th resolution)	Purchase of 2,102,115 shares during the fiscal year 2015
Authorization to reduce share capital by canceling treasury shares	10% of capital in a 24-month period	26 months from April 14, 2015 (14th resolution)	None
Capital increase with preservation of preferential rights by issue of shares and/or securities conferring rights to receive shares of the Company or of its subsidiaries and/or securities that confer entitlement to receive allocations of negotiable debt securities[1]	Maximum nominal amount: 90 million euros and 1.2 billion euros for negotiable debt securities	26 months from April 14, 2015 (15th resolution)	
Capital increase without preferential rights by issue of shares and/or securities conferring rights to receive shares of the Company or of its subsidiaries and/or securities that confer entitlement to receive allocations of negotiable debt securities, through a public offering or private placement[1] [2]	Maximum nominal amount 40 million euros and 800 million euros in negotiable debt securities	26 months from April 14, 2015 (16th and 17th resolutions)	None
Increase in the number of securities to be issued in the event of a capital increase with or without preferential rights[1]	At the same price as that chosen for the initial issue, within the periods and limits specified by applicable legislation at the date of the issue [3]	26 months from April 14, 2015 (18th resolution)	None
Capital increase without preferential rights by issue of shares and/or securities conferring rights to receive shares to fund contributions in kind granted to the Company in the form of shares and/or securities conferring rights to receive shares[1]	Up to 10% of capital	26 months from April 14, 2015 (19th resolution)	None
Capital increase by incorporation of premiums, reserves, profits or other items[1]	100 million euros	26 months from April 14, 2015 (20th resolution)	None

[1] — Maximum global nominal amount of the increases in the authorized share capital, whether immediate and/or future, capable of being carried out pursuant to the authorizations granted to the Executive Board:
100 million euros (23rd resolution) (this nominal amount being potentially subject to the addition of the nominal amount of the shares to be issued in addition to preserve the rights of holders of negotiable securities giving access to the capital);
— Maximum global nominal amount of negotiable debt securities: 1.2 billion euros (23rd resolution).

[2] Private placement: issues cannot exceed the limits provided by the regulations applicable on the date of the issue (currently, 20% of the capital per year, pursuant to Article L. 225-136-3, 3° of the FrenchCommercial Code).

[3] Currently, within 30 days of the close of the subscription period and subject to a maximum of 15% of the initial issue, pursuant to Article R. 225-118 of the French Commercial Code.

8.2.3. Dividends

The dividends distributed for the last five fiscal years are as follows:

Fiscal year	2010	2011	2012	2013	2014
Number of shares	189,648,240	189,648,240	199,470,340	199,470,340	[1]
Net dividend	€1.35	€1.45	€1.50	€1.55	€1.60
Net amount distributed	**€256,025,124.00**	**€274,989,948.00**	**€299,205,510.00**	**€309,179,027.00**	**€398,423,693.56**

[1] The dividend of 1.60 euro consisting of (i) an interim dividend in a total amount of €181,518,009.40, or €0.91 per share (based on a total number of shares of 199,470,340 as at December 31, 2014), the shares going ex-dividend on January 8, 2015 and the interim dividend being paid in cash on January 12, 2015; and (ii) a final dividend to the shareholders representing an additional distribution of €216,905,684.16, or €0.69 per share (on a total number of shares of 314,356,063), the shares going ex-dividend on April 17, 2015 and the final dividend being paid in cash on April 21, 2015.

Unclaimed dividends must be paid to the French government after a period of five years has elapsed as of the payment date. Shares owned by the Company do not confer entitlement to dividends.

8.2.4. Share capital and stock market

Shares

All the Company's capital share stock is traded on the Euronext Paris market (compartment A) and on Euronext Amsterdam since January 15, 2015.

	2011	2012	2013	2014	2015
Market capitalization (in millions of euros)[1]	4,180	5,988	6,719	7,127	12,885
Number of shares traded (daily average)	351,094	257,510	174,513	197,549	719,370
Share price (in euros)					
Highest	29.67	30.08	34.94	37.75	47.69
Lowest	18.75	20.44	28.79	31.09	35.29
Last	22.04	30.02	33.68	35.73	40.99

[1] Last quotation of the year.
Source: Bloomberg.

Trading volume over the last 18 months (in number of shares and amount of equity traded)

		Highest price (in euros)	Lowest price (in euros)	Number of shares traded	Amount of equity traded (in M€)
2014	September	37.09	34.08	4,956,187	174,185,738
	October	34.50	31.10	6,163,780	202,315,409
	November	36.09	33.80	5,841,236	201,997,338
	December	36.62	33.92	7,870,495	278,522,609
2015	**January**	**41.95**	**35.29**	**20,400,980**	**801,935,179**
	February	**45.64**	**41.86**	**13,319,337**	**584,380,051**
	March	**46.58**	**42.39**	**18,942,875**	**853,367,722**
	April	**47.69**	**42.74**	**10,327,959**	**467,834,040**
	May	**44.09**	**40.45**	**13,809,339**	**576,348,664**
	June	**40.75**	**37.99**	**15,641,063**	**616,103,880**
	July	**43.09**	**38.76**	**11,975,505**	**490,655,389**
	August	**42.98**	**38.02**	**13,342,371**	**541,714,493**
	September	**40.96**	**37.91**	**14,398,216**	**564,374,158**
	October	**43.41**	**39.60**	**9,840,063**	**407,739,492**
	November	**43.00**	**40.73**	**26,515,788**	**1,108,723,563**
	December	**43.47**	**39,91**	**19,242,035**	**790,944,268**
2016	January	40.99	36.09	15,695,947	604,676,410
	February	39.83	35.72	15,639,323	590,051,684

Source : Bloomberg.

Dilutive instruments

No dilutive instruments have been issued.

Developments relating to delegated authorities and authorizations granted to the Executive Board appear on pages 231 and 232 of this document.

8.2.5. Bonds

Issue date	Due date	Currency	Outstanding nominal	Coupon	ISIN Code
Eurobond issues listed on the Luxembourg stock exchange (Stand-Alone)					
03/16/2006	03/16/2016	EUR	526,400,000	4.25%	FR0010301705
Eurobond issues listed on the Paris stock exchange (EMTN)[1]					
04/07/2010	04/13/2017	EUR	614,600,000	4.00%	FR0010885160
04/07/2010	04/14/2020	EUR	300,000,000	4.63%	FR0010885582
03/14/2011	03/14/2021	EUR	600,000,000	4.75%	FR0011019397
05/21/2012	05/21/2027	EUR	50,000,000	4.23%	FR0011255280
09/17/2012	09/17/2019	EUR	500,000,000	2.75%	FR0011321405
01/28/2015	11/06/2024	EUR	630,000,000	1.75%	FR0012477206
04/17/2015	04/17/2023	EUR	750,000,000	1.00%	FR0012674661
10/22/2015	10/22/2025	EUR	150,000,000	2.13%	FR0013030038
10/26/2015	10/22/2025	EUR	105,000,000	2.13%	FR0013030160
02/19/2016	02/19/2026	EUR	500,000,000	1.88%	FR0013121753
Eurobond issues listed on the Amsterdam stock exchange (EMTN)[1]					
08/10/2010	08/10/2020	EUR	250,000,000	5.45%	XS0531584984
10/20/2010	01/22/2018	EUR	291,240,000	4.63%	XS0550979842
12/05/2012	06/05/2017	EUR	50,000,000	2.39%	XS0861585072
12/13/2012	12/13/2022	EUR	85,000,000	3.52%	XS0864386825
02/28/2013	02/26/2021	EUR	499,625,000	3.25%	XS0896119384

[1] The EMTN (Euro Medium Term Notes) prospectuses are available on Klépierre's website (www.klepierre.com), "Finance" section.

8.3. Change in share capital – Breakdown of share capital and voting rights

8.3.1. Five-year change in share capital

Dates	Nature of increase	Number of shares issued	Premium	Share capital
05/21/2012	Payment of dividend in the form of shares	9,822,100	€ 203,906,796.00	€ 279,258,476.00
01/15/2015	Share capital increase [1]	96,589,672	€ 3,456,461,412.52	€ 414,484,016.80
01/19/2015	Share capital increase [2]	10,976,874	€ 420,030,083.61	€ 429,851,640.40
03/31/2015	Share capital increase [3]	7,319,177	€ 2,913,689,402.20	€ 440,098,488.20

[1] Issue of ordinary shares of the Company to pay for shares tendered during the initial offer period of the public exchange offer initiated by the Company in respect of shares of the company Corio, at a parity of 1.14 Klépierre share for 1 Corio share.

[2] Issue of ordinary shares of the Company to pay for Corio shares tendered during the Offer's post-acceptance period, at a parity of 1.14 Klépierre shares for 1 Corio share.

[3] Issue of ordinary shares of the Company to pay for Corio shares tendered in the context of the merger between Klépierre and Corio, at a parity of 1.14 Klépierre shares for 1 Corio share.

8.3.2. Changes in share capital breakdown and voting rights over the last three fiscal years

	Position at December 31, 2013				Position at December 31, 2014				Position at December 31, 2015			
	Number of shares	% of share capital	% of theoretical voting rights	% of voting rights exercisable in general meetings	Number of shares	% of share capital	% of theoretical voting rights	% of voting rights exercisable in general meetings	Number of shares	% of share capital	% of theoretical voting rights	% of voting rights exercisable in general meetings
Simon Property Group	57,634,148	28.89%	28.89%	29.47%	57,634,148	28.89%	28.89%	29.38%	63,924,148 (ii)	20.33%	20.33%	20.52%
Groupe BNP Paribas	42,477,397	21.30%	21.30%	21.72%	42,487,242	21.30%	21.30%	21.67%	(ii)	(ii)	(ii)	(ii)
Groupe APG	(i)	(i)	(i)	(i)	(i)	(i)	(i)	(i)	42,417,173 (iii)	13.49%	13.49%	13.62%
BlackRock	(ii)	(ii)	(ii)	(ii)	(ii)	(ii)	(ii)	(ii)	15,818,671 (iii)	5.03%	5.03%	5.08%
Float	95,444,973	47.85%	47.85%	48.81%	95,983,823	48.12%	48.12%	48.95%	189,297,538	60.22%	60.22%	60.78%
Treasury shares	3,913,822	1.96%	1.96%	–	3,365,127	1.69%	1.69%	–	2,898,533	0.92%	0.92%	–

[i] Shareholder holding prior to settlement and delivery of the Corio merger on March 31, 2015.

To the company's knowledge, no shareholder directly or indirectly, alone or in concert, owns more than 5% of the share capital or voting rights.

[ii] To the company's knowledge, and on the basis of (i) the crossing thresholds declarations in accordance with law and/or the by-laws and (ii) the nominative shareholders' list, non-significant shareholder.

[iii] To the company's knowledge and on the basis of the crossing threshold declaration as described in section 8.3.3 below.

Employee share ownership

There are no agreements entitling the employees to a share of the issuer's capital.

Shareholders' Agreement

To the Company's knowledge, no agreement existed on December 31, 2015 the implementation of which could result in a change of control at a later date.

At the time of the agreement concluded on July 29, 2014 between Klépierre and Corio, Simon Property Group ("SPG"), BNP Paribas S.A. ("BNPP"), Klépierre's reference shareholders, and the Dutch foundation (stichting) Stichting Depositary APG Strategic Real Estate Pool, represented by its management company APG Asset Management N.V. ("APG"), Corio's reference shareholder, each acting directly or through affiliates (respectively, the "SPG Group", the "BNPP Group" and the "APG Group", and together, the "Parties"), signed a shareholders' agreement (the "Shareholders' Agreement") to organize their relationship as Klépierre shareholders. This agreement was published by the AMF as required by law, in its decision 214C2161 dated October 16, 2014.

The Shareholders' Agreement entered into force on January 15, 2015, the date of settlement/delivery of the public exchange offer (the "Completion Date").

I. Klépierre's Governance

Representation at the Supervisory Board
The Shareholders' Agreement provides for the SPG, BNPP and APG Groups to be represented at Klépierre's Supervisory Board pursuant to reciprocal commitments to vote in favor of the representatives presented by each Party at General Meetings and on the Supervisory Board (solely for appointments by way of co-option).

It is agreed that the Supervisory Board will be composed of ten (10) members, three (3) of whom will be SPG Group representatives (including the Chairman of the Board who will have a casting vote), one (1) of whom will be a BNP Paribas Group representative, and one (1) of whom will be an APG Group representative. The Supervisory Board must have at least five (5) independent members within the meaning of the AFEP-MEDEF Code, appointed by the General Meeting of Klépierre shareholders.

In the event that the SPG Group's stake falls below the lowest of the following three thresholds: 13.6% of the total number of Klépierre shares, or the BNPP Group's or APG Group's stakes in the Company: (i) the number of representatives of each Party on the Supervisory Board will then be determined pro rata according to their respective stakes in Klépierre; and
(ii) the Chairman of the Board will no longer be appointed on a proposal from the SPG Group.

Representation at the Supervisory Board committees
The Shareholders' Agreement provides that the Supervisory Board will be assisted by the following consultative committees: the Audit Committee, the Nominations and Compensation Committee, the Sustainable Development Committee and the Investments Committee.

The Shareholders' Agreement also provides for the composition of the Investments Committee with mutual voting commitments on the part of the SPG Group, BNPP Group and APG Group for that purpose: the signatories will each have a right to have their representatives on the Supervisory Board appointed as members of the Investments Committee.

II. Transfers of securities

The Shareholders' Agreement includes the following commitments with regard to transfers of Klépierre securities, which are still in force on the date of this Registration Document:

Right of first refusal
After the Completion Date, (i) the BNPP and APG Groups undertook to give the SPG Group, and (ii) the SPG Group undertook to give the APG Group, a right of first refusal that may be exercised in respect of the entirety of the securities offered at the price proposed by the selling entity among the SPG, BNPP or APG Groups (the "Seller"), within a period of five (5) business days from the date of receipt of the notice.

This right of first refusal applies in the event of a transfer of Klépierre securities to a third party, on the understanding that the concept of "transfer" is designed to be wide enough to include any transfer of the right of ownership, immediately or in the future, as well as any division of legal and beneficial ownership, any form of security or trust and any derivative transaction.

However, the following transactions are excluded from the right of first refusal: (i) the tendering of securities in a public takeover bid for the Company; (ii) sales on the market (in the form of block sales, market placements or similar procedures); (iii) derivative contracts providing for settlement in cash; (iv) issues of indexed debt securities; and (v) loans of securities and other transactions for the temporary transfer of ownership (a "Market Operation").

By way of exception, the right of first refusal will in any event be applicable in the case of Market Operations referred to in (i), (iii) and (v) above, and in the case of a Market Operation concluded with an identified third party, provided that the transfer is made to a competitor of SPG, as well as in the case of a Market Operation (in the form of a placement) representing 7.5% or more of Klépierre's capital and voting rights. In the case of Market Operations in the form of a sale on the market or of a placement below this threshold, or in the case of Market Operations referred to in (iv) above, they shall be conducted in good faith in order to avoid the transfer of a substantial part of the stake the sale of which is contemplated, to a competitor of SPG.

In the case of Market Operations in respect of which the right of first refusal is applicable, the period of five days referred to above is reduced to three (3) business days.

Finally, each party undertakes to ensure that sales take place in an orderly fashion so as not to disrupt the market in Klépierre securities.

The Shareholders' Agreement is concluded for a term of ten (10) years. It may, in particular, be terminated at any time as regards a Party in the event that that Party comes to own less than five per cent (5%) of Klépierre's authorized share capital and voting rights.

Under the terms of the Shareholders' Agreement, SPG, BNPP and APG declared that they were not acting in concert with any one of their number as regards Klépierre (within the meaning of Article L. 233-10 of the Commercial Code), this being a fundamental and decisive condition of signature of the Shareholders' Agreement, and they also undertook not to act in concert.

To the Company's knowledge, the provisions of the Shareholders' Agreement are no longer applicable to BNP Paribas as its stake decreased under 5% in November 2015.

8.3.3. Crossing of legal or statutory shareholding thresholds

According to article 7 of the bylaws, any physical person or legal entity, acting alone or in concert with others, that acquires at least 2% of the Company's share capital (or any multiple thereof) is required to inform the Company of this fact by means of registered letter with acknowledgment of receipt setting out the number of shares held, and to do so within five trading days of the date on which each threshold is crossed.

If the 10% threshold of the Company's capital is directly or indirectly exceeded (i.e., ownership of 10% or more of the rights to the dividends paid by the Company), any shareholder other than a physical person must state whether or not it is a Taxpaying Shareholder (as defined in article 31 of the bylaws), in its threshold crossing declaration. If the said shareholder were to state that it was not a Taxpaying Shareholder, it would have to prove this if requested by the Company and provide the Company with a legal opinion from an internationally reputed tax law firm, on the Company's request.

Any shareholder other than a physical person who informs the Company that it has directly or indirectly exceeded the 10% threshold of the Company's capital must quickly notify the Company of any change in its taxation status causing it to acquire or lose the status of Taxpaying Shareholder.

Unless they have been disclosed in accordance with the conditions set out above, the shares exceeding the statutory threshold that should have been disclosed will be stripped of voting rights at general meetings of shareholders where the failure to disclose is brought to the attention of the meeting or where one or more shareholders together holding 2% or more of the Company's share capital ask the meeting to do so. This withdrawal of voting rights will apply to all general meetings of shareholders held within two years of the date on which the appropriate declaration is duly made.

All parties are also required to inform the Company, in accordance with the procedures and time schedules set out above, if their shareholding falls below any of the thresholds referred to above.

The chart below sums up the declarations of crossing of thresholds, whether legal or pursuant to the by-laws, as received by the Company during fiscal year 2015:

	Date of crossing	Number of shares held after crossing of threshold	Date of the letter of notification sent to the Company	Crossing of threshold in capital	Crossing of threshold in voting rights
APG Asset Management N.V. (1)	January 9, 2015	42,417,173	January 14, 2015	Above	Above
Simon KP I and Simon KP II(2)	January 15, 2015	57,634,148	January 19, 2015	Below	Below
BNP Paribas(3)	January 15, 2015	42,487,744	January 19, 2015	Below	Below
UBS(4)	January 15, 2015	3,632,204	January 19, 2015	Below	Below
BNP Paribas Investment Partners (5)	January 16, 2015	5,015,510	January 19, 2015	Below	Below
BNP Paribas(3)	January 16, 2015	42,487,544	January 21, 2015	Below	Below
Groupe Crédit Agricole SA (6)	January 19, 2015	7,557,933	January 21, 2015	Above	Above
BNP Paribas Investment Partners(5)	January 20, 2015	6,751,031	January 22, 2015	Above	Unchanged
Sumitomo Mitsui Trust Holdings, Inc	January 20, 2015	6,233,218	January 23, 2015	Above	Above
BNP Paribas Investment Partners(5)	January 23, 2015	6,107,725	January 26, 2015	Below	Unchanged
BlackRock Inc.	April 15, 2015	15,818,671	April 17, 2015	Above	Above
BNP Paribas(3)	May 7, 2015	20,480,011	May 12, 2015	Below(7)	Below(7)
Simon KP I and Simon KP II(2)	May 11, 2015	63,924,148	May 14, 2015	Above	Above
Sumitomo Mitsui Trust Holdings, Inc	October 5, 2015	6,138,404	October 8, 2015	Below	Below
BNP Paribas(3)	November 3, 2015	11,333	November 5, 2015	Below(7)	Below(7)

(1) Acting on behalf of (i) Stichting Depositary APG Tactical Real Estate Pool, acting on behalf of the APG Tactical Real Estate Pool fund, which it manages, (ii) Stichting Depositary APG Strategic Real Estate Pool, acting on behalf of the APG Strategic Real Estate Pool fund, which it manages, and (iii) Stichting Depositary APG Developed Markets Equity Pool, acting on behalf of the APG Developed Markets Equity Pool fund, which it manages.

(2) Acting in concert.

(3) Directly and indirectly via the following companies that it controls: Compagnie Financière Ottomane, UCB Bail 2, Cardif Assurance Vie and its subsidiaries.

(4) UBS Investment Bank, Wealth Management and Corporate Centre.

(5) Acting in its name and on behalf of the companies that it controls, whose UCITS or proxy authorize them to exercise voting rights.

(6) Acting as the parent company and on behalf of the companies that it controls.

(7) The crossing of thresholds is the result of a sale of Klépierre shares as part of an accelerated book building private investment with institutional investors.

8.4. Stock options and performance shares

8.4.1. Option and performance share allocation policy

Options and performance shares allocated to executive corporate officers and employees are a long-term motivating factor that aligns the interests of executives with the interests of shareholders for creation of value in the long term.

Prior to 2012, the Company implemented several stock option plans for the benefit of its executives and some of its employees. However, since 2012, the Company has given preference to performance shares. Since stock options have a lifespan of eight years, the options that were allocated will be exercisable until 2020.

Beneficiaries of allocations

The beneficiaries of these plans are executives, whose allocations are made in accordance with executive corporate officer compensation policy, and other particularly dedicated group employees, whose loyalty it is necessary to encourage. As a result, the list of beneficiaries changes every year, as does the number of shares allocated to each beneficiary.

Allocation by the Supervisory Board

These allocations are made pursuant to the AFEP-MEDEF recommendations and occur every year during the same calendar periods. It should be noted, however, that the 2015 Plan was implemented with a two-month delay in order to take into account the new number of employees resulting from the merger with the Corio group, and future plans will take place during a new calendar period, two months later than previously.

Cap in the number of performance shares offered

Pursuant to the AFEP-MEDEF Code, the Supervisory Board defines the maximum percentage of performance shares that can be allocated to the members of the Executive Board (currently 0.2% of the share capital over a period of 38 months from the general meeting of shareholders of April 10, 2014, and this percentage is part of the overall percentage of 0.5% of the share capital authorized by that general meeting of shareholders over the same period).

The number of performance shares allocated individually to members of the Executive Board must be previously approved by the Supervisory Board after recommendation by the Nomination and Compensation Committee, and it is determined with regard to the corporate executive officer's total annual compensation.

No hedging arrangements

In accordance with the AFEP-MEDEF Code, the members of the Executive Board have not made any hedging arrangement with regard to the options and performance shares granted to executive corporate officers.

8.4.2 Overview of past stock option plans

Stock options have a lifespan of eight years and can be exercised on one or more occasions from the fourth anniversary following their date of allocation, subject to service and performance conditions.

Details of the various plans in effect are listed below:

Conditions common to all plans

Performance Condition

The stock option plans implemented prior to 2012 have, since 2009, in addition to a presence condition, a performance condition for the members of the Executive Board (100% of their allocation) and for the other members of the Executive Committee (50% of their allocation). The exercise price for the stock options has not been discounted.

The performance condition is based on the performance of the Klépierre share relative to the EPRA Euro Zone index (Code No. EPEU) for the first four years of the plan.

The performance condition is measured on four occasions (once at the end of each of the first four years of the plan). Each measurement taken affects a quarter of the stock options in question.
— If Klépierre share performance is lower than the index's by 20% or more, the corresponding stock options lapse automatically;
— Should the Klépierre share underperform by between 0% and 20%, the exercise price of the stock options increases proportionally from 5% to 20%;
— Should the Klépierre share outperform the index, all stock options are allocated, and the exercise price is maintained.

All of these measurements were performed for each of the three plans in effect, and the stock option exercise prices for the various plans are listed in Table no. 8 on page 238.

Presence condition

The exercise of stock options is allowed only for beneficiaries still present in the company at that date, barring exceptional cases of maintenance of rights as described in the rules for the relevant plan.

Number of stock options allocated for each plan in force

2009 Plan

On April 6, 2009, the Executive Board adopted a plan to offer 481,000 stock options to 162 beneficiaries, some of whom were subject (see above) to performance conditions (2009 Plan).

2010 Plan

On June 21, 2010, the Executive Board adopted a plan to offer 493,000 stock options to 170 beneficiaries, some of whom were subject (see above) to performance conditions (2010 Plan).

2011 Plan

On May 27, 2011, the Executive Board adopted a plan to offer 606,000 stock options to 211 beneficiaries, some of whom were subject (see above) to performance conditions (2011 Plan).

Table 8 — AMF / AFEP-MEDEF Recommendations — Overview of stock purchase options granted in previous years – Information on stock purchase options

	2009 Plan		2010 Plan		2011 Plan	
	Without performance	With performance	Without performance	With performance	Without performance	With performance
Executive Board meeting date	April 6, 2009	April 6, 2009	June 21, 2010	June 21, 2010	May 27, 2011	May 27, 2011
Total number of shares that may be subscribed or purchased	377,750	103,250	403,000	90,000	492,000	114,000
o/w shares that may be subscribed or purchased by corporate officers	–	65,000	–	65,000	–	78,000
Laurent Morel	–	35,000	–	35,000	–	42,000
Jean-Michel Gault	–	30,000	–	30,000	–	36,000
Jean-Marc Jestin	–	–	–	–	–	–
Start date for exercising options	April 6, 2013	April 6, 2013	June 21, 2014	June 21, 2014	May 27, 2015	May 27, 2015
Expiration date	April 5, 2017	April 5, 2017	June 20, 2018	June 20, 2018	May 26, 2019	May 26, 2019
Subscription or purchase price[1]	€ 22.60	between €22.60 and €27.12[2]	€ 22.31	between € 22.31 and € 26.77[2]	€ 27.94	between € 27.94 and € 30.73[2]
Exercise conditions (for plans that contain more than one tranche)[3]	See below	See below	See below	See below	See below	See below
Number of shares subscribed at December 31, 2015	297,150	79,308	246,585	18,700	104,436	0
Total number of options canceled or lapsed	46,000	7,500	66,000	0	117,000	6,000
Options outstanding at year-end	34,600	16,442	90,415	71,300	270,564	108,000

[1] The purchase price corresponds to the round off average of the first prices rated at the twenty trading days preceding the date of allotment.

[2] The purchase price varies depending on the performance of the Klépierre share versus the FTSE Euro Zone Index. At each measure, if the performance of the Klépierre share is 20 points lower or more than the one of the index these options will automatically lapse and it will no longer be possible to exercise them.

[3] The lock-up period for the options granted was set at four years with effect from the date of allotment and their life at eight years.

Table 8 bis — AMF / AFEP-MEDEF Recommendations — Options to subscribe or purchase shares granted to the top 10 employees not holding corporate office/options vested during the year by the top 10 employees not holding corporate office whose number of shares bought is the highest

	Total number of shares granted/ Total number of shares bought	Average weighted price	2007 Plan	2009 Plan	2010 Plan	2011 Plan
Options granted during the fiscal year to the 10 employees who received the highest number of shares in this manner	–	–	–	–	–	–
Options exercised during the fiscal year by the 10 employees who purchased the highest number of shares in this manner	97,236	30.35	27,928	10,250	40,595	18,463

8.4.3 Performance share plans allocated since 2012

Conditions common to all plans

Share vesting period and holding period

— **Principle applicable to vesting period:** the allocation of performance shares shall become definitive and be delivered in the form of Company shares at the end of a vesting period fixed by the Executive Board. Pursuant to the authorization of the General Meeting of Shareholders, this vesting period cannot be less than three years;
— **Principle applicable to the holding period:** following the resting period, beneficiaries must retain said shares for a period of two years. When the vesting period for all or part of an allocation is at least of four years, the Executive Board may not impose any holding period for the relevant shares;
— **Plans established by the Supervisory Board:** on the basis of the above principles, the Executive Board established "3+2" plans (three-year vesting period and two-year holding period) for French tax residents and "4+0" plans (four-year vesting period and no holding period) for those tax resident in other jurisdictions.

Presence condition

The vesting of the performance shares requires the service of the beneficiary within the group until the end of the vesting period, barring exceptional cases of maintenance of rights under the conditions described in the rules for the relevant plan.

Performance conditions

Performance conditions are determined by the Executive Board after consultation of the Nomination and Compensation Committee and the Supervisory Board. They are identical for all beneficiaries of performance shares.
The performance conditions for the various plans are based on the following criteria:
· absolute performance of the Klépierre share (total shareholder return: change in share price + dividend) – this condition applies to 30% of the shares,
· performance of the Klépierre share relative to the FTSE EPRA EURO ZONE index – this condition applies to 70% of the shares.

Overview of plans adopted

2012 Plan

On October 23, 2012, the Executive Board adopted a plan for 260,200 performance shares for 66 beneficiaries (2012 Plan) representing, on the basis of the Company's share capital at December 31, 2015, a maximum potential dilution of 0.83%, whose main features are as follows:
— allocation is subject to the performance (for 24 beneficiaries) and service (for all beneficiaries) conditions described above;
— beneficiaries are subject to either a three-year vesting period, at the end of which the shares must be retained for at least two years (France Plan), or to a vesting period of four years with no holding period (International Plan).

The performance condition of the plan was measured on October 23, 2015. Under the absolute performance condition (30% of shares), 100% of performance shares were vested. Under the relative performance condition (70% of shares), 87.88% of performance shares were vested.

2013 Plan

On February 25, 2013, the Executive Board adopted a plan for 255,000 performance shares for 51 beneficiaries (2013 Plan) representing, on the basis of the Company's share capital at December 31, 2015, a maximum potential dilution of 0.81%, whose main features are as follows:
— allocation must be subject to the performance and presence conditions described above;
— beneficiaries are subject to either a three-year vesting period, at the end of which the shares must be retained for at least two years (France Plan), or to a vesting period of four years with no retention period (International Plan).

2014 Plan

On March 10, 2014, the Executive Board adopted a plan for 255,500 performance shares for 61 beneficiaries (2014 Plan) representing, on the basis of the Company's share capital at December 31, 2015, a maximum potential dilution of 0.81%, whose main features are as follows:
— allocation must be subject to the performance and presence conditions described above;
— beneficiaries are subject to either a three-year vesting period, at the end of which the shares must be retained for at least two years (France Plan), or to a vesting period of four years with no holding period (International Plan).

2015 Plan

On May 4, 2014, the Executive Board adopted two plans, dated May 4 and July 6, 2015 (2015 Plans) for, respectively, 287,559 performance shares for 64 beneficiaries and 2,400 performance shares for 2 beneficiaries representing, on the basis of the Company's share capital at December 31, 2015, a maximum potential dilution of 0.98%, whose main features are as follows:
— allocation must be subject to the performance and service conditions described above;
— beneficiaries are subject to either a three-year vesting period, at the end of which the shares must be retained for at least two years (France Plan), or to a vesting period of four years with no holding period (International Plan);

— Performance grid:

Absolute performance: 30% weighting		Relative performance: 70% weighting	
Performance	**% of shares delivered**	**Performance**	**% of shares delivered**
≤ 16.5%	0%	Index - 1%	0%
20%	33.3%	Index	33.3%
22.5%	50%	Index + 1%	50%
25%	66.70%	Index + 2%	66.7%
27.5%	83.30%	Index + 3%	100%
≥ 30%	100%		

If the result obtained is between two thresholds, the number of performance shares vested is calculated by linear interpolation.

Accordingly, with respect to absolute performance, the percentage of shares allocated is zero since the increase in the TSR is less than or equal to 16.5%. Achievement of the maximum target (100%) implies TSR growth of 30% or more.

With respect to the second criterion (relative performance), if Klépierre share performance is equal to that of the index, only 33.3% of the shares will be obtained. To achieve the maximum target (100%), the share would have to outperform the index by 3%.

2016 Plan

The Executive Board will propose to the General Meeting of Shareholders of April 19, 2016 a resolution to authorize the Executive Board to grant performance shares to Group employees and corporate officers.

Subject to authorization by the General Meeting of Shareholders, the Supervisory Board contemplates to renew the performance conditions used in the context of the last plan implemented by the Company – in 2015 – and adding new operational conditions, as more fully described in section 4.4.1.

Table 9 — AMF / AFEP-MEDEF Recommendations — Background of allocation of performance shares - Information on performance shares

	2012 Plan	2013 Plan	2014 Plan	2015 Plan
Executive Board meeting date	10/23/2012	02/25/2013	03/10/2014	05/04/2015
Total number of performance shares allotted	260,200	255,000	255,500	289,959
o/w allotted to corporate officers				
Laurent Morel	35,000	35,000	30,000	37,353
Jean-Michel Gault	30,000	30,000	25,000	32,353
Jean-Marc Jestin	50,000[1]	30,000	25,000	32,353
Vesting date	From 10/23/2015	From 02/25/2016	From 03/10/2017	From 05/04/2018
End of holding period	10/23/2017	02/25/2018	03/10/2019	05/04/2020
Performance Condition	Performance conditions assessed based on two criteria: — Total Shareholder Return (TSR) on the Klépierre shares; — performance of the Klépierre shares relative to the FTSE EPRA Euro Zone Index "	Performance conditions assessed based on two criteria: — Total Shareholder Return (TSR) on the Klépierre shares; — performance of the Klépierre shares relative to the FTSE EPRA Euro Zone Index"	Performance conditions assessed based on two criteria: — Total Shareholder Return (TSR) on the Klépierre shares; — performance of the Klépierre shares relative to the FTSE EPRA Euro Zone Index"	Performance conditions assessed based on two criteria: — Total Shareholder Return (TSR) on the Klépierre shares; — performance of the Klépierre shares relative to the FTSE EPRA Euro Zone Index"
Number of shares vested at 12/31/2015	166,751	0	0	0
Total number of shares cancelled or lapsed	28,545	10,000	6,000	2,000
Shares remaining at end of fiscal year	64,904	245,000	249,500	287,959

[1] Of which 40,000 shares not subject to performance conditions granted when Jean-Marc Jestin joined the Company from an external company.

8.5. Significant contracts

8.5.1. Significant financing contracts

Year 2014

Credit opening agreement of November 17, 2014

— Purpose: opening of a line of credit in the maximum amount of 650 million euros
— Lenders: BNP Paribas, CACIB
— Terms of repayment:
 · 400 million euros maturing on November 17, 2019
 · 250 million euros maturing on November 17, 2021
— Use in the form of drawdowns
— Interest: interest is indexed to three-month Euribor plus a fixed margin and a commission for use
— Non-use fees, if any
— Primary financial covenants:
 · a Loan-to-Value ratio limited to 60%
 · coverage of financial expenses by the EBITDA of at least 2
 · a percentage of securitized debts compared to the revalued holdings limited to 20%
 · minimum value of holdings, group share of 8 billion euros
 · and debt of the subsidiaries limited to 25% of Group gross debt

Credit opening agreement of November 21, 2014

— Purpose: opening of a line of credit in the maximum amount of 100 million euros
— Lender: Natixis
— Terms of repayment: in totality by the maturity on November 21, 2019
— Use in the form of drawdowns
— Interest: interest is indexed to three-month Euribor, plus a fixed margin and a commission for use
— Non-use fees, if any
— Primary financial covenants:
 · a Loan-to-Value ratio limited to 60%
 · coverage of financial expenses by the EBITDA of at least 2
 · a percentage of securitized debts compared to the revalued holdings limited to 20%
 · minimum value of holdings, group share of 8 billion euros
 · and debt of the subsidiaries limited to 25% of Group gross debt

Credit opening agreement of November 21, 2014

— Purpose: opening of a line of credit in the maximum amount of 100 million euros
— Lender: RBS
— Terms of repayment: in totality by the maturity on November 21, 2019 in the absence of the exercise of the two extension options of one year each
— Use in the form of drawdowns
— Interest: interest is indexed to three-month Euribor, plus a fixed margin and a commission for use
— Non-use fees, if any
— Primary financial covenants:
 · a Loan-to-Value ratio limited to 60%
 · coverage of financial expenses by the EBITDA of at least 2
 · a percentage of securitized debts compared to the revalued holdings limited to 20%
 · minimum value of holdings, group share of 8 billion euros
 · and debt of the subsidiaries limited to 25% of Group gross debt

Credit opening agreement of December 18, 2014

— Purpose: opening of a line of credit in the maximum amount of 150 million euros
— Lender: Société Générale
— Terms of repayment: in totality by the maturity on December 18, 2019 in the absence of the exercise of the two extension options of one year each
— Use in the form of drawdowns
— Interest: interest is indexed to three-month Euribor, plus a fixed margin and a commission for use
— Non-use fees, if any
— Primary financial covenants:
 · a Loan-to-Value ratio limited to 60%
 · coverage of financial expenses by the EBITDA of at least 2
 · a percentage of securitized debts compared to the revalued holdings limited to 20%
 · minimum value of holdings, group share of 8 billion euros
 · and debt of the subsidiaries limited to 25% of Group gross debt

Update of the "Euro Medium Term Notes" issue program

— Purpose: determination of a legal framework to allow the rapid issue of a great variety of bonds
— Maximum amount: 5 billion euros
— Place of listing: Paris
— Governing Law: French
— Dealers: BNP Paribas, Banca IMI, Barclays, BBVA, CM-CIC Securities, Deutsche Bank, Den Norske Bank, Goldman Sachs, HSBC, ING, Merrill Lynch, Morgan Stanley, Natixis, RBS, UBS, Oddo
— Program rating: BBB+
— Documentation identical to the issues in progress:
 · securitized debts/RNAV ≤ 50%
 · option for early repayment to bearers in the case of a change of control causing a downgrading below BBB-

A 500 million euro 2014 ten-year denominated fixed-rate issue was launched in 2014 under this program

Year 2015

Update of the "Euro Medium Term Notes" issue program
— Purpose: determination of a legal framework to allow the rapid issue of a great variety of bonds
— Maximum amount: 5 billion euros
— Place of listing: Paris
— Governing Law: French
— Dealers: BNP Paribas, Banca IMI, Barclays, BBVA, CM-CIC Securities, Deutsche Bank, Den Norske Bank, Goldman Sachs, HSBC, ING, Merrill Lynch, Morgan Stanley, Natixis, RBS, UBS, Oddo
— Program rating: A-
— Documentation identical to the issues in progress:
· securitized debts/RNAV ≤ 50%
· option for early repayment to bearers in the case of a change of control causing a downgrading below BBB-.

Several denominated fixed-rate issues of varying maturities (eight to ten years) totaling 1.135 billion euros were launched in 2015 under this program.

Credit opening agreement of July 7, 2015
— Purpose: opening of a multi-currency line of credit in the maximum amount of 850 million euros
— Lenders: Barclays, BNP Paribas, Royal Bank of Scotland, CACIB, ING, ABN AMRO, BECM, Deutsche Bank, HSBC, Natixis, Société Générale, BBVA, Citibank, Intesa San Paolo, Mediobanca, Banco de Sabadell.
— Terms of repayment: in totality by the maturity on July 7, 2020 in the absence of the exercise of the two extension options of one year each
— Use in the form of drawdowns
— Interest: interest is indexed to three-month Euribor, plus a fixed margin and a commission for use
— Non-use fees, if any
— Primary financial covenants:
· a Loan-to-Value ratio limited to 60%
· coverage of financial expenses by the EBITDA of at least 2
· a percentage of securitized debts compared to the revalued holdings limited to 20%
· minimum value of holdings, Group share of 10 billion euros

8.5.2. Material contracts – Investments and disposals

Year 2014

Disposal of a portfolio of 126 galleries[1]
Date of agreement: April 16, 2014
— Parties: Klécar France (seller) and Carmila France (buyer)
— Purpose: disposal of 56 galleries in France, 63 in Spain and 7 in Italy
— Amount of disposal: 2.01 billion euros (including tax)

Disposal of an office building in Paris, Quai de Grenelle (Tour Hachette)
— Date of agreement: May 20, 2014
— Parties: Klépierre (seller) and IRAF FOLIO OFFICE (buyer)
— Purpose: disposal of an office building and perpetual lease rights
— Amount of disposal: 46.85 million euros net selling price

Disposal of five Swedish shopping centers to Olav Thon Group
Date of signature: July 1, 2014
— Parties: Steen & Strøm Holding AB (seller) and Thon Retail Properties AB (buyer)
— Purpose: Disposal of all shares in the companies holding five shopping centers in Sweden (Sallentuna, Mirum, Etage, Familia and Mitticity)
— Amount of disposal: SEK 3,250,000,000 (i.e. 362.98 million euros using the average exchange rate in June 30, 2014)

Acquisition by Klépierre Massalia of shares held by Lacydon SA in the capital stock of Massalia Invest (MI), acquisition by MI of shareholder loans and rent shareholder loans, property development agreement between Massalia Shopping Mall SCI (MI subsidiary) and CIRMAD
Date of agreement: November 14, 2014
— Parties: Massalia Shopping Mall SCI, Massalia Invest (60% Klépierre - buyer), Lacydon SA and DH group companies (seller)
— Purpose (a): acquisition of shares and shareholder loans
— Cost of acquisition: 28.7 million euros
— Purpose (b): property development agreement
— Value of Property Development Agreement: 92 million euros excl. VAT

Undertaking to sell an office building in Pantin
Date of agreement: December 18, 2014
— Parties: Klépierre (seller) and AG2R La Mondiale (buyer)
— Purpose: reciprocal undertaking for the sale of an office building and parking lots, currently being refurbished (see off-plan sale of November 14, 2013 between Klépierre and SNC Pantin ZAC du Port (Nexity)
— Amount of disposal: 87.15 million euros net selling price

[1] This disposal was completed following the memorandum of understanding agreed with Covicar 23 (Carrefour Group) on December 16, 2013.

Year 2015

Disposal of a portfolio of 13 Buffalo Grill assets
Date of agreement: February 18, 2015
— Parties: KLEMURS (seller) and LF BUFFALO (buyer)
— Purpose: sale of property (single disposal of 13 assets)
— Amount: 29.83 million euros (deed in hand).

Acquisition of Orion Colombia Socimi shares (Plenilunio)
Date of agreement: March 26, 2015
— Parties: KLÉPIERRE (buyer) and ORION ASSET SPAIN III BV (seller)
— Purpose: acquisition of equities
— Amount: 373.80 million euros

Cours du Danube extension (Val d'Europe) works contract
Date of agreement: April 28, 2015
— Parties: SECOVALDE (PM) and GCC/VIRY/TEMPEOL – SOCOTEEL Group (company)
— Purpose: creation of 21,000 sq.m. net floor area extension for existing shopping center – retail sales area of 17,100 sq.m.
— Amount: 28.08 million euros excl. VAT

Grand Littoral (Marseille) works contract
Date of agreement: August 3, 2015
— Parties: Corio Grand Littoral (PM) and Soletanche (company)
— Purpose: design and execution contract - final stabilization of actual parking space in the Marseille Grand Littoral center
— Amount: 24.58 million euros excl. VAT, of which 1.85 million euros excl. VAT for an optional tranche 2

Disposal of a portfolio of nine Dutch assets and City Plaza extension project
Date of agreement: August 26, 2015 (disposal) and October 15, 2015 (extension)
Parties: Klépierre Management Nederland B.V./Klépierre Participaties II B.V (sellers) and Wereldhave Nederland B.V/Wereldhave N.V. (buyers)
—Objet: disposal of nine Dutch assets including the City Plaza extension
— Amount: 685.3 million euros (price excluding extension) and 42.1 million euros (price of extension), for a total of 727.4 million euros

Disposal via two Buffalo Grill asset portfolios
Date of agreement: October 15, 2015
— (1) Parties: KLEMURS (seller) et PFO2 (buyer)
— Purpose: sale of property (single disposal of 12 assets)
— Amount: 26.35 million euros (deed in hand).

— (2) Parties: KLEMURS (seller) and PFO2 (buyer)
— Purpose: sale of property (single disposal of six assets)
— Amount: 13.65 million euros (deed in hand).

Disposal of Krakow Plaza (Poland) shopping center
Date of agreement: December 15, 2015
— Parties: KLP Polska Spolka (seller) and CP Plaza Spolka - Groupe Peakside (buyer)
— Purpose: disposal of a shopping center
— Amount: 9.3 million euros net selling price

Acquisition of Oslo City Kjøpesente shares
Date of agreement: December 31, 2015
— Parties: DnB Kjøpesenter og Hotell ASet (seller) and Steen & Strøm AS (68,703 shares)/Entra ASA (34,301 shares), buyers
— Purpose: acquisition of shares
— Amount: purchase price (before adjustment): NOK 4,753,967,779 (493,843,819.95 € using the average exchange rate of December 31, 2015); i.e. interest in Steen & Strøm NOK 3,265,932,985.11 (i.e. 339,285,519.62 € using the above exchange rate)

8.5.3. Regulated agreements

Previously authorized regulated agreements remaining effective in 2015

Date of the authorization granted by the Supervisory Board	Authorization granted by the Supervisory Board		Parties to the agreement
	Date	Purpose	
February 8, 2006	March 13, 2006	Bond: Subscription agreement	BNP Paribas, HSBC France and The Royal Bank of Scotland PLC
February 8, 2006	March 16, 2006	Bond: Fiscal agency agreement	BNP Paribas Securities Services and BNP Paribas Securities Services Luxembourg Branch
October 3, 2008	October 6, 2008	Intra-group loan granted as part of the Steen & Strøm transaction	Nordica Holdco AB and Stichting Depositary APG Real Estate Pool assuming the rights of APG Real Estate Pool NV, the latter itself assuming the rights of Stichting Pensionfonds ABP
October 3, 2008	October 7, 2008	Intra-group loan granted as part of the Steen & Strøm transaction	Storm Holding Norway AS and Stichting Depositary APG Real Estate Pool assuming the rights of APG Real Estate Pool NV, the latter itself assuming the rights of Stichting Pensionfonds ABP
March 25, 2011	March 25, 2011	Intra-group loan agreement	Storm Holding Norway AS and Stichting Depositary APG Strategic Real Estate Pool assuming the rights of APG Real Estate Pool NV, the latter itself assuming the rights of Stichting Pensionfonds ABP
May 26, 2011	July 25, 2011	Intra-group loan agreement	SCA Klémurs
January 18, 2012	January 31, 2012	Delivery of joint security by SCI Kléprim's in favor of BNP Paribas in connection with a facilities agreement	BNP Paribas and SCI Kléprim's
April 18, 2012	April 23, 2012	Designation of Klépierre as tax representative in France of Simon KP I S.à.r.l. and Simon KP II S.à.r.l., with a collateral joint and several guarantee granted by Simon Property Group	Simon Property Group, Simon KP I S.à.r.l. and Simon KP II S.à.r.l
May 23, 2013	June 3, 2013	Revolving syndicated credit of €750,000,000.	BNP Paribas – Barclays Bank PLC – Banque Européenne du Crédit Mutuel – Crédit Agricole Corporate & Investment Bank – HSBC France – ING Bank France – Real Estate Finance – JP Morgan Chase Bank, NA, Paris Branch – Natexis – The Royal Bank of Scotland PLC – Deutsche Bank Luxembourg SA – Goldman Sachs International Bank – Morgan Stanley Bank International Limited – Bank of America NA, Paris Branch – Crédit Foncier de France – Intesa Sanpaolo, Paris Branch – UBS Limited
April 9, 2014	May 6, 2014 and amended on November 14, 2014	Conclusion of an interest loan intended to finance the acquisition of the shares and current accounts of SCI Massalia Shopping Mall and to repay the temporary loan	SCI Massalia Invest
April 9, 2014	November 14, 2014	Conclusion of an interest loan intended to finance the construction of the Prado shopping center in Mareseille	SCI Massalia Shopping Mall
April 9, 2014	April 25, 2014	Dealer agreement, known as the « amended and restated dealer agreement »	BNP Paribas - Banca IMI S.p.A – Barclays Bank PLC - Banco Bilbao Vizcaya Argentaria SA - CM-CIC Securities - Crédit Agricole Corporate and Investment Bank - Deutsche Bank AG, London Branch – DnB NOR Bank ASA – Goldman Sachs International – HSBC Bank PLC – ING Bank NV, Belgian Branch – J.P. Morgan Securities PLC - Merrill Lynch International – Morgan Stanley & Co. International PLC - Natixis – Oddo & Cie - Société Générale - The Royal Bank of Scotland PLC – UBS Limited
April 9, 2014	April 25, 2014	Dealer agreement, known as the « amended and restated agency agreement »	BNP Paribas Securities Services
October 16, 2014	November 17, 2014	Conclusion of a RCF club deal	BNP Paribas and Crédit Agricole Corporate and Invesment Bank
November 20, 2014	December 17, 2014	Contract of financial advisory services	BNP Paribas
November 20, 2014	December 1, 2014	Contract of financial advisory services	Lazard Frères

List of regulated agreements authorized in 2015

Date of the authorization granted by the Supervisory Board	Authorization granted by the Supervisory Board		Parties to the agreement
	Date	Purpose	
March 23, 2015	March 24, 2015	Dealer agreement amended, known as the « amended and restated dealer agreement » as part of the EMTN program update	BNP Paribas – Banca IMI S.p.A. – Barclays Bank PLC – Banco Bilbao Vizcaya Argentaria SA – CM-CIC Securities – Deutsche Bank AG, London Branch – DnB NOR Bank ASA – Goldman Sachs International – HSBC Bank PLC – ING Bank NV Belgian Branch – Merrill Lynch International – Morgan Stanley & Co. International PLC – Natixis – The Royal Bank of Scotland PLC – UBS Limited – JP Morgan Securities Plc – Crédit Agricole Corporate and Investment Bank – Oddo & Cie – Société Générale.
March 23, 2015	March 24, 2015	Dealer agreement amended, known as the « amended and restated agency agreement » as part of the EMTN program update	BNP Paribas Securities Services
November 30, 2015	December 18, 2015	Intra-group loan agreement as part of the Oslo Center acquisition	Klépierre and APG Strategic Real Estate Pool NV (parents companies of the shareholders of Nordica Holdco AB) to Nordica Holdco AB
November 30, 2015	December 18, 2015	Intra-group loan agreement as part of the Oslo Center acquisition	Klépierre and APG Strategic Real Estate Pool NV (parents companies of the shareholders of Storm Holding Norway AS) to Storm Holding Norway AS

8.6. Statutory auditors' special report on regulated agreements and commitments with third parties

This is a free translation into English of the Statutory Auditors' special report on regulated agreements and commitments with third parties that is issued in the French language and is provided solely for the convenience of English speaking readers. This report on regulated agreements and commitments should be read in conjunction, and construed in accordance with, French law and professional auditing standards applicable in France. It should be understood that the agreements reported on are only those provided by the French Commercial Code and that the report does not apply to those related party transactions described in IAS 24 or other equivalent accounting standards.

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby report to you on regulated agreements and commitments with third parties.

The terms of our engagement require us to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments, as well as the reasons justifying their interest for the company, brought to our attention or which we may have discovered during the course of our audit, without expressing an opinion on their usefulness and appropriateness or identifying such other agreements, if any. It is your responsibility, pursuant to Article R. 225-58 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements for the purpose of approving them.

Our role is also to provide you with the information provided for in Article R. 225-58 of the French Commercial Code in respect of the performance of the agreements and commitments, already authorized by the Shareholders' Meeting and having continuing effect during the year, if any.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. These guidelines require that we verify the consistency of the information provided to us with the relevant source documents.

Agreements and commitments submitted to the approval of the shareholders' meeting

Agreements and commitments authorized during the year

Pursuant to Article L. 225-88 of the French Commercial Code, the following agreements and commitments, previously authorized by your Supervisory Board, have been brought to our attention.

1. With BNP Paribas

Members of the Supervisory Board concerned:
Mrs. Dominique Aubernon (member until December 11, 2015).

This relates to an agreement directly involving BNP Paribas, a former shareholder holding, until May 7, 2015, more than 10% of the voting rights in your Company.

Nature and purpose

On March 23, 2015, your Supervisory Board authorized the signing of an Amended and Restated Dealer Agreement, with BNP Paribas as a dealer-arranger and various other dealers, whereby dealers undertake to place and subscribe the securities issued by Klépierre in connection with the implementation of the EMTN program.

Terms and conditions

The agreement was signed on March 24, 2015. In accordance with the base prospectus approved by the French Financial Market Authority (authorization 15-108 of March 24, 2015), the specific terms and conditions of each issue (including the total nominal amount, the issue price and the interest rate) are determined by Klépierre and the dealer-arrangers concerned at the time of the share issue and are included in the final terms and conditions specific to each issue. Under the agreement, Klépierre can at any time revoke any dealer-arranger in connection with the EMTN program or designate additional dealer-arrangers. The company has also pledged to compensate the members of the syndicate for the consequences of an error in one of the declarations or non-compliance with one of its commitments. Any compensation due with respect to the performance of this agreement is negotiated on case-by-case basis by the Company and its dealer-arrangers at the time of each share issue. The nominal amount of the shares issued in 2015 was €1,035,000,000. No compensation was paid in respect of this agreement in 2015.

2. With BNP Paribas Securities Services

Members of the Supervisory Board concerned:
Mrs. Dominique Aubernon (member until December 11, 2015).

This relates to an agreement directly involving BNP Paribas, a former shareholder holding, until May 7, 2015, more than 10% of the voting rights in your Company.

Nature and purpose

In addition to the set-up of new agreements under the EMTN program, on March 23, 2015, your Supervisory Board authorized the signing of an Amended and Restated Agency Agreement with BNP Paribas Securities Services, with a view to organizing relations between Klépierre as issuer, the Principal Paying Agent, which is also the Fiscal Agent, Covenant and Put Agent, and Calculation Agent and other paying agents, if any.

Terms and conditions

The agreement was signed on March 24, 2015. No compensation was paid in respect of this agreement in 2015.

3. With Nordica Holdco AB, subsidiary of Klépierre SA

This relates to an agreement involving Nordica Holdco AB, a subsidiary of your Company.

Nature and purpose
On November 30, 2015, your Supervisory Board approved the granting of an inter-group loan by Klépierre and APG Strategic Real Estate Pool NV to Nordica Holdco AB in an amount of €34,076,730. The portion concerning Klépierre totals €19,117,045 and bears fixed interest of 3.2%. The interest rate will be adjusted starting from the 5th anniversary date of the signature of the agreement.

Your Supervisory Board considered that this agreement enabled the completion of the acquisition by Steen and Strom (SST), in partnership with Entra (a real estate company controlled by the Norwegian State), of a real estate complex comprising a shopping mall, offices and basement areas located in Oslo, Norway; it being specified by your Supervisory Board that the purpose is to acquire the shares of the company which owns the real estate complex jointly with Entra (67% for SST and 33% for Entra), then to rapidly become co-owners of the real estate complex, followed by the spin-off of the company so that, ultimately, SST will own 100% of the shopping center and Entra 100% of the offices (each co-owner will own 50% of the parking spaces).

Terms and conditions
This loan was granted on December 18, 2015. Interest received in respect of 2015 totaled €16,992.93.

4. With Storm Holding Norway AS, subsidiary of Klépierre SA

This relates to an agreement involving Storm Holding Norway AS, a subsidiary of your Company.

Nature and purpose
On November 30, 2015, your Supervisory Board approved the granting of an inter-group loan by Klépierre and APG Strategic Real Estate Pool NV to Storm Holding Norway AB in an amount of €68,153,641. The portion concerning Klépierre totals €38,324,091and bears fixed interest of 3.2%. The interest rate will be adjusted starting from the 5th anniversary date of the signature of the agreement.

Your Supervisory Board considered that this agreement enabled the completion of the acquisition by Steen and Strom (SST), in partnership with Entra (a real estate company controlled by the Norwegian State), of a real estate complex comprising a shopping mall, offices and basement areas located in Oslo, Norway; it being specified by your Supervisory Board that the purpose is to acquire the shares of the company which owns the real estate complex jointly with Entra (67% for SST and 33% for Entra), then to rapidly become co-owners of the real estate complex, followed by the spin-off of the company so that, ultimately, SST will own 100% of the shopping mall and Entra 100% of the offices (each co-owner will own 50% of the parking spaces).

Terms and conditions
This loan was granted on December 18, 2015. Interest received in respect of 2015 totaled €33,985.86.

Agreements and commitments already approved by the shareholders' meeting

Agreements and commitments authorized in previous years and having continuing effect during the year

Pursuant to Article R. 225-57 of the French Commercial Code, we have been advised that the following agreements and commitments authorized in previous years have had continuing effect during the year.

1. With BNP Paribas

This relates to an agreement directly involving BNP Paribas, a former shareholder holding, until May 7, 2015, more than 10% of the voting rights in your Company.

Nature and purpose
On February 8, 2006, your Supervisory Board authorized the issuance of a bond for a maximum of €700,000,000. As part of this program, your Company signed on March 13, 2006, a "Subscription Agreement" with BNP Paribas, HSBC France and The Royal Bank of Scotland. Under this contract, your Company agrees to issue the bonds and the banking syndicate agrees to subscribe such bonds.

Terms and conditions
This loan, amounting to €526,400,000, was granted on December 31, 2015. Interest recorded in respect of 2015 totaled €22,323,266.92.

2. With BNP Paribas Securities Services and BNP Paribas Securities Services Luxembourg Branch

This relates to an agreement directly involving BNP Paribas, a former shareholder holding, until May 7, 2015, more than 10% of the voting rights in your Company.

Nature and purpose
On February 8, 2006, your Supervisory Board authorized a bond issue for a maximum amount of €700,000,000. As part of this program, your Company signed on March 16, 2006, a "Fiscal Agency Agreement" with BNP Paribas Securities Services and BNP Paribas Luxembourg Branch. It is a financial services contract which organizes the relationship between the Issuer, the Principal Paying Agent, any other Paying Agents and the Agent known as the "Covenant and Put Agent" throughout the term of the bonds.

Terms and conditions
No compensation was paid in respect of this agreement in 2015.

3. With Nordica Holdco AB, subsidiary of Klépierre SA

This relates to an agreement involving Nordica Holdco AB, a subsidiary of your Company.

Nature and purpose
On October 3, 2008, your Supervisory Board approved the granting of an inter-group loan to Nordica Holdco AB in an amount of NOK 575,616,000 and bearing fixed interest of 6.5%. The interest rate was reduced to 4.7% as of January 1, 2014, in accordance with the interest rate adjustment mechanism stipulated in the agreement.

Terms and conditions
This loan was granted on October 6, 2008. Interest received in respect of 2015 totaled €3,375,215.68.

4. With Storm Holding Norway AS, subsidiary of Klépierre SA

This relates to an agreement involving Storm Holding Norway AS, a subsidiary of your Company.

Nature and purpose
On October 3, 2008, your Supervisory Board approved the granting of an inter-group loan to Storm Holding Norway AS in an amount of NOK 1,822,786,000 and bearing fixed interest of 6.5%. The interest rate was reduced to 4.7% as of January 1, 2014, in accordance with the interest rate adjustment mechanism stipulated in the agreement.

Terms and conditions
This loan was granted on October 7, 2008. Interest received in respect of 2015 totaled €10,459,965.54.

5. With Storm Holding Norway AS, subsidiary of Klépierre SA

This relates to an agreement involving Storm Holding Norway AS, a subsidiary of your Company.

Nature and purpose
On March 25, 2011, your Supervisory Board approved the granting of a loan from Klépierre to Storm Holding Norway for an undefined term and bearing fixed interest of 5.5%.

Terms and conditions
The SEK 635,478,025 loan agreement was signed on March 25, 2011. Interest recorded in respect of 2015 totaled €4,724,266.71.

6. With Klémurs, subsidiary of Klépierre SA

This relates to an agreement involving Klémurs, a subsidiary of your Company.

Nature and purpose
On May 26, 2011, your Supervisory Board approved the granting of a loan from Klépierre to Klémurs in a maximum amount of €60,000,000, for a term of 3 years and bearing interest at 3-month Euribor plus a margin of 200 basis points.

Terms and conditions
A €50,000,000 loan agreement was signed on July 25, 2011. As this loan agreement expired on July 28, 2014, on July 29, 2014 the parties wished to renew this measure as part of a shareholders' current account advance at the maximum tax deductible rate. Interest recorded in respect of 2015 totaled €1,025,606.34 for the new advance.

7. With BNP Paribas and SCI Kléprim's

Members of the Supervisory Board concerned:
Mrs. Dominique Aubernon, (member until December 11, 2015) and Mr.Philippe Thel (member until January 15, 2015)

This relates to an agreement directly involving BNP Paribas, a former shareholder holding, until May 7, 2015, more than 10% of the voting rights in your Company.

Nature and purpose
On January 18, 2012, your Supervisory Board authorized Klépierre to jointly and severally guarantee the payment of all amounts owed by SCI Kléprim's to BNP Paribas under an initial credit facility agreement of €17,000,000. In consideration thereof, Klépierre will receive an annual minimum interest payment of 0.50% of the guaranteed amount.

Terms and conditions
The initial credit facility agreement between Kléprim's and BNP Paribas was signed on January 31, 2012, pursuant to which Klépierre agreed to jointly and severally guarantee the payment of a maximum principal amount of €17,000,000 to BNP Paribas. The interest for 2015 totaled €86,180.56.

8. With Simon Property Group

Members of the Supervisory Board concerned:
Messrs. David Simon, Steven Fivel, and Stanley Shashoua in place of Mr. François Kayat (member until April 14, 2015).

This relates to an agreement directly involving Simon Property Group, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On April 18, 2012, your Supervisory Board appointed Klépierre as tax representative for Simon KP I S.à.r.l. and Simon and KP II S.à.r.l in consideration of which Simon Property Group granted a joint and several guarantee.

Terms and conditions
Guarantees were granted by Simon Property Group to Klépierre on April 23, 2012.

9. With BNP Paribas

Members of the Supervisory Board concerned:
Mrs. Dominique Aubernon, (member until December 11, 2015).

This relates to an agreement directly involving BNP Paribas, a former shareholder holding, until May 7, 2015, more than 10% of the voting rights in your Company.

Nature and purpose
On March 22, 2013 and on May 23, 2013, your Supervisory Board authorized the signing of a 5-year syndicated revolving credit facility agreement with BNP Paribas as a dealer-arranger and various other dealers, that bears interest at 3 or 6 month Euribor plus a margin of 130 basis points, which may vary depending on Klépierre's credit rating and the use of the loan. On May 23, 2013, your Supervisory Board increased the maximum amount of this loan from €600,000,000 to €750,000,000. The syndicated revolving credit facility agreement was amended in 2015 pursuant to which the loan term was extended to June 4, 2020.

Terms and conditions
The agreement was signed between Klépierre, BNP Paribas and other dealers on June 3, 2013 for an amount of €750,000,000. The 2015 charges related to this agreement correspond to a non-use commission of €2,531,875, commission of €1,192,500 paid following the loan term extension amendment and agent commission of €25,000 in respect of 2015.

10. With SCI Massalia Invest

This relates to an agreement involving SCI Massalia Invest, a 60%-owned subsidiary of your Company.

Nature and purpose

On April 9, 2014, your Supervisory Board authorized the signature of a €20,000,000 loan agreement with SCI Massalia Invest bearing interest at the maximum tax deductible rate for a term expiring no later than 5 years after the opening date of the Le Prado shopping mall. The loan is intended to finance the acquisition of shares and current accounts of SCI Massalia Shopping Mall and the payment of consulting fees and tax expenses (registration fees).

Terms and conditions

The loan agreement was signed on May 6, 2014 and amended on November 14, 2014, this loan amounted to €11,059,261.53 as of December 31, 2015 The interest due amounted to €234,149.64 for 2015.

11. With SCI Massalia Shopping Mall

This relates to an agreement involving SCI Massalia Shopping Mall, a 60%-owned subsidiary of your Company.

Nature and purpose

On April 9, 2014, your Supervisory Board authorized the signature of a loan agreement for a maximum amount of €140,000,000 with SCI Massalia Shopping Mall, bearing interest at 6% for a term expiring no later than 5 years after the opening date of the Le Prado shopping mall. The loan is intended to finance the shopping mall's construction.

Terms and conditions

The loan agreement, for an adjusted maximum amount of €130,000,000, was signed on November 14, 2014. This loan amounted to €28,988,086.39 as of December 31, 2015. The interest due amounted to €1,584,908.59 for 2015.

12. With BNP Paribas

Members of the Supervisory Board concerned:
Mrs. Dominique Aubernon, (member until December 11, 2015).

This relates to an agreement directly involving BNP Paribas, a former shareholder holding, until May 7, 2015, more than 10% of the voting rights in your Company.

Nature and purpose

On April 9, 2014, your Supervisory Board authorized the signing of an Amended and Restated Dealer Agreement, with BNP Paribas as a dealer-arranger and various other dealers, whereby dealers undertake to place and subscribe the securities issued by Klépierre in connection with the implementation of the EMTN program.

Terms and conditions

The agreement was signed by and among Klépierre, BNP Paribas and the other dealers on April 25, 2014. No compensation was paid in respect of this agreement in 2015.

13. With BNP Paribas Securities Services

Members of the Supervisory Board concerned:
Mrs. Dominique Aubernon, (member until December 11, 2015).

This relates to an agreement involving BNP Paribas, a former shareholder holding, until May 7, 2015, more than 10% of the voting rights in your Company.

Nature and purpose

In addition to the set-up of new agreements under the EMTN program, on April 9, 2014, your Supervisory Board authorized the signing of an Amended and Restated Agency Agreement with BNP Paribas Securities Services, with a view to organizing relations between Klépierre as issuer, the Principal Paying Agent, which is also the Fiscal Agent, Covenant and Put Agent, and Calculation Agent and other paying agents, if any.

Terms and conditions

The agreement was signed between Klépierre and BNP Paribas Securities Services on April 25, 2014. The related interest amounted to €4,250 for 2015.

14. With BNP Paribas and CACIB

Members of the Supervisory Board concerned:
Mrs. Dominique Aubernon, (member until December 11, 2015) and Mr. Philippe Thel (member until January 15, 2015).

This relates to an agreement directly involving BNP Paribas, a former shareholder holding, until May 7, 2015, more than 10% of the voting rights in your Company.

Nature and purpose

On October 16, 2014, your Supervisory Board authorized the conclusion of a revolving credit facility club deal for €650,000,000 with BNP Paribas and CACIB, comprising two tranches:
— a €250,000,000 tranche, of which €200,000,000 with BNP Paribas and €50,000,000 with CACIB (5-year maturity; 0.75% margin; 0.5% origination fee);
— a €400,000,000 tranche, of which €250,000,000 with BNP Paribas and €150,000,000 with CACIB (7-year maturity; 0.9% margin; 0.7% origination fee).

Terms and conditions

The agreement was signed on November 17, 2014. In 2015, the overall fees paid under this agreement amounted to €1,925,572.92, including interest of €795,041.77.

15. With BNP Paribas

Members of the Supervisory Board concerned:
Mrs. Dominique Aubernon, (member until December 11, 2015) and Mr. Philippe Thel (member until January 15, 2015).

This relates to an agreement directly involving BNP Paribas, a former shareholder holding, until May 7, 2015, more than 10% of the voting rights in your Company.

Nature and purpose

On November 20, 2014, as part of the merger with Corio, your Supervisory Board authorized the signature of a financial advisory agreement with BNP Paribas (Corporate Finance Department) stipulating payment of the following fees:
— €3,150,000 provided that the offer is successful; the payment of these fees will take place within 10 days following the settlement-delivery date of the offer.
— €1,350,000 to be paid by Klépierre within 10 days of the first of the following two dates:
. the completion date of the merger-absorption of Corio by Klépierre
. June 30, 2015.

Terms and conditions

The agreement was signed on December 17, 2014. Fees relative to this agreement amounting to € 4,500,000 and a reimbursement of expenses of € 7,048.43 was paid in respect thereto in 2015.

16. With Lazard Frères

Members of the Supervisory Board concerned:
Mr. François Kayat (member until April 14, 2015).

Nature and purpose

On November 20, 2014, as part of the merger with Corio, your Supervisory Board authorized the signature of a financial advisory agreement with Lazard Frères stipulating payment of the following fees:
— €7,000,000 provided that the offer is successful; the payment of these fees will take place within 10 days following the settlement-delivery date of the offer.
— €3,000,000 to be paid by Klépierre within 10 days of the first of the following two dates:
. the completion date of the merger of Corio by Klépierre
. June 30, 2015.

Terms and conditions

The agreement was signed on December 1, 2014. Fees relative to this agreement amounting to € 10,000,000 and a reimbursement of expenses of € 53,491.94 was paid in respect thereto in 2015.

Paris La Défense and Neuilly-sur-Seine, March 4, 2016

The Statutory Auditors

Mazars
Gilles Magnan

Deloitte & Associés
José-Luis Garcia **Joël Assayah**


BUS
RER
M
P
80
BOUTIQUES
PETIT BATEAU

Left
St. Lazare, Paris (France)
Above
Oslo City, Oslo (Norway)

9. General Meeting

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9.1. Report of the Executive Board to the ordinary and extraordinary General Meeting — April 19th, 2016

Dear Shareholders,

We have called this combined General Meeting of Shareholders to submit the following draft resolutions for your approval:

— Approval of the annual financial statements for the fiscal year ending December 31, 2015;
— Approval of the consolidated financial statements for the fiscal year ending December 31, 2015;
— Appropriation of the profit for the fiscal year ending December 31, 2015 and fixing of the amount of the dividend;
— Approval of the operations and agreements referred to in Article L. 225-86 of the French Commercial Code;
— Renewal of the term of office as a member of the Supervisory Board of Mrs. Rose-Marie Van Lerberghe ;
— Renewal of the term of office as a member of the Supervisory Board of Mr. Bertrand de Feydeau;
— Appointment of Mrs. Béatrice de Clermont-Tonnerre as a member of the Supervisory Board;
— Ratification of the co-optation of Mrs. Florence Von Erb as a member of the Supervisory Board;
— Consultation of the Ordinary General Meeting of Shareholders on the items of compensation payable or allocated to Mr. Laurent Morel, Chairman of the Executive Board, in respect of the fiscal year ended;
— Consultation of the Ordinary General Meeting of Shareholders on the items of compensation payable or allocated to Mr. Jean-Michel Gault and to Mr. Jean-Marc Jestin, members of the Executive Board, in respect of the fiscal year ended;
— Fixing of the amount of directors' fees allocated to the members of the Supervisory Board;
— Renewal of term of Deloitte et Associés as Statutory Auditors;
— Renewal of Beas Alternate Statutory Auditors;
— Appointment of Ernst & Young as Statutory Auditors to replace Mazars;
— Appointment of Picarle & Associés asAlternate Statutory Auditors to replace Mr. Patrick de Cambourg;
— Delegation of authority to the Executive Board, for a period of 18 months, to deal in the Company's shares;
— Delegation of authority to the Executive Board, for a period of 26 months, to reduce the authorized share capital by the cancellation of treasury shares;
— Delegation of authority to the Executive Board, for a period of 38 months, to allocate bonus Company shares, with the cancellation of shareholders' preferential rights;
— Powers for formalities.

Resolutions to be deliberated on in ordinary session

Approval of the 2015 financial statements (the first two resolutions)

The first two items of the agenda relate to the approval of the corporate financial statements (First Resolution) and consolidated financial statements for fiscal year 2015 (Second Resolution).

You are asked to approve the corporate financial statements for the fiscal year ended on December 31, 2015, which show a result of €(110,885,970.59), and the consolidated financial statements for the fiscal year ended on December 31, 2015, which show a result of €(437,694,875).
This consolidated loss solely derives from the technical non recurring impairment of the goodwill recognized as a result of the transaction with Corio, as explained in details in the consolidated accounts (note 4.2 page 160 of this Registration Document).

You are further asked to note that the corporate financial statements for the fiscal year ended on December 31, 2015 do not report expenses and charges that are non-deductible for tax purposes as provided in Article 39-4 of the French General Tax Code.

Details of the corporate and consolidated financial statements, the Statutory Auditors' reports on the 2015 corporate and consolidated financial statements and the 2015 management report by the Executive Board are contained in this Registration Document.

We propose to approve the First and Second Resolutions that have been presented to you.

Allocation of profit and fixing of the amount of the dividend (third resolution)

The allocation of our Company's profit that you are asked to approve complies with the law and our bylaws. It is also proposed that an amount be taken from "Retained earnings" and distributed. These proposals for the allocation of profit and distribution of an amount from "Retained earnings" were submitted to the Supervisory Board at its meeting of February 4, 2016 and approved.

Income for 2015 amounted to a distributable profit of 621,381,570.26 euros. This corresponds to retained earnings in the amount of €732,267,540.85, minus the loss of €(110,885,970.59) recorded for the 2015 fiscal year.

It is proposed that these distributable profit be allocated to the payment of a dividend of €1.70 per share.

Accordingly, should the allocation be approved by the General Meeting of Shareholders, for each Klépierre share owned shareholders would receive:
— 0.50 euro for corporate tax-exempt real estate business (dividend from the SIIC tax regime). This dividend will not benefit from the tax relief of 40% described in Article 158-3-2 of the French General Tax Code;
— 1.20 euro for business subject to corporate income tax (dividend not from activities that fall under the SIIC tax regime). This dividend, which is not from the SIIC tax regime, will enjoy the tax relief of 40% described in Article 158-3-2 of the French General Tax Code.

The dividend, which must be paid within nine months after the balance sheet date for the fiscal year, will go ex-dividend on April 22, 2016 and be paid in cash on April 26, 2016.

Should a sale of shares occur between the date of the General Meeting of Shareholders and the payment date, rights to dividends shall be acquired by the shareholder who owns the shares on the day before the detachment date.

We propose to approve the Third Resolution that has been presented to you.

Approval of regulated agreements (fourth resolution)

The agenda continues with the approval of the regulated agreements presented in the Statutory Auditors' special report, which will be presented to you at this Meeting.

You are asked to approve each of the agreements referred to in Article L. 225-86 of the French Commercial Code, which were duly authorized by the Supervisory Board in 2015.

Note that only the following new agreements, which were duly authorized by the Supervisory Board in accordance with Article L. 225-68 of the French Commercial Code and entered into over the past year, are subject to the General Meeting's approval:

— the signing of an amended investment contract and an amended financial services contract with, respectively, BNP Paribas and other permanent dealers and BNP Paribas Securities Services as part of the updated EMTN program on March 24, 2015,
— intra-group loan agreement granted by Klépierre and APG Strategic Real Estate Pool NV (the parent companies of the shareholders of Nordica Holdco AB) to Nordica Holdco AB for a total amount of €34,076,730 (of which €19,117,045 was lent by Klépierre) for the acquisition of the Oslo center on December 18, 2015,
— intra-group loan agreement granted by Klépierre and APG Strategic Real Estate Pool NV (the parent companies of the shareholders of Nordica Holdco AB) to Storm Holding Norway AS for a total amount of €68,153,641 (of which €38,324,091 was lent by Klépierre) for the acquisition of the Oslo City center on December 18, 2015.

We propose to approve the Fourth Resolution that has been presented to you.

Terms of office of members of the supervisory board (fifth to eighth resolutions)

Pursuant to Article 11 of the bylaws, the term of office of members of the Board is three years. However, the Ordinary General Meeting of Shareholders may, by exception, elect one or more Supervisory Board members for a term of less than three years for the sole purpose of establishing a system of retirement by rotation such that only a proportion of the Supervisory Board members stands for re-election at any one time.

You are asked to:

— renew the term of office as a member of the Supervisory Board of Mrs. Rose-Marie Van Lerberghe for a term of three years;
— renew the term of office as a member of the Supervisory Board of Mr. Bertrand de Feydeau for a term of one year;
— appoint Mrs. Béatrice de Clermont-Tonnerre as a member of the Supervisory Board for a term of three years to replace Mr. Bertrand Jacquillat, and
— ratify the co-optation of Mrs. Florence Von Erb as a member of the Supervisory Board, to replace Mrs. Dominique Aubernon, who resigned, for the remainder of her term, i.e., until the General Meeting of Shareholders convened in 2017 to approve the financial statements for the fiscal year ending on December 31, 2016.

In Part 4 of this Registration Document, you will find all information relating to the composition of the Supervisory Board and the expertise of its members.

Appointment of Mrs. Béatrice de Clermont-Tonnerre

You are asked to appoint Mrs. Beatrice de Clermont Tonnerre to replace Mr. Bertrand Jacquillat for a period of three years expiring at the end of the Ordinary General Meeting of Shareholders convened in 2019 to approve the financial statements for the 2018 fiscal year (Seventh Resolution).

Béatrice de Clermont-Tonnerre – Business address: 26, boulevard des Capucines, 75009 Paris, France

Career

Béatrice de Clermont Tonnerre has been Director Southern Europe, Partner Business Solutions at Google since mid-2013. Before that, she was Director of Development at Lagardère Group (2008-2013). At Groupe Canal Plus (2001-2005), she was Director of Interactive Television and Assistant Director of Programs at Canalsatellite. She began her career as a journalist at Radio France International Latin America and Europe 1 before joining the Lagardère Strategy Department in 1995 as an analyst in High Technologies before moving on to the Media Department in 1998.

43 years old – graduate of the Institut d'Etudes Politiques of Paris (Public Service Section) and the Ecole Supérieure des Sciences Economiques et Commerciales (MBA) - French nationality.

Current appointments as per December 31, 2015

Director of Hurriyet (a Turkish listed company)

Appointments expired during the last five years

Director of LaCie

Mrs. Beatrice de Clermont-Tonnerre will be contributing her knowledge of the business and the digital world to the Board.

She is considered as independent according to the criteria of the AFEP-MEDEF Code.

Renewal of term of Mrs. Rose-Marie Van Lerberghe

You are asked to renew the term of Mrs. Rose-Marie Van Lerberghe as a member of the Supervisory Board for a period of three years expiring at the end of the Ordinary General Meeting of Shareholders convened in 2019 to approve the financial statements for the fiscal year 2018 (Fifth Resolution).

Mrs. Rose-Marie Van Lerberghe is considered to be independent according to the criteria of the AFEP-MEDEF Code of Corporate Governance.

The biography of Mrs. Rose-Marie Van Lerberghe is given on page 61 of this Registration Document.

Renewal of term of Mr. Bertrand de Feydeau

In light of the changes that will occur in the composition of the Supervisory Board and its committees following the resignation of Mrs. Dominique Aubernon in December 2015 and the expiration of the term of Mr. Bertrand Jacquillat, in order to ensure a smooth transition in the conduct of the work of the Supervisory Board and of the committees, you are asked to renew the term Mr. Bertrand de Feydeau as a member of the Supervisory Board for a limited period of one year expiring at the end of the Ordinary General Meeting of Shareholders convened in 2017 to approve the financial statements for the 2016 fiscal year (Sixth Resolution).

The biography of Mr. Bertrand de Feydeau is given on page 59 of this Registration Document.

Co-optation of Mrs. Florence Von Erb

In light of the resignation of Mrs. Dominique Aubernon from her position as a member of the Supervisory Board on December 14, 2015, on February 17, 2016, the Board decided to co-opt Mrs Florence Von Erb as a member of the Supervisory Board. Consequently, in accordance with the law, the General Meeting of Shareholders is asked to ratify the co-optation of Mrs Florence Von Erb for the remainder of the term of Mrs. Dominique Aubernon, i.e., until the General Meeting of Shareholders convened in 2019 to approve the financial statements for the 2018 fiscal year (Eighth Resolution).

The biography of Mrs. Florence Von Erb is given on page 62 of this Registration Document.

Accordingly, should the General Meeting of Shareholders adopt all of the abovementioned resolutions, the Supervisory Board would include, at the end of the Meeting, four women, representing a percentage of 40%, in accordance with the recommendations of the AFEP-MEDEF Code, and more than 50% of its members would be independent.

We propose to approve the Fifth to Eighth Resolutions that have been presented to you.

Consultation on the items of compensation payable or allocated in respect of fiscal year 2015 (ninth and tenth resolutions)

Since its redesign of June 2013, the AFEP-MEDEF Code has invited listed companies to consult shareholders regarding the items of compensation of the members of the Executive Board in respect of the fiscal year ended. In this regard, the AFEP-MEDEF Code recommends that a resolution on the Chairman of the Executive Board (Ninth Resolution) and one on the other members of the Executive Board (Tenth Resolution) be submitted for shareholder approval. This vote should be on the recommended amount or valuation of the items of compensation payable or allocated during the most recent fiscal year ended, not on the compensation policy for the current fiscal year.

Information on the items of compensation payable or allocated during the fiscal year ended to each Member of the Executive Board is given in Part 4 of this Registration Document.

We propose to approve the Ninth and Tenth Resolutions that have been presented to you.

Attendance fees allocated to the supervisory board (eleventh resolution)

In order to benefit from the best experience and expertise available, especially since the company joined the CAC 40, you are asked to increase the annual amount of the directors' attendance fees allocated to the Supervisory Board from 400,000 to 700,000 euros to bring the total annual amount of directors' fees in line with comparable companies. Note that the resulting increase will occur gradually, by 150,000 euros in 2016, and 150,000 euros in 2017.

You are asked to approve the Eleventh Resolution that has been presented to you.

Terms of statutory auditors (twelfth to fifteenth resolutions)

The Twelfth to Fifteenth Resolutions concern the terms of the Statutory Auditors. Since the terms of all Statutory Auditors are set to expire at the end of this meeting, the Supervisory Board proposes that you, having received the approval of the Audit Committee, and given how long Mazars has served as the Statutory Auditors of the Company:

— renew, for a period of six years, the terms of:
(i) Deloitte et Associés as Statutory Auditors,
(ii) Beas as alternate Statutory Auditors.
— appoint, for a period of six years:
(i) Ernst & Young as Statutory Auditors to replace Mazars,
(ii) Picarle & Associés as alternate Statutory Auditors to replace Mr. Patrick de Cambourg.

We propose to approve the Twelfth to Fifteenth Resolutions that have been presented to you.

Authorization for the company to buy back its own shares (sixteenth resolution)

Since the existing authorization expires in October 2016 (purchases made during 2015 can be found in Part 1.11.1 of this Registration Document), you are asked to renew the authorization granted in 2015 for another period of eighteen months from this General Meeting of Shareholders, with the understanding that the Executive Board will not make use of this option during the offer period in the event of a takeover bid initiated by a third party for the shares of the Company without prior authorization of the General Meeting of Shareholders.

This authorization allows the Company to buy back or make arrangements for the buyback of its shares with the following objectives:
— cancellation of shares comprising up to 10% of capital in a 24-month period,
— coverage of the commitment to deliver shares, for example, as part of issues of securities giving access to the capital or the granting of stock options or existing bonus shares,
— allocations to employees,
— external growth operations,
— establishment of a liquidity agreement by an investment services provider acting independently, and
— retention and payment or exchange of shares in the context of a merger, spin-off or asset transfer.

Purchases, sales or transfers of such shares may be carried out by any means, on one or more occasions, on the market or over-the-counter, including in whole or in part, through the acquisition, sale, exchange or transfer of blocks of shares. These means include, where appropriate, the use of all forward financial instruments.

The number of the Company's shares that may be bought back in this manner would be subject to the following caps: on the date of each buyback, the total number of shares purchased by the Company since the start of the buyback program cannot exceed 10% of the shares comprising the Company's capital and the number of shares that the Company will own at any time cannot exceed 10% of the shares comprising the Company's capital on the date in question.

The maximum purchase price per share would be 55 euros. Consequently, the total amount allotted to the share buyback program could not exceed 1,728,958,330 euros.

We propose to approve the Sixteenth Resolution that has been presented to you.

Resolutions of the Extraordinary General Meeting

Delegation of authority to reduce share capital by canceling treasury shares (seventeenth resolution)

Further to the item relating to the cancellation of shares mentioned in the Sixteenth Resolution, you are asked to authorize the Executive Board, with the power to sub-delegate, as permitted under the conditions provided by law and in the bylaws, to reduce the share capital on one or more occasions through the cancellation of any amount of treasury shares to the extent permitted by law.

The cancellation of the Company's treasury shares may be in response to various financial objectives, such as, for example, active capital management, balance sheet optimization, or an offsetting of a dilution resulting from a capital increase.

The number of the Company's shares that may canceled would be subject to the following caps: on the date of each cancellation, the maximum number of shares canceled by the Company during the twenty-four-month period preceding that cancellation, including the shares canceled on that occasion, may not exceed ten percent (10%) of the shares comprising the Company's capital on that date.

This authorization is sought for a period of twenty-six months and would supersede the authorization granted at the 2015 General Meeting of Shareholders. During 2015, there were no capital reductions.

We propose to approve the Seventeenth Resolution that has been presented to you.

Authorization to issue bonus shares (eighteenth resolution)

You are asked to authorize the Executive Board to award performance shares to employees and executive corporate officers of the Company and of Group companies under the new favorable corporate and tax regime established by Law No. 2015-990 of August 6, 2015 for growth, business activity, and equal economic opportunity.

The vesting period would be three years and the holding period would be two years for French beneficiaries, and the vesting period would be four years with no holding period for foreign beneficiaries.

If this resolution is approved, any allocations of bonus shares will be decided, as applicable, by the Supervisory Board or the Executive Board, on the basis of the proposals of the Nomination and Compensation Committee.

In accordance with the recommendations of the AFEP-MEDEF Code, the final allocation of all performance shares will be subject to service and performance conditions for all beneficiaries.

The Supervisory Board will renew the performance conditions of the most recent plan implemented by the Company for 2015, which are considered relevant as they allow (i) to assess the return for the shareholder based on stock price performance and dividends received, and (ii) to compare this return with the return of peer companies.

In addition to these two criterion, it is envisaged to add a third operational criteria, directly linked to the business of the Company, which will measure the Company's performance based on the evolution of net rental income.
Accordingly, the allocations of stock that would be carried out on the basis of the Eighteenth Resolution would be subject to three performance conditions, which would be assessed over a period of three years:
— One condition linked to the absolute performance of the company, calculated with regard to the rate of return on Klépierre shares (total shareholder return or TSR: price + dividend); this criterion would affect 30% of shares;
— A second condition linked to the relative performance of Klépierre shares in comparison with the FTSE EPRA EURO ZONE index; this criterion would affect 50% of shares.
— An internal performance condition based on an operational criterion directly linked to the Company's business activity, i.e., the average change over three years in net rental income, net of indexation (average calculation to be made based on the annual change in net rental income disclosed by the group in the annual consolidated accounts for the three fiscal year preceding the reference date); this criterion would affect 20% of shares.

As a result, barring changes in economic conditions or exceptional circumstances, the assessment of these three criteria would be as follows:

Absolute performance: 30% weighting		Relative performance: 50% weighting		Internal performance: 20 % Weighting	
Performance	% of shares delivered	Performance	% of shares delivered	Performance	% of shares delivered
≤ 16.5%	0%	Index - 1%	0%	< 1%	0%
20%	33.3%	Index	33.3%	1%	30%
22.5%	50%	Index + 1%	50%	≥ 3%	100%
25%	66.70%	Index + 2%	66.7%		
27.5%	83.30%	Index + 3%	100%		
≥ 30%	100%				

The Supervisory Board believes that these three criteria comply with the specific requirements of the group and are sufficiently strict, as all of the Company's shares can be allocated only in the event that Klépierre shares outperform these three criteria, thus confirming the particularly high bar set for the performance conditions.

Accordingly, with respect to absolute performance, the percentage of shares allocated is zero when the increase in the TSR is less than or equal to 16.5%. Achievement of the maximum target implies TSR growth of 30% or more.

With respect to the second criterion (relative performance), even if Klépierre share performance is equal to the index, only 33.3% of the shares will be obtained. To achieve the maximum target, the share would have to perform at a rate 3% above the index.

With respect to the third criterion (internal performance), even if the performance of net rental income is equal to 1%, only 30% of the shares will be obtained. To achieve the maximum target, the increase would have to be above or equal to 3%.

Finally, the assessment period for bonus share performance would be equal to three years, in accordance with investors expectations.

The existing shares or shares to be issued that are allocated under this authorization cannot represent more than 0.5% of the share capital on the day of the decision by the Executive Board.
Furthermore, the number of shares allocated to corporate officers cannot represent more than 0.2% of the share capital at the date of the decision to allocate. This amount will be imputed to the total cap of 0.5% of the share capital referred to above.

The members of the Executive Board will be required to retain in registered form the equivalent in shares of 50% of the gain on acquisition net of taxes and charges calculated at the delivery of the shares allocated to them, which will be permanently allocated to them as bonus shares, until they cease to hold office.

This authorization would be granted for a period of 38 months from the date of the Meeting.

We propose to approve the Eighteenth Resolution that has been presented to you.

Powers for formalities (nineteenth resolution)

You are asked to grant the Executive Board the powers necessary to accomplish all publication and filing formalities resulting from the holding of this Meeting.

We propose to approve the Nineteenth Resolution that has been presented to you.

9.2. Text of the resolutions proposed to the ordinary and extraordinary General Meeting

Ordinary General Meeting

First resolution

(Approval of the corporate financial statements for the fiscal year ended on December 31, 2015)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, and having considered the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, the General Meeting of Shareholders approves, as presented, the corporate financial statements for the fiscal year ending December 31, 2015 comprising the balance sheet, income statement and the notes to the financial statements, which show a result of -110,885,970.59 euros.

It also approves the operations reflected in those financial statements or summarized in those reports.

It formally notes that the corporate financial statements for the fiscal year ending December 31, 2015 do not report expenses and charges that are non-deductible for tax purposes and that are referred to in Article 39-4 of the French General Tax Code and that there have been no add-backs as referred to in Article 39-5 of said Code during the fiscal year.

Second resolution

(Approval of the consolidated financial statements for the fiscal year ended on December 31, 2015)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, and having considered the reports of the Executive Board, the Supervisory Board and the Statutory Auditors, the General Meeting of Shareholders approves, as presented, the consolidated financial statements for the fiscal year ending December 31, 2015 comprising the balance sheet, income statement and the notes to the financial statements, which show a result of -437 694 875 euros.

It also approves the operations reflected in those financial statements or summarized in those reports.

Third resolution

(Allocation of the result for the fiscal year ended on December 31, 2015 and determination of the amount of the dividend)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, the General Meeting of Shareholders resolves to appropriate the loss for the fiscal year, amounting to - 110,885,970.59 euros:

Loss for the fiscal year	€- 110,885,970.59
to which shall be added the retained earnings	€ 732,267,540.85
Forming a distributable profit of	**€ 621,381,570.26**
By way of dividend for the corporate tax-exempt business	€157,178,031.50
By way of dividend for business subject to corporate income tax (corresponding to a distribution of €1.70 per share)	€ 377,227,275.60
Balance of retained earnings	**€ 86,976,263.16**

The amount of 0.50 euro per share, which is a dividend in respect of the exempt business, does not constitute income eligible for the tax relief of 40% mentioned in paragraph 3.2 of Article 158 of the French General Tax Code. The balance, i.e. 1.20 euro per share, constitutes an income eligible for the said tax relief.

In accordance with the provisions of Article L. 225-210 of the French Commercial Code, the General Meeting of Shareholders resolves that the amount in respect of treasury shares owned on the date of payment of the dividend and any amount that the shareholders might have waived will be appropriated to the "retained earnings" account. The relevant sums will reduce the distribution taken from the income from the tax-exempt business and taxable business in the same proportions as indicated above.

The shares will go ex-dividend on April 22, 2016 and the dividend will be paid in cash on April 26, 2016.

In accordance with Article 243 bis of the French General Tax Code, it is reminded that the dividends in respect of the last three fiscal years were as follows:

(in euros)				
Fiscal year	Total dividend paid to shareholders	Net dividend per share	Amount eligible for the tax relief provided by Article 158-3-2 GTC	Amount not eligible for the tax relief provided by Article 158-3-2 GTC
2012	299,205,510.00	1.50	25,931,144.20	273,274,365.80
2013	309,179,027.00	1.55	123,671,610.80	185,507,416.20
2014	398,423,693.56	1.60(1)	0	398,423,693.56

(1) The net dividend of €1.60 corresponds to the distribution of an interim dividend paid on January 12, 2015 amounting to €181,518,009.40, or €0.91 per share (for a total number of 199,470,340 shares at December 31, 2014) and to an additional distribution of €216,905,684.16, or €0.69 per existing share or share issued for the merger with Corio N.V. paid on April 21, 2015 (for a total number of 314,356,063 shares).

The General Meeting of Shareholders confers all necessary powers on the Executive Board to determine the global amount of the dividend and consequently the amount of the balance of the distributable profit to be appropriated to the "retained earnings" account, particularly taking into account the number of shares owned by the Company on the date of payment of the dividend and, if applicable, the number of shares canceled before that date.

Fourth resolution

(Approval of the operations and agreements referred to in Article L. 225-86 of the French Commercial Code)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, and having noted the special report of the Statutory Auditors on the agreements referred to in Article L. 225-86 of the French Commercial Code in relation to the fiscal year ending December 31, 2015, the General Meeting of Shareholders approves that report in all its provisions and each of the new agreements mentioned therein, in accordance with the provisions of Article L. 225-88 of that Code.

Fifth resolution

(Renewal of the term of office as a member of the Supervisory Board of Mrs. Rose-Marie Van Lerberghe)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, the General Meeting of Shareholders, noting that the term of office as a member of the Supervisory Board of Mrs Rose-Marie Van Lerberghe expires today, renews it for a period of three years expiring at the end of the Ordinary General Meeting of Shareholders convened in 2019 to approve the financial statements for the fiscal year 2018.

Mrs Rose-Marie Van Lerberghe has indicated that she accepted the renewal of her term of office and that she did not exercise any function and was not subject to any measure liable to prohibit her from exercising it.

Sixth resolution

(Renewal of the term of office as a member of the Supervisory Board of Mr. Bertrand de Feydeau)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, the General Meeting of Shareholders, noting that the term of office as a member of the Supervisory Board of Mr. Bertrand de Feydeau expires today, renews it for a period of one year expiring at the end of the Ordinary General Meeting of Shareholders convened in 2017 to approve the financial statements for the 2016 fiscal year.

Mr. Bertrand de Feydeau has indicated that he accepted the renewal of his term of office and that he did not exercise any function and was not subject to any measure liable to prohibit him from exercising it.

Seventh resolution

(Appointment of Mrs. Béatrice de Clermont-Tonnerre as a member of the Supervisory Board)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, the General Meeting of Shareholders appoints Mrs. Béatrice de Clermont-Tonnerre as a member of the Supervisory Board to replace Mr. Bertrand Jacquillat, whose term of office expires today, for a period of three years expiring at the end of the Ordinary General Meeting of Shareholders convened in 2019 to approve the financial statements for the 2018 fiscal year.

Mrs. Béatrice de Clermont-Tonnerre has indicated that she accepted the appointment and that she did not exercise any function and was not subject to any measure liable to prohibit her from exercising it.

Eighth resolution

(Ratification of the co-optation of Mrs. Florence Von Erb as a member of the Supervisory Board)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, the General Meeting of Shareholders ratifies the co-optation of Mr. Florence Von Erb as a member of the Supervisory Board, which took place at the Supervisory Board meeting of February 17, 2016 to replace Mrs. Dominique Aubernon, who resigned, for the remainder of her term, i.e., until the General Meeting of Shareholders convened in 2017 to approve the financial statements for the fiscal year ending on December 31, 2016.

Ninth resolution

(Consultation of the Ordinary General Meeting of Shareholders on the items of compensation payable or allocated to Mr. Laurent Morel, Chairman of the Executive Board, in respect of the fiscal year ended)

Having been consulted pursuant to the AFEP-MEDEF Code of Corporate Governance for Listed Companies (paragraph 24.3), which is the Code of Governance to which the Company refers within the meaning of Article L. 225-68 of the French Commercial Code, and pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, the General Meeting of Shareholders issues a favorable opinion on the items of compensation payable or allocated to Mr. Laurent Morel, Chairman of the Executive Board, in respect of the fiscal year ending December 31, 2015, as presented in Section 4.4.2.1 of the 2015 Registration Document and to which the report of the Executive Board refers.

Tenth resolution

(Consultation of the Ordinary General Meeting of Shareholders on the items of compensation payable or allocated to Mr. Jean-Michel Gault and to Mr. Jean-Marc Jestin, members of the Executive Board, in respect of the fiscal year ended)

Having been consulted pursuant to the AFEP-MEDEF Code of Corporate Governance for Listed Companies (paragraph 24.3), which is the Code of Governance to which the Company refers within the meaning of Article L. 225-68 of the French Commercial Code, and pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, the General Meeting of Shareholders issues a favorable opinion on the items of compensation payable or allocated to Mr. Jean-Michel Gault and to Mr. Jean-Marc Jestin, members of the Executive Board, in respect of the fiscal year ending December 31, 2015, as presented in Section 4.4.2.2 of the 2015 Registration Document and to which the report of the Executive Board refers.

Eleventh resolution

(Fixing of the amount of directors' attendance fees allocated to the members of the Supervisory Board)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, the General Meeting of Shareholders fixes the global annual amount of directors' fees allocated to the Supervisory Board for one fiscal year in the sum of 700,000 euros. This sum will be maintained for subsequent fiscal years until a decision to the contrary.

Twelfth resolution

(Renewal of term of Deloitte et Associés as main statutory auditor)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, on the proposal of the Supervisory Board, the General Meeting of Shareholders renews the term of office of Deloitte et Associés, which expires at the end of this meeting, as main Statutory Auditor for a period of six years, i.e., until the end of the Ordinary General Meeting of Shareholders convened in 2022 to approve the financial statements for the fiscal year ending on December 31, 2021.

Deloitte et Associés has stated that it accepts this reappointment.

Thirteenth resolution

(Renewal of Beas alternate statutory auditor)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, on the proposal of the Supervisory Board, the General Meeting of Shareholders renews the term of office of Beas, which expires at the end of this meeting, as alternate statutory auditor for a period of six years, i.e., until the end of the Ordinary General Meeting of Shareholders convened in 2022 to approve the financial statements for the fiscal year ending on December 31, 2021.

Beas has stated that it accepts this reappointment.

Fourteenth resolution

(Appointment of Ernst & Young as main statutory auditor to replace Mazars)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, on the proposal of the Supervisory Board, the General Meeting of Shareholders appoints Ernst & Young to replace Mazars as main statutory auditor for a period of six years, i.e., until the end of the Ordinary General Meeting of Shareholders convened in 2022 to approve the financial statements for the fiscal year ending on December 31, 2021.

Ernst & Young has stated that it accepts this appointment.

Fifteenth resolution

(Appointment of Picarle & Associés as alternate statutory auditor to replace Mr. Patrick de Cambourg)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, on the proposal of the Supervisory Board, the General Meeting of Shareholders appoints Picarle & Associés to replace Mr. Patrick de Cambourg, whose term of office expires at the end of this meeting, as alternate statutory auditor for a period of six years, i.e., until the end of the Ordinary General Meeting of Shareholders convened in 2022 to approve the financial statements for the fiscal year ending on December 31, 2021.

Picarle & Associés has stated that it accepts this appointment.

Sixteenth resolution

(Delegation of authority to the Executive Board, for a period of 18 months, to buy-back the Company's shares)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, and having considered the report of the Executive Board, the General Meeting of Shareholders authorizes the Executive Board, which may sub-delegate under the conditions provided by law and by the Company's bylaws, in accordance with the provisions of the Articles L. 225-209 and following of the French Commercial Code, to purchase or arrange for the purchase of the Company's shares, particularly in order:
— to stimulate the secondary market in or liquidity of Klépierre shares through an investment services provider in the context of a liquidity agreement complying with a code of conduct recognized by the *Autorité des Marchés Financiers*; or
— to retain the shares purchased and deliver them at a later date (by way of exchange, payment or otherwise) in the context of acquisition, merger, spin-off or asset transfer transactions; or
— to allocate bonus shares in the context of the provisions of Articles L. 225-197-1 and following of the French Commercial Code or under a similar plan; or
— to allocate or sell shares to the employees in respect of their participation in the fruits of the business's expansion or the implementation of any employee savings plan under the conditions provided by law, and in particular Articles L. 3332-1 and following of the French Labor Code, by selling shares purchased in advance by the Company in the context of this resolution or by making provision for a bonus allocation of those shares by way of a company contribution in the form of the Company's securities and/or by way of replacement of the discount; or
— to implement any Company stock option plan in the context of the provisions of Articles L. 225-177 and following of the French Commercial Code, or any similar plan; or
— in general, to honor obligations associated with stock option programs or other allocations of shares to the employees or executive officers of the issuer or of an associated company; or
— to deliver shares upon the exercise of rights attached to negotiable securities giving access to the capital by way of repayment, conversion, exchange, presentation of a warrant or in any other way; or
— to cancel all or part of the securities purchased in this way.

This program is also intended to enable the implementation of any market practice that might be accepted by the *Autorité des Marchés Financiers*, and more generally, the completion of any operation in accordance with the regulations in force. In such case, the Company will make an announcement to its shareholders.
The number of the Company's shares that may be purchased will be such that:
— on the date of each purchase, the total number of shares purchased by the Company since the start of the buyback program (including those which are the subject of said purchase) does not exceed 10% of the shares comprising the Company's capital, this percentage being applied to the capital as adjusted to take account of transactions affecting it after this General Meeting of Shareholders, i.e., for information purposes, as at December 31, 2015, a buyback cap of 31,435,606 shares, on the understanding (i) that the number of shares purchased by the Company with a view to their retention and subsequent delivery by way of payment or in exchange in the context of a merger, spin-off or asset transfer transaction cannot exceed 5% of the authorized share capital and (ii) that when the shares are purchased to promote liquidity under the conditions defined by the general regulations of the *Autorité des Marchés Financiers*, the number of shares taken into account in the calculation of the 10% limit provided above corresponds to the number of shares purchased, after deduction of the number of shares re-sold during the period of the authority;
— the number of shares that the Company will own at any time whatever does not exceed 10% of the shares comprising the Company's capital on the date in question.

Purchases, sales or transfers of shares may be carried out at any time, on one or more occasions, within the limits authorized by the legal and regulatory provisions in force and those provided by this resolution (except in periods of public tender offers) for the Company's shares and by any means, on regulated markets, multilateral trading systems, using systematic internalizers or over-the-counter, including by the purchase or sale of blocks of shares (without limitation on the proportion of the buyback program that can be carried out in this way), by public tender or exchange offers, by the use of options or other financial futures, or by the delivery of shares following the issue of negotiable securities giving access to the Company's capital by conversion, exchange, repayment, exercise of a warrant or in any other way, whether directly or indirectly through an investment services provider.

The maximum purchase price of the shares in the context of this resolution will be 55 euros per share (or the exchange value of that amount in any other currency on the same date), excluding purchase expenses, this maximum price only applying to purchases decided upon after the date of this meeting and not to future transactions concluded pursuant to an authority given by a previous general meeting of shareholders providing for purchases of shares after the date of this meeting. In the event of a transaction on the capital, including a share split or consolidation or the allotment of bonus shares, or a transaction on shareholders' equity, the amount mentioned above will be adjusted to take into account the impact of the value of these transactions on the value of the share.

The global amount allocated to the share buyback program authorized above may not exceed 1,728,958,330 euros.

The General Meeting of Shareholders confers all necessary powers on the Executive Board, which may sub-delegate, to implement this authorization, conduct these transactions, establish the terms and conditions thereof, enter into any agreements and complete any formalities.

With effect from today's date, this authorization supersedes any unused part of the authority delegated by the thirteenth resolution of the Company's General Meeting of Shareholders on April 14, 2015. It is given for a period of eighteen months with effect from today's date.

Extraordinary General Meeting

Seventeenth resolution

(Delegation of authority to the Executive Board, for a period of 26 months, to reduce the authorized share capital by the cancellation of treasury shares)

Pursuant to the quorum and majority requirements applicable to extraordinary general meetings of shareholders, and having considered the report of the Executive Board and the special report of the Statutory Auditors, the General Meeting of Shareholders authorizes the Executive Board to reduce the authorized share capital, on one or more occasions, in such proportions and at such times as it shall decide, by the cancellation of any quantity of treasury shares that it shall decide within the limits authorized by law, in accordance with the provisions of Articles L. 225-209 and following of the French Commercial Code and L. 225-213 of that Code.

On the date of each cancellation, the maximum number of shares canceled by the Company during the twenty-four-month period preceding that cancellation, including the shares canceled on that occasion, may not exceed ten percent (10%) of the shares comprising the Company's capital on that date, namely, for information purposes, as at December 31, 2015, a cap of 31,435,606 shares.

The General Meeting of Shareholders confers all necessary powers on the Executive Board, which may sub-delegate them under the conditions provided by law and by the Company's bylaws, to charge the difference between the book value of the shares canceled and their nominal value to any reserve or premium accounts, to settle the terms and conditions of cancellation of the shares, to complete any capital cancellation and reduction operation or operations that might be carried out pursuant to this authority, to make the consequential amendments to the bylaws, to make any declarations to the *Autorité des Marchés Financiers*, and to complete any formalities.

With effect from today's date, this authorization supersedes any unused part of the authority delegated by the Fourteenth Resolution of the Company's General Meeting of Shareholders of April 14, 2015. It is given for a period of 26 months with effect from today's date.

Eighteenth resolution

(Delegation of authority to the Executive Board, for a period of 38 months, to allocate bonus Company shares, with the cancellation of shareholder preferential right issues)

Pursuant to the quorum and majority requirements applicable to extraordinary general meetings of shareholders, having considered the report of the Executive Board and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L. 225-197-1 and following of the French Commercial Code, the General Meeting of Shareholders:

1. authorizes the Executive Board, in the context of the provisions of Articles L. 225-197-1 and following of the French Commercial Code, under the conditions defined below and with the prior authority of the Supervisory Board, to grant bonus shares that are existing shares or shares to be issued, on one or more occasions, to such beneficiaries and categories of beneficiaries as it shall determine among the employees of the Company or the companies or groupings directly or indirectly associated with the Company under the conditions referred to in Article L. 225-197-2 of said Code and/or the companies or groupings associated with it under the conditions referred to in Article L. 225-197-1-II of said Code, under the conditions defined below;

2. resolves that the existing shares or shares to be issued allocated under this authorization cannot represent more than 0.5% of the share capital on the day of the decision by the Executive Board;

3. resolves that:
— the number of shares allocated to the Company's executive officers, which will be charged to the cap of 0.5% mentioned in point 2 above, may not represent more than 0.2% of the Company's capital on the date of the decision to allocate them by the Executive Board,
— the acquisition of all shares allocated shall be subject to performance conditions;

4. resolves that the allocation of such shares to their beneficiaries will become final (i) at the end of a minimum vesting period of three years, during which the beneficiaries shall retain said shares for a minimum period of two years from the final allocation of said shares, or (ii) at the end of a minimum vesting period of four years, during which the beneficiaries cannot be subject to any retention period, with the understanding that the allocation of said shares to their beneficiaries will become final before the expiration of the vesting period described above in the event of the disability of a beneficiary corresponding to the second or third categories listed in Article L. 341-4 of the French Social Security Code, or equivalent cases abroad, and that said shares will be freely transferable in the event of the disability of a beneficiary corresponding to the aforementioned categories in the French Social Security Code, or equivalent cases abroad;

5. grants all powers to the Executive Board, with the power to sub-delegate within the limits of the law, to implement this authorization with the purpose of:
— determining whether the bonus shares allocated are shares to be issued or existing shares and, where appropriate, modifying the choice thereof before the final allocation of the shares,
— determining the identity of the beneficiaries, or of the categories of beneficiaries, of the allocations of shares from among the employees and corporate officers of the Company or of the companies or groupings referred to above and the number of shares allotted to each of them,
— setting conditions and criteria for the allocation of shares, including the vesting period and minimum retention period required for each beneficiary under the conditions described above, with the understanding that, with regard to the bonus shares allocated to corporate officers, the Executive Board shall (a) decide that the bonus shares allocated may not be transferred by the interested parties before the end of their term, or (b) set the amount of bonus shares allocated that they must retain in registered form until the end of their term,
— determining the performance conditions in relation to the final allocation of the shares,
— making provision for the power to temporarily suspend allocation rights in the event of financial transactions,
— establishing the final dates of allocation and the dates on or after which the shares may be freely transferred, in light of legal restrictions,
— in the case of the issue of new shares, to charge the sums necessary to pay for said shares, if applicable, to the reserves, profits or issue premiums, acknowledge the completion of the capital increases carried out pursuant to this authorization, accordingly amend the bylaws and, more generally, perform all necessary actions and formalities;

6. resolves that the Company shall, as appropriate, adjust the number of bonus shares allocated which are necessary for the preservation of the rights of beneficiaries, on the basis of any transactions on the capital of the Company in the circumstances described in Article L. 225-181 of the French Commercial Code. It should be noted that the shares granted pursuant to these adjustments will be considered to be granted on the same day as the shares originally granted;

7. notes that should the bonus shares allocated be new shares, this authorization shall entail, as said shares are allocated permanently, a capital increase by incorporation of issue premiums, reserves or profits for the benefit of the beneficiaries of said shares and the correlative waiver by the shareholders of their preferential right issues to said shares to the beneficiaries of said shares;

8. acknowledges that, in the event that the Executive Board should exercise this authorization, it shall inform the Ordinary General Meeting of Shareholders on an annual basis of the transactions performed pursuant to the provisions of Articles L. 225-197-1 to L. 225-197-3 of the French Commercial Code, under the conditions set forth in Article L. 225-197-4 of that Code;

9. acknowledges that with effect from today's date, this authorization supersedes, where applicable, the unused portion of any previous authorization given to the Executive Board to grant bonus shares that are existing shares or shares to be issued to all or some of the employees and corporate officers of the Group;

10. resolves that this authorization is given for a period of thirty-eight (38) months with effect from today's date.

Nineteenth resolution
(Powers for formalities)

Pursuant to the quorum and majority requirements applicable to ordinary general meetings of shareholders, the General Meeting of Shareholders confers all necessary powers on the holder of an original, copy or extract of the minutes of its deliberations to file any documents and carry out any formalities required by law.

9.3. Report of the supervisory board to the ordinary and extraordinary General Meeting

Approval of the financial statements for the year ended December 31, 2015

Dear Shareholders,

Pursuant to the provisions of article L. 225-68 of the French Commercial Code, we are required to report our observations on the financial statements as approved by the Executive Board and on the Executive Board's report submitted to you.

1. Observations of the Supervisory Board

The Supervisory Board has been kept regularly informed by the Executive Board about the operations and business of the Company and its group, and has carried out the necessary audits and controls in the performance of its duties. The Supervisory Board is assisted in these duties by its special-purpose Committees: the Investment Committee, the Audit Committee, the Nominations and Compensation Committee and the Sustainable Development Committee.

We have no particular observations to make as regards the Executive Board's report or the statutory and consolidated financial statements for the year ended December 31, 2015. We therefore invite you to approve those financial statements and the proposed resolutions.

2.Statutory Auditors' appointment

The Statutory Auditors' term of appointment is due to expire at the conclusion of this meeting.

We are therefore proposing:

to reappoint:
— Deloitte & Associés, 185 avenue Charles de Gaulle – 92200 Neuilly-sur-Seine, as joint Statutory Auditor,
— BEAS, 7-9 villa Houssay – 92200 Neuilly-sur-Seine, as joint alternate Statutory Auditor,

and to appoint:
— Ernst & Young, Tour First, 1 place des Saisons - 92037 Paris La Défense, as joint Statutory Auditor to replace Mazars,
— Picarle & Associés, 1-2 place des Saisons - 92400 Courbevoie - Paris La Défense 1, as joint alternate Statutory Auditor to replace Patrick de Cambourg,

for a further term of 6 years expiring at the annual General Meeting held to approve the financial statements for the year ended December 31, 2021.

We wish to thank the Executive Board and all members of staff for their hard work and effort in 2015.

The Supervisory Board

9.4. Description of the share buyback program

Drawn up in compliance with the relevant sections of articles 241-1 and following of the General Regulations of the AMF (Autorité des marchés financiers), this description of the share buyback program is intended to explain the purpose and workings of the program to repurchase company stock that will be submitted to a vote at the Ordinary and Extraordinary General Meeting of shareholders on April 19, 2016 ("the 2016 Share Buyback Program").

1. Date of the General Meeting of shareholders called to approve the 2016 Share Buyback Program

April 19, 2016.

2. Shares held by the Company at February 29, 2016

At February 29, 2016, Klépierre directly or indirectly holds 2,707,960 shares, representing 0.86% of its share capital for an overall amount of 72 million euros (at book value).

This information, and that which follows, takes into account the total number of shares that comprise the share capital of the Company at February 29, 2016 i.e. 314,356,063.

3. Breakdown by objective of shares held by Klépierre at February 29, 2016

At February 29, 2016,
— 2,538,425 shares are allocated to any stock option plans the Company offers and to the award of bonus shares, and
— 169,535 shares are allocated for use in connection with the liquidity agreement drawn up with Exane BNP Paribas in September 2005, in accordance with market practices accepted by the AMF and the Association Française des entreprises d'investissement ("AFEI") ethics charter for such agreements, authorizing their purchase, sale, conversion, disposal, transfer or loan, notably to stimulate trading in the market or counter adverse trends.

4. Objectives of the 2016 Share Buyback Program

The objectives of the 2016 Share Buyback Program are the following:
— to stimulate the secondary market in or liquidity of Klépierre shares through an investment services provider in the context of a liquidity agreement complying with a code of conduct recognised by the French Financial Markets Authority;
or
— to deliver shares (by way of exchange, payment or otherwise) in the context of acquisition, merger, spin-off or asset transfer transactions;
or
— to allocate bonus shares in the context of the provisions of Articles L. 225-197-1 and following of the French Commercial Code;
or
— to allocate or sell shares to the employees in respect of their participation in the fruits of the business's expansion or the implementation of any employee savings plan under the conditions provided by law, and in particular Articles L. 3332-1 and following of the French labor Code, by selling shares purchased in advance by the Company under the sixteenth resolution presented at the Ordinary General Meeting of April 19, 2016 or by making provision for a bonus allocation of those shares by way of a company contribution in the form of the Company's securities and/or by way of replacement of the discount;
or
— to implement any Company stock option plan in the context of the provisions of Articles L. 225-177 and following of the French Commercial Code, or any similar plan;
or
— in general, to honour obligations associated with stock option programmes or other allocations of shares to the employees or executive officers of the issuer or of an associated company;
or
— to deliver shares upon the exercise of rights attached to negotiable securities giving access to the capital by way of repayment, conversion, exchange, presentation of a warrant or in any other way;
or
— to cancel all or part of the securities purchased in this way.

5. Maximum portion of the capital to be acquired and maximum number of shares that may be acquired under the 2016 Share Buyback Program

The number of shares that the Company will be authorized to purchase cannot exceed 10% of the shares comprising the share capital of the Company, at any time, and this percentage applies to a capital adjusted in accordance with the transactions affecting it after the General Meeting. For informational purposes, based on the share capital existing at February 29, 2016 minus the 2,707,960 shares held at that date, the maximum number of shares that can be purchased is 28,727,646.

The number of shares that the Company will be authorized to hold, at any given time, may not exceed 10% of the shares comprising its share capital on the date in question. For information purposes, based on the share capital existing at February 29, 2016, the maximum number of shares that can be held totals 31,435,606.

6. Maximum authorized purchase price per share

The maximum purchase price is 55 euros per share and it is specified that this price could be adjusted in the event of any capital transaction or any other transaction that affects the Company's share capital, to take into account its impact on the value of the share.

The maximum amount of funds that can be used to finance the 2016 Share Buyback Program is estimated at 1,728,958,330 euros, calculated on the basis of a maximum purchase price of 55 euros per share and the share capital of Klépierre on February 29, 2016.

7. Duration of the 2016 Share Buyback Program

Under the sixteenth resolution that will be submitted to the General Meeting of shareholders for a vote on April 19, 2016, the share buyback program can be implemented over a period of 18 months following that date, i.e., until October 19, 2017.

Left
Le Millénaire, Paris region (France)
Above
Passages, Paris region (France)

10. Additional information

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10.1. Competitive position

Main competitors of Klépierre

In millions of euros	Klépierre	Unibail-Rodamco	Eurocommercial Properties	Mercialys
Market capitalization at December 31, 2015	12.9	23.1	1.9	1.7
Value of the property portfolio (including duties) at December 31, 2015	22.6	37.8	2.9	3.5

Breakdown of consolidated net rental income per country/region

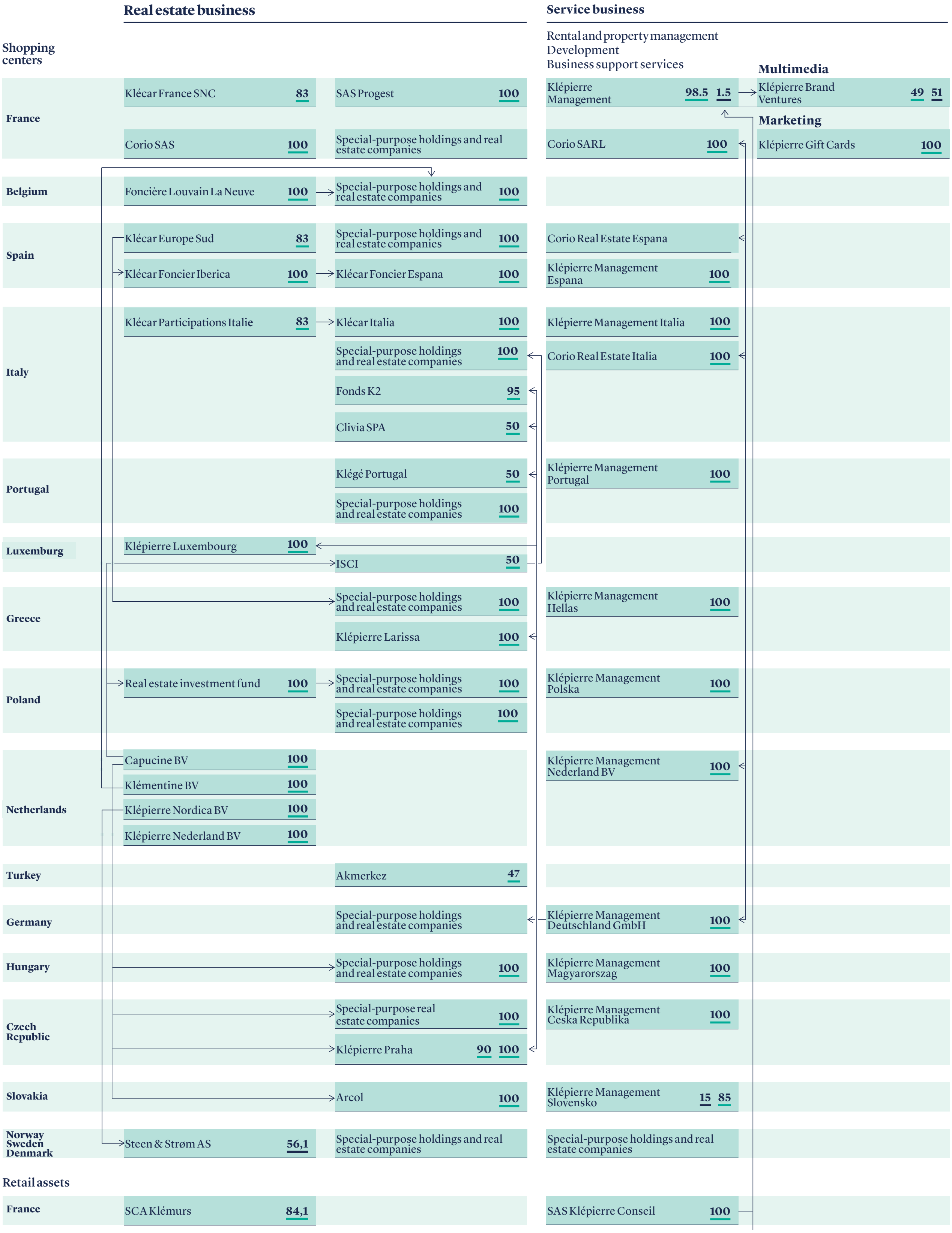
In millions of euros	Klépierre		Unibail-Rodamco		Eurocommercial Properties[1]		Mercialys	
France	411.4	38.5%	791.7	54.5%	53.4	36.7%	158.8	100.0%
Scandinavia	156.6	14.7%	106.1	7.3%	30.0	20.6%	-	-
Italy	184.9	17.3%	-	-	62.1	42.7%	-	-
Spain and Portugal	90.6	8.5%	147.5	10.2%	-	-	-	-
Netherlands	76.0	7.1%	67.0	4.6%	-	-	-	-
Germany	42.4	4.0%	67.1	4.6%	-	-	-	-
Other countries	106.1	9.9%	273.1	18.8%	-	-	-	-
Net rental income	**1,068.0**	**100.0%**	**1,453.0**	**100.0%**	**145.5**	**100.0%**	**158.8**	**100.0%**

Breakdown of consolidated net rental income per activity

In millions of euros	Klépierre		Unibail-Rodamco		Eurocommercial Properties[1]		Mercialys	
Shopping centers and/or retail assets	1,068.0	100.0%	1,177.0	81.0%	145.5	100.0%	158.8	100.0%
Offices			170.0	11.7%	-	-	-	-
Other activities			105.0	7.2%	-	-	-	-
Net rental income	**1,068.0**	**100.0%**	**1,453.0**	**100.0%**	**145.5**	**100.0%**	**158.8**	**100.0%**

[1] *Over 12 months at 06/30/2015.*

10.2. Simplified organizational chart at December 31, 2015



— Direct ownership by Klépierre SA in capital and voting rights — Direct ownership of a group subsidiary by another subsidiary

10.3. Overview of valuation reports prepared by the independent external appraisers

10.3.1. General context of the valuation

Context and instructions

In accordance with Klépierre's instructions ("the Company") as detailed in the signed valuation contracts between Klépierre and the valuers, we have valued the assets held by the Company, taking account of their ownership (freehold, ground lease, etc). This Summary Report has been prepared for inclusion in the Company's annual report.
The valuations were undertaken by our valuation teams in each of the various countries and have been reviewed by the Pan European valuation teams. In order to estimate the market value for each asset, we have not only taken into consideration domestic retail investment transactions but have also considered transactions on a European level. We confirm that our valuations have been prepared in a similar way to other valuations undertaken in Europe, in order to maintain a consistent approach and to take into consideration all the market transactions and information available.
The valuations are based on the discounted cash flow method and the capitalisation method, which are regularly used for these types of assets.

Our valuations were undertaken as at 31 December 2015.

Reference Documents and General Principles

We confirm that our valuations were undertaken in accordance with the appropriate sections of the 9th Edition of the RICS Valuation Standards (the "Red Book"). This is a valuation basis accepted on an international level. Our valuations are compliant with the IFRS accounting standards and the IVSC standards. The valuations have also been prepared on the basis of the AMF recommendations on the presentation of valuations of real estate assets owned by listed companies, published on 8th February 2010. Furthermore, they take into account the recommendations of the Barthès de Ruyter report on valuation of real estate owned by listed companies, published in February 2000.
We confirm that we have prepared our valuations as external and independent valuers as defined by the Red Book standards published by RICS.
We confirm that the appraisal has been performed in accordance with the principles of IFRS 13: we have appraised the highest and best use of each asset.
The Market Value defined below generally matches the Fair Value defined in IFRS Standards, and particularly in IFRS 13.

Basis of Valuation

Our valuations correspond to the Market Value and are reported to the Company as both gross values (market value before deduction of transfer costs) and net values (market value after deduction of transfer costs).

10.3.2. Valuation considerations and assumptions

Information

The Company's management were asked to confirm that the information provided relating to the assets and tenants is complete and accurate in all significant aspects. Consequently, we have assumed that all relevant information known by our contacts within the Company that could impact value has been made available to us and that this information is up to date in all significant aspects. This includes running costs, works undertaken, financial elements, including doubtful debtors, turnover rents, lettings signed or in the process of being signed and rental incentives, in addition to the list of let and vacant units.

Floor areas

We have not measured the assets and have therefore based our valuations on the floor areas that were provided to us.

Environmental analysis and ground conditions

We have not been asked to undertake a study of ground conditions nor an environmental analysis. We have not investigated past events in order to determine if the ground or buildings have been contaminated. Unless provided with information to the contrary we have worked on the assumption that the assets are not and should not be affected by ground pollution and that the state of the land will not affect their current or future usage.

Town planning

We have not studied planning consents or other permits and have assumed that the assets have been built and are occupied and used in conformity with all necessary authorisations and that any outstanding legal issues have been resolved. We have assumed that the layout of assets conforms to legal requirements and town planning regulations, notably concerning the structural materials, fire safety and health and safety. We have also assumed that any extensions in progress are being undertaken in line with town planning rules and that all necessary permissions have been obtained.

Titres deeds and tenancy schedules

We have relied upon the tenancy schedules, summaries of complimentary revenues, non recoverable charges, capital projects and the business plans which were provided to us. We have assumed, with the exception of what may be mentioned in our individual asset reports, that the assets are not inhibited by any restriction which could impede a sale and that they are free from any restrictions or charges. We have not read the title deeds and have taken as correct the rental, occupational and all other pertinent information that has been provided to us by the Company.

Condition of the assets

We have taken note of the general condition of each asset during our inspection. Our instruction does not include a building or structural survey but we have indicated in our report, where applicable, any maintenance problems which were immediately apparent during our inspection. The assets have been valued based on the information provided by the Company according to which no deleterious material was used in their construction.

Taxation

Our valuations were undertaken without taking into account potential sales or legal fees or taxes which would come into effect in the case of a transfer. The rental and market values produced are net of VAT.

10.3.3. Confidentiality and disclosure

Finally, and in accordance with our standard practice we confirm that our valuation reports are confidential and are addressed solely to the Company. We accept no liability to third parties. Neither the whole reports, nor any extracts may be published in a document, declaration, memorandum or statement without our written consent as regards the form and context in which this information may appear. In signing this Summary Report, the valuation firms accept no liability for the valuations carried out by the other firms.

Jean-Philippe CARMARANS
Head of Valuation France
Cushman & Wakefield

Gareth SELLARS
President
Jones Lang LaSalle Expertises

Jean-Claude DUBOIS
President
BNP Paribas Real Estate Valuation France

Denis FRANÇOIS
President Valuation
CBRE

10.4. Documents accessible to the public

The bylaws, minutes of the general meeting of shareholders and other corporate documents, as well as historic financial information, all appraisals and declarations made by experts at the Company's request, and all other documents that have to be kept at the disposal of shareholders in accordance with the law, may be consulted at the Company's head office:

26 boulevard des Capucines – 75009 Paris (France)
Tél.: + 33 (0)1 40 67 57 40

Copies of this registration document are available free of charge from Klépierre (26, boulevard des Capucines – 75009 Paris – France), and on its website (www.klepierre.com) as well as on the website of the Autorité des marchés financiers (www.amf-france.org).

10.5. Statement of the person responsible for the registration document which serves as the annual financial report

I hereby certify, having taken all reasonable measures in this regard, that the information contained in this registration document is, to my knowledge, in accordance with the facts, with no omissions likely to affect its import.

I certify that, to my knowledge, the financial statements have been drawn up in compliance with the applicable accounting standards and present a true and fair view of the assets, liabilities, financial position and income of the Company and of all consolidated companies, and that the management report (pages 1 and seq.) presents a true and fair account of the development, income and financial position of the Company and of all consolidated companies and describes the main risks and uncertainties facing them.

I have obtained an audit completion letter from the Statutory Auditors in which they indicate that they have verified the information regarding the financial position and financial statements presented in this document and that they have read the document in its entirety.

The consolidated financial statements for the fiscal year ended December 31, 2015, presented in this registration are the subject of a report issued by the statutory auditors which appears on page 198. They did not point out reservations and their report sets out one observation whose text is repeated hereafter: "Without qualifying our opinion expressed above, we draw your attention to the note 4.2 to the consolidated financial statements, relating to the accounting treatment of the business combination of Corio N.V and the impairment of the relative goodwill as at December 31, 2015". This note appears on page 160 of the registration document.

The financial statements for the fiscal year ended December 31, 2015, presented in the registration document and filled with the Autorité des marchés financiers (AMF) on March 11, 2016, are the subject of a report issued by the statutory auditors which appears on page 226 of the registration document. They did not point out reservations and their report sets out one observation whose text is repeated hereafter: "Without qualifying our opinion expressed above, we draw your attention to the note 1.1 of the financial statements describing the impacts of the merger of Corio NV and in particular the impairment of the relative "technical merger loss" as at December 31, 2015. This note appears on page 208 of the registration document.

The consolidated financial statements for the fiscal year ended December 31, 2014, presented in the registration document and filled with the Autorité des marchés financiers (AMF) on March 10, 2015, are the subject of a report issued by the statutory auditors which appears on page 201 of the registration document. They did not point out reservations and their report sets out one observation whose text is repeated hereafter: "Without qualifying the conclusion expressed above, we draw your attention to the note 2.2.3 to the year-end consolidated financial statements, which set out the consequences of the initial application as of January 1, 2014 of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosure of interests in other entities". This note appears on page 142 of the registration document.

Paris, March 11, 2016

Laurent MOREL
Chairman of the Executive Board

10.6. Persons responsible for audits and financial disclosures

Persons responsible for audits

Statutory Auditors

Deloitte & Associés
185, avenue Charles-de-Gaulle
92200 Neuilly-sur-Seine
572028041 R.C.S. Nanterre
Joël Assayah/José-Luis Garcia
1st appointment: GM of June 28, 2006
End of term: fiscal year 2015

Mazars
61, rue Henri Régnault
92400 Courbevoie
784824153 R.C.S. Nanterre
Gilles Magnan
1st appointment: GM of November 4, 1968
End of term: fiscal year 2015

Person responsible for financial disclosures

Jean-Michel GAULT
Member of the Executive Board – Deputy CEO
Tel.: +33 (0)1 40 67 55 05

Alternate Statutory Auditors

Société BEAS
7-9, villa Houssay
92200 Neuilly-sur-Seine
315172445 R.C.S. NANTERRE
1st appointment: GM of June 28, 2006
End of term: fiscal year 2015

Patrick de CAMBOURG
61, rue Henri-Régnault
92400 Courbevoie
1st appointment: GM of April 8, 2004
End of term: fiscal year 2015

10.7. Registration document concordance table

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10.8. Annual financial report concordance table

This registration document contains all of the elements of the annual financial report mentioned in paragraph I of article L. 451-1-2 of the French Monetary and Financial Code and in article 222-3 of the General Regulations of the Autorité des marchés financiers ("the AMF"). A concordance table referencing the documents mentioned in article 222-3 of the AMF's General Regulations and the corresponding sections of this reference document is provided below.

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Pursuant to article 28 of EC Regulation no. 809-2004 of April 29, 2004, the following elements are incorporated by reference:
— the consolidated financial statements for the fiscal year ended December 31, 2014 and the corresponding Statutory Auditors' report, set out respectively on pages 133 to 200 and 201 of the registration document filed with the AMF under number D. 15-0119 on March 10, 2015;
— the consolidated financial statements for the fiscal year ended December 31, 2013 and the corresponding Statutory Auditors' report, set out respectively on pages 181 to 245 and 246 of the registration document filed with the AMF under number D. 14-0130 on March 10, 2014;
— the financial statements for the fiscal year ended December 31, 2014 and the corresponding Statutory Auditors' report, set out respectively on pages 203 to 229 and 230 of the registration document filed with the AMF under number D. 15-0119 on March 10, 2015;
— the financial statements for the fiscal year ended December 31, 2013 and the corresponding Statutory Auditors' report, set out respectively on pages 247 to 270 and 271 of the registration document filed with the AMF under number D. 14-0130 on March 10, 2014.

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FILMEN OM
RADISERNE

Left
Field's, Copenhagen (Denmark)
Above
Le Millénaire, Paris region (France)

11. Glossary

Anchor
A retailer whose strong appeal as a consumer magnet plays a leading role in the animation and creation of traffic within a specific retail or commercial zone or a shopping center.

Biodiversity
Biodiversity, or biological diversity, includes all of the living species that live on earth (plants, animals, micro-organisms, etc.), the communities they form and the habitats in which they live.

Box
A stand-alone retail space that is generally situated near or in the parking lot of a retail mall or a retail park, designed to enhance the appeal of the latter.

BREEAM (Building Research Establishment Environmental Assessment Method)
Method of environmental assessment for buildings that was developed by the Building Research Establishment (UK).

Capitalization rate (cap rate)
The average capitalization rate corresponds to the ratio of total expected net rents for occupied and vacant properties to the value, transfer duties excluded, of these same properties. Transfer duties are the fees for any change in ownership when the asset or its owning company is sold (notary fees, deed and title, registration, etc.).

Catchment area
A habitual or theoretical area from which a point of sale or shopping center draws its potential customers. The scope of this area is influenced by the distance and time it takes to gain access.

CDAC (Commission départementale d'aménagement commercial)
A French administrative commission that rules on commercial and retail projects submitted for prior approval.

CNCC (Conseil national des centres commerciaux)
French professional organization that brings together the players that participate in the promotion and development of shopping centers: developers, owners, managers, retailers, service providers and merchant organizations.

Constant/current portfolio basis
The Group analyzes the change in some indicators either by taking into account all of the holdings it actually owned over the period or date of analysis (current portfolio), or by isolating the impact of any acquisitions, extensions or disposals during the period, in order to obtain a stable basis of comparison (constant portfolio).

Corporate governance
All of the relationships between the executive leadership of a business, its board of directors, its shareholders and other stakeholders. Corporate governance also provides the framework within which corporate objectives are set, the resources needed to achieve them are defined, and performance assessment standards are agreed to.

Development pipeline
Also called development potential, the development pipeline is the name given to all investments that the Group plans to undertake, over a given period of time, related to the creation, extension and/or renovation of portfolio assets or the acquisition of assets or of companies. The Klépierre development pipeline is generally set out over a five-year period and is broken down into 3 categories:
— ongoing operations: operations in progress, in which Klépierre has land ownership and has obtained all the required administrative authorizations;
— operations in development: operations at an advanced stage of planning, in which Klépierre has obtained land ownership (an acquisition has been completed or the sale has been agreed subject to associated conditions precedent, for example, the attainment of administrative authorizations);
— operations under negotiation, for which deal arrangements and negotiations are underway.

Diversity charter
An initiative undertaken in late 2004, this document formally condemns discrimination in hiring and employment. It expresses the desire of the signatories to promote a better reflection of the diversity of the French population in their workforce. The Group signed it on July 31, 2010.

EMS (Environmental Management System)
A management tool that allows businesses to roll out processes that lead to reduced environmental impacts. These systems are designed to help organizations achieve lasting improvements and make continuous progress in the area of the environment. The ISO 14001 standard, among others, sets forth specifications and guidelines for the use and implementation of EMS. It also defines the principles and procedures governing environmental audits as well as the criteria environmental auditors must satisfy.

EPRA (European Public Real Estate Association)
This trade association has more than 200 of Europe's public real estate companies as members. It publishes recommendations intended to ensure that the financial reporting disclosures of publicly-traded real estate companies are more standardized and more detailed.

EPRA NNNAV
This indicator corresponds to revalued net assets, excluding transfer duties, and after deferred taxes and marking to market of fixed-rate debt and financial instruments.

Extra-financial rating agencies
Agencies that rate businesses on their performances in the three areas of sustainable development: economic, environmental and social. They provide investors with a grid for assessing businesses from an extra-financial perspective.

GLA (Gross Leasable Area)
Total sales area (including the hypermarket if there is one), plus storage area and not including aisles and shared tenant space.

Green lease
An added clause or schedule to a lease whose aim is to encourage a more constructive dialogue between lessees and lessors on environmental issues in general and energy efficiency in particular.

Greenhouse gases
Gases that absorb infrared rays emitted by the earth's surface, contributing to the greenhouse effect. Increasing the concentration of greenhouse gases in the earth's atmosphere is a decisive factor in climate change.

Grenelle de l'environnement
A legislative process initiated in France in 2007, the Grenelle Environmental Forum brought together five different collegial groups (elected officials, business, trade unions, NGOs and the government) for the purpose of bringing about a green revolution. A draft bill known as Grenelle 1 was adopted by the French Parliament on July 23, 2009. The Grenelle 2 Act, which specifies its application, was passed on June 29, 2010.

GRESB (Global Real Estate Sustainability Benchmark)
Non-profi t organization whose primary purpose is to assess the environmental and social performance of companies specializing in the real estate sector. Created in 2009, it brings together 15 of the leading pension fund managers and key property sector bodies, including EPRA (European Public Real Estate Association) and ECCE (European Centre for Corporate Engagement – an international research association based in the University of Maastricht).

GRI (Global Reporting Initiative)
Originally established in 1997, this initiative seeks to develop the directives that are applicable internationally in the area of sustainable development and report on the economic, environmental and social (HR) performances of companies. It proposes a benchmark of indicators that enable the measurement of progress made in corporate sustainable development programs.

Gross rent
Contractual rent composed of minimum guaranteed rent, to which is added any additional variable rent (percentage rent), which is calculated on the basis of the retail tenant's sales revenue.

Hypermarket
A retail establishment that displays and sells a broad assortment of both food and non-food products over a sales space that exceeds 2 500 sq.m.

Hypermarket mall
A shopping center that generally features a limited number of shops whose retail mix is dominated by convenience services and whose retail anchor is a hypermarket.

ICC (Indice du coût de construction) – French Cost of Construction index
This is one of 2 reference indices used to adjust the rents on retail properties. It is published quarterly by Insee and calculated on the basis of data emerging from the quarterly survey on the trend in the cost price of new housing (PRLN). Using a representative sample of building permits, this survey provides information on markets trends, the characteristics of construction, as well as factors that can be used to derive land expenses (price of land, any demolitions, various taxes, etc.). It is also currently the reference index used to make adjustments to office rents.

ILC (Indice des loyers commerciaux) – French Commercial Rent Index
The ILC is published monthly by Insee and is composed of the ICC (25%), the ICAV (retail trade sales index, expressed in value, for 25%), and the IPC (consumer price index, for 50%). The ICAV, published monthly by Insee, is calculated on the basis of a sample of sales revenue reports filed by 31,000 businesses. The IPC, published monthly in the Official Gazette, is an indicator that is commonly used to measure inflation. The use of the ILC for retail rental price adjustments is possible since the August 4, 2008 law on economic modernization went into effect pursuant to the application decree dated November 6, 2008.

ISO 14001
International environmental certification that acknowledges the implementation of an Environmental Management System (EMS).

Klépierre University
The Group's corporate university, whose objectives are to share knowhow inside the company and promote the emergence of a common culture.

Late payment
Late payment (rent, utilities and taxes, including VAT sales tax) corresponds to any payment that has not been received on the due date, and integrated into reporting as of the first day the past due payment is observed. Considering that most unpaid amounts in fact correspond to late payments, Klépierre discloses a late payment rate at 6 months.

LTV (Loan-to-Value)
Consolidated net debt divided by the revalued asset value (for the whole consolidated group).

MGR
The minimum guaranteed rent payable under the terms of the lease. Also referred to as base rent.

Mid-sized unit
A retail outlet whose sales area covers more than 750 sq.m.

NAV (Net asset value)
NAV is an indicator that measures the break-up value of a real estate company. Schematically, it represents the difference between the value of the company's assets (as estimated by independent appraisers) and the total sum of its debts or liabilities. The management report describes in greater detail how NAV is calculated.

Net current cash flow
This indicator corresponds to the amounts generated by the routine operations and business of the Company, after taking interest and tax expense into account. The "Business for the year" section of the report describes in detail how net current cash flow is calculated.

Net rent
Gross rent less fees, non-recovered rental charges (in particular due to vacancies), expenses chargeable to the owner and, if applicable, expenses related to the land on which the rental unit sits.

Occupancy cost ratio
The occupancy cost ratio is the ratio of rent and tenant charges (taxes excluded) to revenues (taxes excluded).

Renewable energies
Energies exploited by humans in such a way that reserves are not exhausted. In other words, they form faster than they can be used.

Rentable floor area
Gross leasable area owned by Klépierre and on which Klépierre collects rents.

Rental gain
Additional minimum guaranteed rent (MGR) obtained as a result of reletting or when a lease is renewed with the same tenant (excluding additional MGR obtained when a property is leased for the first time).

Sale and purchase promissory agreement
A contractual instrument signed by and between a seller and a buyer, according to which both parties undertake to proceed to the sale of an asset at a given price and before a defined date, indicated in the same instrument.

Senior workers
Pursuant to applicable law in France, any employee who is aged 55 or more is considered to be a senior worker with respect to career management. For recruitment, the threshold is set at 50. The Group entered into an agreement pertaining to the employment of senior workers in October 2009.

Shopping center
A group of at least 20 stores and services that form a gross leasable area (GLA) of at least 5 000 sq.m., designed, built and managed as a single entity.

SIIC (Société d'investissements immobiliers cotée – REIT)
Tax regime allowed under article 208-C of the French General Tax Code that allows joint stock companies that are publicly listed and whose stated equity capital exceeds 15 million euros, optionally and subject to certain conditions, as part of their primary business activity of acquiring and/or constructing buildings for the purpose of leasing them and direct or indirect ownership of equity in corporations whose business purpose is identical, to qualify for corporate tax exemption on:

— earnings from the rental of buildings, provided that 95% of such earnings are distributed to shareholders before the end of the fiscal year that follows the year in which they are earned;

— the capital gains realized on the sale of buildings, equity in partnerships or in subsidiaries that have opted for SIIC status, provided that 60% of these capital gains are distributed to shareholders before the end of the second fiscal year that follows their generation;

— dividends received from subsidiaries that qualify for SIIC status when these dividends arise as a result of profits and/or capital gains that are exempt from tax under the SIIC arrangements, subject to the provision they are 100% distributed in the course of the fiscal year that follows the year in which they were granted.

Klépierre opted for the SIIC status in 2003.
In 2008, tax provisions facilitating the sale of real estate assets to a SIIC (provisions of article 201 E, I of the French General Tax Code) commonly referred to as SIIC 3, were extended until December 31, 2011. Reduced taxation applicable to capital gains realized on the sale of properties sold to a SIIC under this regime is not in force since January 1st 2012 anymore. Further provisions, commonly referred as SIIC 4 and SIIC 5 which went into effect on January 1st 2010, stipulate that no shareholder, acting alone or in concert with others, may control more than 60% of the equity capital of a company that has opted for the SIIC status. In the event of non-compliance with this threshold, the Company would lose the SIIC status.

Specialty leasing
The term specialty leasing refers to a series of services offering a wide range of communication media to retail chains to promote their products (in-store and out-of-store poster campaigns for shopping centers, plasma screens, event organization, temporary lets for promotional purposes, etc.). Klépierre has two entities specifically dedicated to this activity: Klépierre Brand Ventures and Steen & Strøm Media Partner.

Stakeholders
Any individual or group that may affect or be affected by the accomplishment of the objectives of the organization. Stakeholders may be inside the Group (employees) or external to it (clients, suppliers, shareholders, lenders, etc.).

Yield rate
This rate, which unlike the cap rate allows us to determine a transfer duties included value, is used by our appraisers to estimate the value of the holdings. It is defined on the basis of an analysis of comparable recent transactions and criteria specific to the type of asset under consideration (location, sales area, rental reversion potential, possibility of extensions, percentage ownership, etc.).

This registration document was filed with the Autorité des marchés financiers ("the AMF") on March 11, 2016, in accordance with article 212-13 of the AMF General Regulations. It may be used in support of a financial transaction only if supplemented by a transaction memorandum that has received approval from the AMF.
This document has been established by the issuer and is binding upon its signatories.

The English language version of this registration document is a free translation from the original, which was prepared in French. All possible care has been taken to ensure that the translation is accurate presentation of the original. However, in all matters of interpretation, views or opinion expressed in the original language version of the document in French take precedence over the translation.

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A shareholder, an investor, an analyst

Find all the information, financial press releases and results, stock prices, legal disclosures, etc., as well as your Klépierre contacts at:
www.klepierre.com/espace-finance/

A retailer, a marketing manager, a retail professional

Read on to discover the latest news about the events and promotions at our shopping centers. An unrivaled virtual glimpse, spanning Europe, into the world of a shopping center pure player.
www.klepierre.com/retail/
To contact one of our leasing professionals:
www.klepierre.com/ nos-centres/

An experienced jobseeker, a recent graduate

You are invited to check out the career corner, where you will discover our ambitions and our values, exciting jobs in retail real estate that you aspire to, and the excellent course offering at our corporate learning center Klépierre University.
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If you'd like to continue the experience of the financial report, the annual report website features the video interview with Laurent Morel, the interactive shopping center map, and other 100% retail content that captures the highlights of 2015 for Klépierre.

www.klepierre.com/ra2015

Interactive map

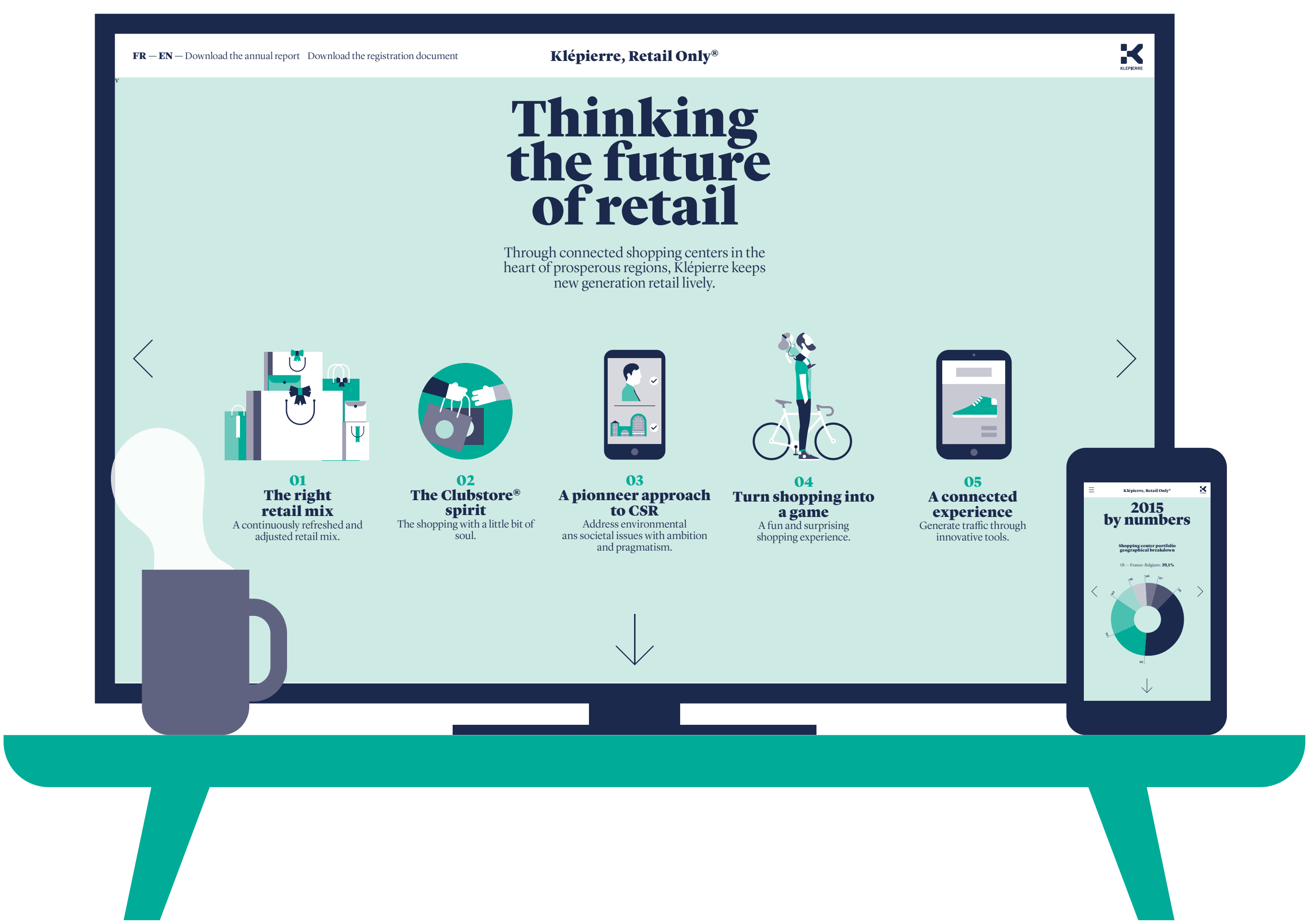
Panorama of Klépierre's top 18 centers via an interactive tour

Video interview with the Chairman

Laurent Morel shares his assessment of 2015 and his vision of the future for the Group

Mobile site

The digital version of this annual report is optimized for viewing via computer, tablet, or mobile. 100% digital, 100% retail.



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