PRESS RELEASE

BUSINESS REVIEW FOR THE FIRST QUARTER OF 2018

Paris – April 26, 2018

Klépierre, the owner of the leading shopping center platform in Europe, today released its business review for the first quarter of 2018,[1] which is characterized by continued robust growth in net rental income and retailer sales. The main highlights include:

- **Total revenues of €331.5 million, +3.4% year on year**
- **Shopping centers net rental income of €261.0 million, +3.6% and +3.0% on a like-for-like basis[2]**
- **Retailer sales +2.0% vs. the first 3 months of 2017[3]**
- **Sustained leasing activity with 473 leases signed in the first quarter, representing €7.8 million in additional minimum guaranteed rents**
- **Net debt reduced by circa €300 million to €8.7 billion at March 31, 2018 vs. year-end 2017; net cost of debt below 1.8%**
- **€301 million of disposals completed in the first quarter of 2018**
- **Immediate success for new Prado mall; development projects on schedule at Hoog Catharijne and Créteil Soleil**
- **2018 outlook confirmed: net current cash flow per share expected between €2.57–€2.62**

Jean-Marc Jestin, Chairman of the Klépierre Executive Board, commented, *"Following our record results in 2016 and 2017, our strong activity in the first quarter of 2018 further confirms the relevance and effectiveness of our strategy, which is to focus on the leading assets in the most dynamic catchment areas of Europe. Our diversified pan-European platform continues to deliver positive retailer sales outpacing national indices, sustained leasing flow and growing rents. I am convinced that our portfolio — supported by our ambitious development pipeline, disciplined financial policy and pursuit of operational excellence in all aspects of mall management — will continue to deliver sustained growth and superior returns for our shareholders."*

KEY FINANCIALS

In € millions, Total-Share basis	**Q1 2018**	**Q1 2017**	**Current change**
Gross rental income – Shopping centers	303.7	293.2	+3.6%
Gross rental income – Other retail properties	6.4	7.3	−12.2%
Total gross rental income	**310.0**	**300.4**	**+3.2%**
Management, administrative and other income (fees)	21.5	20.2	+6.5%
Total revenues	**331.5**	**320.6**	**+3.4%**
Net rental income – Shopping centers	**261.0**	**251.9**	**+3.6%**

KLEPIERRE

OPERATING PERFORMANCE

Revenues

Gross rental income

Shopping center gross rental income (GRI, Total Share) increased by 3.6% to €303.7 million in the first quarter compared with the same period last year. The progression reflects sound like-for-like rental growth (including a +1.2% impact from indexation) and the contribution from the development projects at Val d'Europe and Hoog Catharijne, as well as the contribution from Nueva Condomina in Spain, which was acquired last May. Disposals completed in 2017 and early 2018 reduced shopping centers GRI by 1.8%.

GRI from other retail properties amounted to €6.4 million in the first quarter, a 12.2% decrease compared to the same period last year, reflecting the impact of recent disposals.

Management, administrative and related income (fees) increased by 6.5% to €21.5 million, mainly reflecting higher development fees.

Total revenues for the first quarter of 2018 increased by 3.4% year-on-year to €331.5 million.

Net rental income

During the first quarter of 2018, net rental income generated by shopping centers totaled €261.0 million, up 3.6% year-on-year on a current basis, and 3.0% on a like-for-like basis,[(2)] benefiting from strong reversion as well as indexation (+1.2%).

Retailer sales

On a like-for-like basis,[(3)] total retailer sales at Klépierre malls rose by 2.0% in the first quarter of 2018, outperforming aggregated national retailer sales indices by 80 basis points.[(4)]

On a geographic basis, retailer sales in Iberia increased by 6.4% (+5.3% in Spain; +9.8% in Portugal), as they continued to benefit from buoyant economic conditions; recent re-tenanting initiatives also boosted the shopping centers' performance. In Germany, retailer sales accelerated in the first quarter (+3.3% vs. +1.9% in 2017), supported by the successful repositioning of both Forum Duisburg (near Dusseldorf; +6.0%) and Centrum Galerie (Dresden; +4.8%), exemplified by the introduction of a 3,000-sq.m. Zara store under its latest concept in each mall. In France, retailer sales rose strongly (+3.4%), thanks to the performance of newly renovated shopping centers including Val d'Europe (Paris area) and Jaude (Clermont-Ferrand) and despite the negative impact of harsh weather conditions in the first quarter of this year. Retailer sales in Italy (−2.3%) were particularly impacted by pre-election uncertainty, poor weather conditions and, to a lesser extent, new competition (Verona).

On a segment basis, health & beauty (+6.9%) and food & beverage (+7.5%) continued to grow steadily, reflecting both the structural outperformance of these segments and Klépierre's moves to introduce the most successful brands. Similarly, sporting goods sales grew by 8.0%, sustained by the ongoing expansion of retailers such as JD Sports, Nike and Decathlon. As previously mentioned, harsh weather conditions in the quarter had a negative impact on fashion sales (−1.3%), notably in France and Italy.

Leasing activity

In the first quarter of 2018, leasing activity remained dynamic, with 473 deals signed. The €7.8 million in additional minimum guaranteed rents includes €3.8 million from renewed or re-let spaces.

As in 2017, Klépierre's focus on key account management generated strong deal flow with major international retailers. These retailers are implementing their latest store formats, which are expected to translate into further retailer sales outperformance.

Medical and paramedical services are gaining traction in Klépierre's shopping centers throughout Europe. For the full-year 2017, Klépierre signed 21 leases for beauty centers, pharmacies, and medical centers in 6 countries. Since the beginning of 2018, 17 leases (9,200 sq.m.; 6 countries) have already been signed, including a clinic at Espaço Guimarães (4,000 sq.m. on a former vacant unit) and the largest pharmacy in France (a 2,400-sq.m. Espace Coty in Le Havre).

On a geographic basis, leasing activity in France remained strong. This was particularly the case at Saint-Lazare in Paris, where the ongoing re-leasing campaign generated strong reversion, thanks to the introduction of 11 new retailers including Nespresso, Foot Locker, Rituals, Levi's and Kiehl's (L'Oréal Group). At Nice TNL, Décathlon recently opened a 5,000-sq.m. store.

In Denmark, following the recent revamping of the food area and the opening of a 9-screen cinema at the Field's mall in Copenhagen, Zara recently opened a 2,800-sq.m, and a 3,700-sq.m. Bounce Trampoline Park will open in June 2018. Elsewhere in Scandinavia, 12,000 sq.m. were signed with H&M (8 stores) while Normal (a brand offering the best of convenience) will open four stores in Sweden and Norway.

In Germany, the retail mix continues to improve with the arrival of trendy international retailers. In the second half of 2018, Boulevard Berlin will welcome Maisons du Monde (1,500 sq.m. on a former vacant unit) and Vapiano (925 sq.m.), while H&M will open an enlarged, 2,900-sq.m. store at Forum Duisburg near Dusseldorf.

Lastly, deal flow in Italy (70 leases) and Iberia (44 leases) remained robust with the ongoing renewal and re-leasing campaign at Campania in Naples (8 deals), La Gavia in Madrid (6 leases) and Nueva Condomina in Murcia, Spain (5 leases).

DEVELOPMENT PIPELINE AND ASSET ROTATION

Pipeline

Prado

On March 29, Klépierre opened Prado, a spectacular new, 23,000-sq.m. mall in central Marseille, on time and on budget. This unique shopping venue has proven to be an immediate success. The mall is nearly fully let, with 96% of the total surface area leased or under advanced negotiations. Anchored by a four-story 9,400-sq.m. Galeries Lafayette flagship store, Prado also features popular brands such as Zara (3,300 sq.m.), Repetto, Lacoste, Tesla, Pandora, Etam, Courir, Lush and Pellegrin et Fils. In addition to the diversified retail offering, the mall will provide customers with unique food and dining options, including a 2,300-sq.m. Auchan Gourmand concept store, and trendy restaurants such as Factory & Co, Big Fernand burgers or Mavrommatis.

Hoog Catharijne

The redevelopment project of Hoog Catharijne, in the Netherlands at Utrecht, is advancing according to plan. The new grand entrance linking the mall to Utrecht's central station (88 million passengers per year) opened in February 2018. The North Mile is now fully let, with new flagship stores such as Lush, Douglas, G-Star and HKMX, as well as an extensive and unrivalled food offering, including Five Guys, Wagamama, Vapiano, Illy Café, Leon, Two Tigers, The Burger Federation and an upscale seafood bar.

Works at the South Mile are ongoing and should be completed in the first-half of 2019. Leasing is progressing well, building up on the success of the North Mile (+11.7% footfall, or 2.5 million additional visitors).

Créteil Soleil

Renovation and extension works (€134-million investment) started at Créteil Soleil at the end of January and are expected to be completed in 2020. This project aims to completely refurbish the shopping center and connect it to the subway station, as well as create 11,000 sq.m. in additional retail space.

Disposals

In the first quarter of 2018, Klépierre completed €301 million(5) of disposals across Europe (mainly Vitrolles in France; Roncali in Cologne, Germany; Gran Via de Hortaleza in Spain). The disposals were made at an average EPRA Net Initial Yield of 5.0%, slightly above their latest appraised values.

DEBT POSITION AND FINANCING

As of March 31, 2018, Klépierre's consolidated net debt amounted to €8.7 billion, approximately €300 million lower than the level at December 31, 2017. This reduction reflects the recent disposals and the cash flow generated in the first quarter, which more than offset capital expenditures for development and the repurchase of shares. Since the beginning of 2018, Klépierre has repurchased 1,425,440 of its own shares at an average price of €35.07 per share, for a total of €50 million. Since the €500-million share buyback program was announced in March 2017,(6) the Group repurchased shares for €400 million.(7)

In the first quarter of 2018, Klépierre's average debt duration remained stable at 6.2 years, while the net cost of debt continued to decrease below 1.8%. The Group's liquidity position remained strong at €2.4 billion.

OUTLOOK CONFIRMED

In 2018, Klépierre expects to generate net current cash flow per share of between €2.57 and €2.62, assuming stable or lower net debt.

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[1] All the figures disclosed in this press release have not been audited.
[2] Like-for-like excludes the contribution of new spaces (acquisitions, greenfield projects or extensions), spaces being restructured, disposals completed in 2017, and foreign exchange impacts.
[3] Like-for-like change is on a same-center basis and excludes the impact of asset sales, acquisitions and foreign exchange.
[4] Klépierre retailer sales growth at the end of February 2018 vs. national sales indices for France, Italy, Norway, Sweden, Denmark, Spain, Poland, Czech Republic, Hungary, Turkey and Germany. Weighted by Klépierre's retailer sales geographical mix.
[5] Total Share, excluding transfer taxes.
[6] For more information, please refer to the press release published on March 13, 2017, available on **www.klepierre.com**
[7] Corresponding to 11,186,864 shares at an average price of €35.76

RETAILER SALES
FIRST QUARTER 2018 VS FIRST QUARTER 2017

Countries	**Like-for-like change[a]**	**Share in total reported retailer sales**
France	+3.4%	30%
Belgium	−3.0%	2%
France-Belgium	**+3.1%**	**32%**
Italy	**−2.3%**	**26%**
Norway	−0.6%	8%
Sweden	+1.4%	7%
Denmark	−1.8%	4%
Scandinavia	**−0.2%**	**19%**
Spain	+5.3%	8%
Portugal	+9.8%	3%
Iberia	**+6.4%**	**11%**
Poland	+0.1%	3%
Hungary	−0.1%	1%
Czech Republic	+7.7%	2%
Turkey	+11.3%	2%
CEE and Turkey	**+4.6%**	**8%**
The Netherlands[b]	**n.s.**	**n.s.**
Germany	**+3.3%**	**3%**
TOTAL	**+2.0%**	**100%**

Segments	**Like-for-like change[a]**	**Share in total reported retailer sales**
Fashion	−1.3%	38%
Culture, gift, and leisure	+3.6%	17%
Health & Beauty	+6.9%	13%
Food & Beverage	+7.5%	12%
Household equipment	+1.0%	12%
Others	+0.6%	9%
TOTAL	**+2.0%**	**100%**

(a) Like-for-like change is on a same-center basis and excludes the impact of asset sales, acquisitions and foreign exchange.
(b) Only a few Dutch retailers report their sales to Klépierre.

TOTAL REVENUES

	Total share		Group share	
In € millions	Q1 2018	Q1 2017	Q1 2018	Q1 2017
France	105.7	100.4	86.5	82.7
Belgium	4.5	4.4	4.5	4.4
France-Belgium	**110.3**	**104.8**	**91.0**	**87.1**
Italy	**53.0**	**51.8**	**52.2**	**51.0**
Norway	17.8	18.5	10.0	10.4
Sweden	15.0	16.0	8.4	9.0
Denmark	14.1	14.2	7.9	8.0
Scandinavia	**46.8**	**48.8**	**26.2**	**27.4**
Spain	27.9	22.8	27.9	22.0
Portugal	5.9	5.5	5.9	5.5
Iberia	**33.8**	**28.3**	**33.8**	**27.5**
Poland	8.7	8.8	8.7	8.8
Hungary	6.1	5.5	6.1	5.5
Czech Republic	8.4	7.5	8.4	7.5
Turkey	6.2	8.2	5.5	7.6
Others	0.8	0.7	0.7	0.7
CEE and Turkey	**30.2**	**30.8**	**29.4**	**30.1**
The Netherlands	**16.6**	**15.0**	**16.6**	**15.0**
Germany	**13.1**	**13.6**	**12.5**	**13.0**
GROSS RENTAL INCOME - SHOPPING CENTERS	**303.7**	**293.2**	**261.7**	**251.2**
Other retail properties	6.4	7.3	6.4	7.3
TOTAL GROSS RENTAL INCOME	**310.0**	**300.4**	**268.1**	**258.4**
Management, administrative and related income (fees)	21.5	20.2	20.5	19.2
TOTAL REVENUES	**331.5**	**320.6**	**288.5**	**277.7**
Equity Accounted Investees*	21.1	22.3	20.2	21.2

* Contributions from Equity Accounted Investees include investments in jointly-controlled companies and investments in companies under significant influence.

QUARTERLY REVENUES ON A TOTAL-SHARE BASIS

	2018	2017			
In € millions	Q1	Q4	Q3	Q2	Q1
France	105.7	104.9	106.6	108.1	100.4
Belgium	4.5	4.6	4.4	4.7	4.4
France-Belgium	**110.3**	**109.5**	**110.9**	**112.8**	**104.8**
Italy	**53.0**	**53.2**	**52.6**	**52.6**	**51.8**
Norway	17.8	17.9	18.1	17.9	18.5
Sweden	15.0	15.2	15.4	15.8	16.0
Denmark	14.1	14.7	14.5	14.3	14.2
Scandinavia	**46.8**	**47.8**	**47.9**	**47.9**	**48.8**
Spain	27.9	27.1	27.3	24.4	22.8
Portugal	5.9	5.5	5.6	5.4	5.5
Iberia	**33.8**	**32.6**	**32.9**	**29.8**	**28.3**
Poland	8.7	8.5	8.3	8.4	8.8
Hungary	6.1	6.1	5.7	5.3	5.5
Czech Republic	8.4	8.0	7.7	7.6	7.5
Turkey	6.2	8.3	9.0	8.4	8.2
Others	0.8	1.1	0.5	0.7	0.7
CEE and Turkey	**30.2**	**32.0**	**31.3**	**30.4**	**30.8**
The Netherlands	**16.6**	**16.4**	**16.8**	**16.5**	**15.0**
Germany	**13.1**	**13.4**	**13.6**	**13.7**	**13.6**
GROSS RENTAL INCOME - SHOPPING CENTERS	303.7	305.0	306.2	303.7	293.2
Other retail properties	6.4	6.6	6.6	7.6	7.3
TOTAL GROSS RENTAL INCOME	310.0	311.6	312.7	311.3	300.4
Management, administrative and related income (fees)	21.5	24.1	18.6	22.7	20.2
TOTAL REVENUES	331.5	335.7	331.3	333.9	320.6

AGENDA

July 26, 2018 First-half 2018 earnings (press release prior to market opening)

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ABOUT KLÉPIERRE

Klépierre, the owner and operator of the leading shopping center platform in Europe, combines development, property and asset management skills. The company's portfolio is valued at €23.8 billion at December 31, 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 available on the Klépierre website: **www.klepierre.com**