PRESS RELEASE

BUSINESS REVIEW FOR THE THIRD QUARTER AND FIRST NINE MONTHS OF 2017

Paris – October 26, 2017

- **Strong acceleration in retailer sales during the 3rd quarter at +5.6%[1]**
- **Robust leasing activity, with 1,440 leases signed at September 30, 2017 (vs 1,356 for the same period last year), with 12.1% reversion rate**
- **Shopping centers gross rental income +1.8% for the first 9 months of 2017, mostly thanks to solid like-for-like rental growth**
- **Net debt stable at €9,120 million; net cost of debt further reduced to 1.8%**
- **€358 million worth of disposals completed or under promissory agreement year-to-date**
- **Development projects well on track: 83% pre-let at Prado and 87% at Hoog Catharijne**
- **Inclusion in CDP's "A list," a recognition for global leadership in fight against climate change**
- **2017 outlook confirmed: net current cash flow per share of at least €2.45, implying 6.1% growth**

KEY FINANCIALS

In € millions, Total-Share basis	9M 2017	9M 2016	% Change
Gross rental income – Shopping centers	903.0	884.1	+2.1
Gross rental income – Other activities	21.4	23.8	-10.1
Total gross rental income	**924.4**	**907.9**	**+1.8**
Management, administrative and other income (fees)	61.5	64.4	-4.6
Total revenues	**985.9**	**972.3**	**+1.4**

OPERATING PERFORMANCE

Total revenues

For the first nine months of 2017, gross rental income (total share) rose to €924.4 million from €907.9 million for the same period last year, as sound like-for-like rental growth, as well as the contribution from development projects (Val d'Europe and Hoog Catharijne) and the acquisition of Nueva Condomina in Spain, more than offset the impact of disposals.

Shopping center gross rental income (GRI, total share) increased by 2.1%, to €903.0 million in the first nine months of the year. Disposals completed in 2016 and early 2017 had a negative 2.1% impact on shopping center GRI while the contribution from index-linked adjustments was +0.7%.

KLEPIERRE

GRI from other activities amounted to €21.4 million in the first nine months, a 10.1% decrease from the same period last year, reflecting the impact of recent disposals.

Management, administrative and related income (fees) amounted to €61.5 million, down 4.6% due to disposals and the acquisition of Nueva Condomina which was previously managed by Klépierre for a third-party owner.

Total revenues for the first nine months of 2017 increased by 1.4% year-on-year to €985.9 million.

Retailer sales

In the first nine months, retailer sales increased by 2.5% (+2.0% excluding extensions), outperforming the aggregated national sales indexes by 50 bps.[2] During the third quarter, the pace of growth accelerated sharply (+5.6% year-on-year; +4.8% excluding extensions), driven by improving economic conditions and household consumption (notably in France), favorable weather conditions and a positive calendar effect.

On a geographical basis, retailer sales in **France** posted an 8.9% increase in the third quarter (+7.1% excluding extensions). Although France benefited from some technical effects (an extra Saturday in September and an extra week-long summer sales period in July compared to last year), the performance also reflects an improvement in consumer spending trends. In **Italy**, retailer sales were up by 3.2% in the third quarter, a significant acceleration compared to the first half. In **Spain**, retailer sales increased by 6.7% in the third quarter. This strong performance reflects the quality of Klépierre's portfolio of malls as retailer sales at Nueva Condomina rose by 12.1%, La Gavia by 7.3%, and Maremagnum by 3.0%. Lastly, **CEE & Turkey** posted another solid performance (+8.3%), mostly driven by Hungary (+12.3%) and Turkey (+9.0%).

On a sector basis, **Fashion** sales in the third quarter recorded strong growth (+7.6%), partly thanks to the longer sales periods in France and better weather conditions in Europe compared to last year. Klépierre's exposure to national and international retailers, together with the implementation of rightsized stores in the Group's malls, also supported this trend. **Health & Beauty** sales expanded by 5.5%, reflecting the dynamism of this sub-segment and the development of innovative concepts. Last, the **Restaurants & Food** sector grew by 5.5%, driven by the strong leasing activity generated by the roll-out of Klépierre's Destination Food® concept.

Leasing activity

After a dynamic first half, leasing activity continued apace in the third quarter of 2017. In the first nine months, a total of 1,440 leases were signed (compared with 1,356 in 2016), translating into €25.8 million additional annual minimum guaranteed rents (compared to €21.1 million over the first nine months of 2016; excluding contributions from extension and greenfield projects). Reversion in the third quarter (for renewals and relettings) remained in line with the first half 2017 level at 12.1%.

Klépierre's increased focus on key account management resulted in sustained deal flow with top national and international retailers, with the latter implementing their latest store concept in the Group's malls. Since the beginning of the year, 23 leasing deals have notably been signed with the Calzedonia group, 19 with Inditex, 17 with Yves Rocher, 13 with Pandora, 11 with Levi's, 10 with JD Sports, 9 with Kiko and 8 with Sephora.

On a geographical basis, **Italy** was the most dynamic market in the third quarter with a total of 88 leases, including strong leasing performances at Porta di Roma (14 deals), Il Leone di Lonato (8 deals) and Globo (7 deals). JD Sports signed three deals in Italy, at Campania (643 sq.m.), Montebello (233 sq.m.) and Lonato (287 sq.m.). Victoria's Secret opened in Lonato its first store at a Klépierre mall in Italy. **France** signed 69 contracts in the third quarter of 2017. The ongoing leasing campaign at Saint-Lazare contributed to this good performance. The mix will be further enhanced with the arrival of Nespresso and the renewal of Yves Rocher and L'Occitane leases. In September, Primark successfully opened its 7,500-sq.m. store at Val d'Europe, driving a 19% increase in footfall (September 2017 vs September 2016). In **Spain**, thanks to proactive asset management, Nueva Condomina has signed 21 deals since Klépierre acquired it in May 2017, including with Zara Home (530 sq.m.), Pimkie (390 sq.m.), Orchestra (303 sq.m.), and Italian fashion brand OVS (1,735 sq.m.). Leasing activity with international retailers was also vigorous across **CEE** countries, with 14 deals signed at Lublin Plaza, 13 at Duna Plaza and 12 at Nový Smíchov. At Nový Smíchov, Sephora leased 1,000 sq.m. (to expand its store from 320 sq.m.); Massimo Dutti (834 sq.m.) and Benetton (420 sq.m.) will open new stores.

DEVELOPMENT PIPELINE AND ASSET ROTATION

Pipeline

Prado

Works are progressing according to schedule at the new Prado mall (Marseille, France). Zara has taken possession of its 3,300 sq.m. unit and initiated the fit out of what will be its largest store in the catchment area. Leasing is advancing well with 83% of the leasable space being signed or in advanced negotiations. In addition to the anchors (Galeries Lafayette and Zara), new brands have joined the project, including Repetto, Etam, Courir, Pandora and Sabon. Prado's food and beverage offering will be further enhanced with the arrival of Factory & Co, Mavrommatis, Wagamama and Big Fernand.

Prado is scheduled to open in April 2018.

Hoog Catharijne

During the third quarter, leasing activity at Hoog Catharijne was dynamic with 15 additional leases signed. Brands such as Lush, Douglas, JD Sports, and Perry Sport will reinforce the mall's strong leasing mix. In addition, on October 12, 2017, Klépierre announced the signature of a leasing agreement with mobile and cable operator VodafoneZiggo for a total of 17,000 sq.m. at Hoog Catharijne. VodafoneZiggo will use 16,000 sq.m. to accommodate its new central office and open a 1,000-sq.m. flagship store in the mall.

The redevelopment of the North mile[3] is now 87% let (signed or in advanced negotiations), as against 65% at June 30, 2017.

Disposals

Since January 1, 2017, Klépierre has completed disposals worth €243 million[4] across Europe (in Norway, Sweden, France and Spain). In addition, assets worth €115.5 million are currently under sale or purchase promissory agreements.

DEBT POSITION AND FINANCING

As of September 30, 2017, Klépierre's consolidated net debt was practically flat at €9,120 million. Klépierre's average debt duration remained stable at 6 years, while the net cost of debt continued to decrease to 1.8%. The Group's liquidity position remains strong at €1.8 billion.

On August 11, 2017, Standard & Poor's assigned an A- credit rating to Steen & Strøm (with a stable outlook). In the wake of this announcement, Steen & Strøm issued NOK750 million (€80 million) of 5-year floating rate notes at 70 bps above NIBOR. The proceeds were used to refinance existing shorter-term and more expensive debt.

As of October 25, 2017, 9,761,424 Klépierre's shares have been repurchased at an average €35.86 per share, representing an investment of €350 million.

EXTRA-FINANCIAL RATINGS

In September 2017, Klépierre obtained outstanding extra-financial ratings, recognizing the efficiency of its Good Choices® strategy initiated in 2013 and the effectiveness of the measures implemented in recent years.

For the second year in a row, Klépierre figures in the "A List" of CDP, the non-profit global environmental disclosure platform, recognizing the Group's global leadership in the fight against climate change. Klépierre was ranked 3rd among listed companies in the European retail sector and 11th across all industries in Europe by the Global Real Estate Sustainability Benchmark (GRESB), and once again been awarded a "Green Star" with a score of 89/100. In addition, Klépierre reached the 96th percentile in the World Dow Jones Sustainability Index (DJSI) based on the review by RobecoSAM, which deemed the company the most efficient in the world out of 250 real estate companies for its environmental initiatives.

Overall, Klépierre is considered best-in-class by RobecoSAM for its environmental strategy, the monitoring of its performance, and the disclosure of its results. The quality of the latter was also recognized by the European Public Real Estate Association (EPRA), which granted Klépierre a Sustainability "Gold Award" for the sixth consecutive year.

OUTLOOK CONFIRMED

In 2017, Klépierre expects to generate net current cash flow per share of at least €2.45, implying at least 6.1% growth. Looking forward, Klépierre will keep improving its European shopping center portfolio to further strengthen its relationships with key international retailers. As such, the Group remains confident in its ability to deliver solid like-for-like rental growth.

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[1] Like-for-like change is on a same-center basis and excludes the impact of asset sales and acquisitions.
[2] Klépierre retailer sales growth at the end of August vs national sales indexes for France, Italy, Norway, Sweden, Denmark, Spain, Poland, Czech Republic, Hungary, Turkey and Germany. Weighted by Klépierre's retailer sales geographical mix.
[3] Including the retail units opened last April 2017 and the new units to open between November 2017 and March 2018.
[4] Total Share, excluding duties.

RETAILER SALES LIKE-FOR-LIKE CHANGE

	9M 2017		Q3 2017	
Countries	*incl. extensions*	*excl. extensions*	*incl. extensions*	*excl. extensions*
France	2.7%	1.8%	8.9%	7.1%
Belgium	-0.1%	-0.1%	1.9%	1.9%
France-Belgium	**2.6%**	**1.7%**	**8.5%**	**6.8%**
Italy	**0.3%**	**0.3%**	**3.2%**	**3.2%**
Norway	-1.1%	-1.1%	-0.4%	-0.4%
Sweden	2.0%	2.0%	2.9%	2.9%
Denmark	-0.7%	-0.7%	1.2%	1.2%
Scandinavia	**0.1%**	**0.1%**	**1.1%**	**1.1%**
Spain	5.5%	5.5%	6.7%	6.7%
Portugal	4.2%	4.2%	4.0%	4.0%
Iberia	**5.1%**	**5.1%**	**5.9%**	**5.9%**
Poland	4.2%	4.2%	6.2%	6.2%
Hungary	12.0%	12.0%	12.3%	12.3%
Czech Republic	6.9%	6.9%	7.6%	7.6%
Turkey	9.1%	9.1%	9.0%	9.0%
CEE and Turkey	**7.4%**	**7.4%**	**8.3%**	**8.3%**
The Netherlands*	**n.s.**	**n.s.**	**n.s.**	**n.s.**
Germany	**1.9%**	**1.9%**	**4.6%**	**4.6%**
TOTAL	**2.5%**	**2.0%**	**5.6%**	**4.8%**

* Only a few Dutch retailers report their sales to Klépierre.

TOTAL REVENUES

	Total Share		Group Share	
In € millions	**9M 2017**	**9M 2016**	**9M 2017**	**9M 2016**
France	315.1	304.8	258.4	252.4
Belgium	13.4	12.7	13.4	12.7
France-Belgium	**328.5**	**317.4**	**271.8**	**265.0**
Italy	**157.0**	**153.3**	**154.6**	**150.8**
Norway	54.5	54.8	30.6	30.8
Sweden	47.2	52.3	26.5	29.3
Denmark	43.0	41.2	24.1	23.1
Scandinavia	**144.7**	**148.3**	**81.2**	**83.2**
Spain	74.5	70.2	72.3	67.9
Portugal	16.5	15.6	16.5	15.6
Iberia	**91.0**	**85.8**	**88.7**	**83.5**
Poland	25.5	25.5	25.5	25.5
Hungary	16.6	15.6	16.6	15.6
Czech Republic	22.8	20.1	22.8	20.1
Turkey	25.6	26.3	23.6	24.2
Others	1.9	2.1	1.8	2.0
CEE and Turkey	**92.5**	**89.7**	**90.3**	**87.4**
The Netherlands	**48.3**	**45.9**	**48.3**	**45.9**
Germany	**41.0**	**43.6**	**39.0**	**41.6**
SHOPPING CENTERS GROSS RENTAL INCOME	**903.0**	**884.1**	**773.9**	**757.4**
Other activities	21.4	23.8	21.4	23.8
TOTAL GROSS RENTAL INCOME	**924.4**	**907.9**	**795.3**	**781.2**
Management, administrative and related income (fees)	61.5	64.4	58.7	61.1
TOTAL REVENUES	**985.9**	**972.3**	**854.0**	**842.4**
Equity Accounted Investees*	65.1	73.2	62.3	68.0

* 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 €1,399 million as of June 30, 2017.

QUARTERLY REVENUES ON A TOTAL-SHARE BASIS

	2017			2016			
In € millions	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
France	106.6	108.1	100.4	106.6	101.7	102.8	100.3
Belgium	4.4	4.7	4.4	4.4	4.4	4.2	4.1
France-Belgium	**110.9**	**112.8**	**104.8**	**110.9**	**106.1**	**107.0**	**104.4**
Italy	**52.6**	**52.6**	**51.8**	**51.4**	**50.6**	**51.8**	**50.9**
Norway	18.1	17.9	18.5	20.2	18.8	18.4	17.7
Sweden	15.4	15.8	16.0	15.6	17.7	17.5	17.1
Denmark	14.5	14.3	14.2	13.5	14.3	13.5	13.4
Scandinavia	**47.9**	**47.9**	**48.8**	**49.4**	**50.8**	**49.3**	**48.2**
Spain	27.3	24.4	22.8	22.2	23.0	23.8	23.4
Portugal	5.6	5.4	5.5	5.1	5.3	5.1	5.2
Iberia	**32.9**	**29.8**	**28.3**	**27.4**	**28.3**	**28.9**	**28.5**
Poland	8.3	8.4	8.8	8.8	8.5	8.6	8.4
Hungary	5.7	5.3	5.5	5.5	5.3	5.1	5.3
Czech Republic	7.7	7.6	7.5	7.3	6.8	6.6	6.6
Turkey	9.0	8.4	8.2	9.2	9.0	8.6	8.7
Others	0.5	0.7	0.7	0.8	0.4	0.8	0.9
CEE and Turkey	**31.3**	**30.4**	**30.8**	**31.6**	**30.1**	**29.7**	**30.0**
The Netherlands	**16.8**	**16.5**	**15.0**	**15.2**	**15.2**	**15.1**	**15.6**
Germany	**13.6**	**13.7**	**13.6**	**13.5**	**15.0**	**14.4**	**14.3**
SHOPPING CENTERS GROSS RENTAL INCOME	**306.2**	**303.7**	**293.2**	**299.3**	**296.0**	**296.2**	**291.9**
Other activities	6.6	7.6	7.3	6.8	8.0	7.9	7.9
TOTAL GROSS RENTAL INCOME	**312.7**	**311.3**	**300.4**	**306.1**	**304.0**	**304.1**	**299.8**
Management, administrative and related income (fees)	18.6	22.7	20.2	22.1	20.6	20.9	22.9
TOTAL REVENUES	**331.3**	**333.9**	**320.6**	**328.2**	**324.6**	**325.0**	**322.8**

AGENDA

February 7, 2018 Full-year 2017 earnings (press release after market close)
April 24, 2018 General meeting

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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 €23.3 billion at June 30, 2017 and comprises large shopping centers in 16 countries in Continental Europe which together host 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 figures in CDP's "A-list". These distinctions underscore the Group's commitment to a proactive sustainable development policy and its global leadership in the fight against climate change.

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

This press release is on the Klépierre website: **www.klepierre.com**