PRESS RELEASE

BUSINESS REVIEW FOR THE FIRST QUARTER OF 2017

Paris – April 26, 2017

- **At €320.6 million, total revenues in line with Q1 2016, despite significant asset disposals in 2016 and early 2017;**
- **Shopping center gross rental income +0.4% to €293.2 million;**
- **Retailer sales +0.6% on a like-for-like basis[1] (on a 12-month rolling basis ended March 2017);**
- **Accelerated leasing activity with 523 leases signed (vs 386 in Q1 2016), representing €10.0 million in additional minimum guaranteed rents on a yearly basis (excluding new projects and extensions) vs €4.2 million in Q1 2016;**
- **Strong consumer response to Hoog Catharijne first redevelopment phase opening (footfall +11%) and Val d'Europe extension (footfall +31%);**
- **Further €100 million reduction in net debt at March 31, 2017 vs year-end 2016; net cost of debt reduced to less than 2.0% for the first quarter of 2017;**
- **Disposals completed and signed worth €213.0 million year-to-date.**
- **2017 outlook confirmed: net current cash flow per share expected between €2.35 and €2.40**

KEY FINANCIALS

In € millions, Total-Share basis	Q1 2017	Q1 2016	% Change
Gross rental income – Shopping centers	293.2	291.9	+0.4
Gross rental income – Other activities	7.3	7.9	-8.6
Total gross rental income total	**300.4**	**299.8**	**+0.2**
Management, administrative and other income (fees)	20.2	22.9	-12.0
Total revenues	**320.6**	**322.8**	**-0.7**

OPERATING PERFORMANCE

Total revenues

For the first quarter of 2017, gross rental income (total share) rose to €300.4 million from €299.8 million for the same period last year, as the contribution from organic growth offset the impact of disposals (−€6.3 million).

Shopping center gross rental income (GRI, total share) increased by 0.4%, or €1.3 million, to €293.2 million in the period. Disposals completed in 2016 and early 2017 had a negative €5.9 million impact on shopping center GRI while the contribution from index-linked adjustments was +0.7%.

GRI from other activities amounted to €7.3 million.

Management, administrative and related income (fees) totaled €20.2 million, down €2.7 million from the first quarter last year due to seasonal effects.

Total revenues for the first quarter of 2017 reached €320.6 million, virtually unchanged versus the same period last year.

Retailer sales

On a rolling twelve-month basis, retailer sales were up by 0.6%. On a like-for-like portfolio basis,[1] retailer sales in Klépierre's shopping malls declined by 0.6% in Q1 2017 compared to the same quarter last year, mainly due to negative calendar effects: one less Saturday in January and one less working day in February 2017. This year, after a downward trend in January, broadly stable in February, retailer sales recovered in March. These figures benefited from no contribution of extensions or recent developments.

In this context, retailers in France (–1.3%), Italy (–2.2%) and Scandinavia (–0.6%) posted slower sales in the first quarter while Iberia (+0.4%) and CEE & Turkey (+6.6%) remained solid. In France, consumers slowed spending ahead of the spring elections while, in Italy, retailer sales were impacted by increased competition in Milan.

Leasing activity

Leasing activity was very dynamic. In the first quarter, Klépierre signed a total of 523 leases, representing €10.0 million in additional annual minimum guaranteed rents (excluding contributions from extension and greenfield projects), a clear acceleration compared to the first quarter of 2016 (386 leases and €4.2 million in additional MGR).

Klépierre also accelerated the implementation of its "Destination Food" strategy, with the introduction of innovative concepts such as Five Guys (Hoog Catharijne, Alexandrium), Grom (Val d'Europe, Prado), Johnny Rockets (Lonato), Leon (Hoog Catharijne) and Wagamama (Prado). New dedicated food areas in Hoog Catharijne (City Square, Pavillon), Val d'Europe (Place des Étoiles) and the Prado rooftop are further enhancing the attractiveness of the food & beverage offering in Klépierre's malls.

Leasing activity in France was bolstered by the launch of the re-leasing campaign at St.Lazare Paris, which is capturing great reversion with trendy brands. NYX, Rituals, Levi's, Calzedonia and Bialetti plan to open new shops while leases with Petit Bateau and Pylones were renewed. In addition, in the first quarter of 2018, Sephora will unveil one of its largest stores in the world (and 2nd largest in France) with a 1,000+ sq.m. store in a new and innovative concept. These successes underscore the relevance of Klépierre's strategy of transforming the St. Lazare hub into a disruptive retail destination. Sephora has also signed 4 additional leases for Klépierre malls: in Annecy Courier (renewal), Marseille Bourse (opening), Val d'Europe (new concept) and Villiers-en-Bière (renewal).

In Spain, the ongoing implementation of the Clubstore® concept in Plenilunio has triggered an acceleration of renewals and refurbishments, including Stradivarius and Pull&Bear (both including a store extension), Okaïdi, C&A, Levi's and Etam. New tenants, such as Skechers and Lush, are arriving and will further improve Plenilunio's position as one of the leading platforms in Madrid for international retailers.

After signing 24 leases with Inditex in 2016, Klépierre signed six additional leases in the first quarter of 2017, including a 3,000-sq.m. Zara store in Nový Smichov (Prague).

DEBT POSITION AND FINANCING UPDATE

On February 9, 2017, Klépierre issued a 10-year, €500 million bond with a 1.375% coupon. [2]

On March 13, 2017, Klépierre announced a share buyback program up to €500 million. As of April 25, 3,748,000 shares had been repurchased at an average €35.85 per share, representing an investment of €134 million.

As of March 31, 2017, the Group's consolidated net debt amounted to €8,510 million, a reduction of €103 million compared to year-end 2016. Klépierre's average debt duration remained stable at 6 years and the net cost of debt continued to decrease below 2.0%.

On April 25, 2017, the dividend was paid out to shareholders for a total amount of €562 million (€1.82 per share for fiscal year 2016).

DEVELOPMENT PIPELINE AND ASSET ROTATION

Successful delivery of two iconic projects

After three years of construction, on April 12, 2017, Klépierre unveiled a 17,000-sq.m. extension at **Val d'Europe** (near Paris), bringing the French mall's total sales area to more than 105,000 sq.m. The extension features 30 new brands, including flagship stores. The Group is currently implementing the Clubstore® concept through a refurbishment of the entire shopping center. Between April 12 and April 23, Val d'Europe received 0.6 million visitors, a 31% increase compared to the same period last year.[3] Watch the video here.

On April 6, 2017, the Group officially opened 16,000 sq.m. of new retail space, leased-up at 85%, at **Hoog Catharijne** (Utrecht), the leading mall in the Netherlands. New stores were added to the shopping center's offering: on the fashion segment (Zara, Zara Home, Bershka, Stradivarius, NAME IT, WE, Men At Work, Claudia Sträter, Bijou Brigitte, Manfield, Parfois, Nike, Jack & Jones, Vero Moda, Sissy-Boy, Timberland), Food / Restaurant (Leon, Comptoir Libanais, Burger Federation, Five Guys, Vapiano, Exki and McDonald's new concept) or Health & Beauty (Yves Rocher, MAC, Rituals). Between April 5 and April 18, the newly opened part of Hoog Catharijne received nearly 1.1 million visitors, an 11% increase compared to the same period last year[4].

Disposals signed for €213.0 million

Since January 1, 2017, Klépierre has completed disposals of non-core assets for €177.3 million[5], across Europe (Norway, Sweden, France and Spain). Based on 2016 rents, the implied yield of shopping centers sold amounts to 5.7% while sale prices are slightly above the last appraised values. In addition, assets worth €35.7 million are currently under sale or purchase promissory agreements.

OUTLOOK CONFIRMED

In 2017, Klépierre expects net rental income to continue to grow on a like-for-like basis, while operational and financial costs should be further reduced. Assuming stable or lower net debt, Klépierre expects to generate net current cash flow per share of between €2.35 and €2.40.

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[1] Like-for-like change is on a same-center basis and excludes the impact of asset sales and acquisitions. Retailer sales from the Dutch portfolio are not included in these figures since Dutch retailers do not report sales to Klépierre.

[2] For more information, please refer to the press release published on February 9, 2017, available on **www.klepierre.com**.

[3] For more information, please refer to the press release published on April 11, 2017, available on **www.klepierre.com**.

[4] For more information, please refer to the press release published on April 6, 2017, available on **www.klepierre.com**.

[5] Total share, excluding duties.

RETAILER SALES LIKE-FOR-LIKE CHANGE FOR THE FIRST QUARTER OF 2017

Countries	Q1 2017 Year-on-Year Change
France	-1.3%
Belgium	-1.5%
France-Belgium	**-1.3%**
Italy	**-2.2%**
Norway	0.5%
Sweden	-0.6%
Denmark	-3.0%
Scandinavia	**-0.6%**
Spain	0.9%
Portugal	-0.7%
Iberia	**0.4%**
Poland	3.8%
Hungary	11.4%
Czech Republic	7.3%
Turkey	6.5%
CEE and Turkey	**6.6%**
The Netherlands	**N/A**
Germany	**-2.7%**
TOTAL	**-0.6%**

TOTAL REVENUES

In € millions	Total Share		Group Share	
	Q1 2017	Q1 2016	Q1 2017	Q1 2016
France	100.4	100.3	82.7	83.0
Belgium	4.4	4.1	4.4	4.1
France-Belgium	**104.8**	**104.4**	**87.1**	**87.1**
Italy	**51.8**	**50.9**	**51.0**	**50.0**
Norway	18.5	17.7	10.4	9.9
Sweden	16.0	17.1	9.0	9.6
Denmark	14.2	13.4	8.0	7.5
Scandinavia	**48.8**	**48.2**	**27.4**	**27.0**
Spain	22.8	23.4	22.0	22.6
Portugal	5.5	5.2	5.5	5.2
Iberia	**28.3**	**28.5**	**27.5**	**27.8**
Poland	8.8	8.4	8.8	8.4
Hungary	5.5	5.3	5.5	5.2
Czech Republic	7.5	6.6	7.5	6.6
Turkey	8.2	8.7	7.6	8.0
Others	0.7	0.9	0.7	0.8
CEE and Turkey	**30.8**	**30.0**	**30.1**	**29.2**
The Netherlands	**15.0**	**15.6**	**15.0**	**15.6**
Germany	**13.6**	**14.3**	**13.0**	**13.6**
SHOPPING CENTERS GROSS RENTAL INCOME	**293.2**	**291.9**	**251.2**	**250.3**
Other activities	7.3	7.9	7.3	7.9
TOTAL GROSS RENTAL INCOME	**300.4**	**299.8**	**258.4**	**258.3**
Management, administrative and related income (fees)	20.2	22.9	19.2	21.7
TOTAL REVENUES	**320.6**	**322.8**	**277.7**	**280.0**
Equity Accounted Investees*	22.3	23.9	21.2	22.3

* Contributions from Equity Accounted Investees include investments in jointly-controlled companies and investments in companies under significant influence. Equity Accounted Investees are accounted for a total value of €1,425 million as of December 31, 2016.

QUARTERLY REVENUES ON A TOTAL-SHARE BASIS

In € millions	Q1 2017	Q4 2016	Q3 2016	Q2 2016
France	100.4	106.6	101.7	102.8
Belgium	4.4	4.4	4.4	4.2
France-Belgium	**104.8**	**110.9**	**106.1**	**107.0**
Italy	**51.8**	**51.4**	**50.6**	**51.8**
Norway	18.5	20.2	18.8	18.4
Sweden	16.0	15.6	17.7	17.5
Denmark	14.2	13.5	14.3	13.5
Scandinavia	**48.8**	**49.4**	**50.8**	**49.3**
Spain	22.8	22.2	23.0	23.8
Portugal	5.5	5.1	5.3	5.1
Iberia	**28.3**	**27.4**	**28.3**	**28.9**
Poland	8.8	8.8	8.5	8.6
Hungary	5.5	5.5	5.3	5.1
Czech Republic	7.5	7.3	6.8	6.6
Turkey	8.2	9.2	9.0	8.6
Others	0.7	0.8	0.4	0.8
CEE and Turkey	**30.8**	**31.6**	**30.1**	**29.7**
The Netherlands	**15.0**	**15.2**	**15.2**	**15.1**
Germany	**13.6**	**13.5**	**15.0**	**14.4**
SHOPPING CENTERS GROSS RENTAL INCOME	**293.2**	**299.3**	**296.0**	**296.2**
Other activities	7.3	6.8	8.0	7.9
TOTAL GROSS RENTAL INCOME	**300.4**	**306.1**	**304.0**	**304.1**
Management, administrative and related income (fees)	20.2	22.1	20.6	20.9
TOTAL REVENUES	**320.6**	**328.2**	**324.6**	**325.0**
Equity Accounted Investees*	22.3	23.0	23.6	25.0

* Contributions from Equity Accounted Investees include investments in jointly-controlled companies and investments in companies under significant influence. Equity Accounted Investees are accounted for a total value of €1,425 million as of December 31, 2016.

AGENDA

July 25, 2017 First-Half 2017 Earnings (press release after market close)

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ABOUT KLÉPIERRE

The leading pure play shopping center property company in Europe, Klépierre combines development, property and asset management skills. The company's portfolio is valued at €22.8 billion at December 31, 2016 and comprises large shopping centers in 16 countries in Continental Europe which altogether welcome 1.1 billion visitors per year. Klépierre holds a controlling stake in Steen & Strøm (56.1%), Scandinavia's number one shopping center owner and manager. Klépierre is a French REIT (SIIC) listed on Euronext Paris and included in the CAC Next 20, EPRA Euro Zone and GPR 250 indexes. It is also included in ethical indexes, such as DJSI World and Europe, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo France 20 and World 120, and is ranked as a Green Star by GRESB (Global Real Estate Sustainability Benchmark). These distinctions underscore the Group's commitment to a proactive sustainable development policy.

For more information: **www.klepierre.com**

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