



KLEPIERRE ACHIEVED AN INVESTMENT VOLUME OF €754 MILLION IN 2006

Klépierre invested 754 million euros in 2006, an amount that is substantially above the initial target of 600 million euros. The investments completed are split between shopping centers for 378 million euros (387 million euros including service companies), large retailers' property for 300 million euros, and office property for 67 million euros.

STEADY AND DIVERSIFIED DEVELOPMENT IN SHOPPING CENTERS

378 million euros invested in 7 European countries

The investments made in shopping centers in 2006 encompass a very diverse set of transactions. First of all, they are geographically diverse, since investments were made in 7 of the 10 continental European countries in which the group is present. Diversity was also achieved in terms of the type of assets acquired, since they included properties located in downtown areas, regional shopping centers and mid-sized malls. Finally, there was also diversity in terms of origin, since the acquisitions involved partners with which Klépierre has historical ties (Carrefour, Plaza Centers, Finiper) as well as local developers and owners.

In France, the opening of the Place d'Armes center, located in the heart of Valenciennes, was the culmination of a project that Ségécé kicked off in 1989, when the design phase began. The center, which for Klépierre represents an investment of 51.8 million euros overall, includes 4 mid-sized retail units (Match, Fnac, H&M and Zara) and 56 smaller retail outlets distributed over a Gross Leasing Area (GLA) of 16 000 m².

The acquisition of Toulouse Purpan was made after the shopping center's mall and Carrefour hypermarket underwent major extension work. The new center offers a total of 7 220 m² GLA and 32 retail outlets.

In addition, Klépierre increased its equity interest in the company that owns the Val d'Europe shopping center by 15% (64 046 m² of GLA), bringing its total stake to 55%.

In all, and also including expenditures related to extensions and pending projects, Klépierre invested 218.9 million euros in France last year.

In late June of 2006, Klépierre acquired Molina de Segura in Murcia (Spain), from a local developer for 29.3 million euros. Covering 10 651 m², the shopping center includes 79 retail outlets juxtaposing a Supercor supermarket.

In Czech Republic, the Novodorska Plaza shopping center was also acquired at the end of the first half of 2006, for 38.6 million euros. This 25 900 m² shopping center, which was inaugurated in March of 2006, is part of the agreement that was entered into with Plaza Centers Europe in July of 2005. It includes a Tesco hypermarket and a retail mall with 120 outlets, plus a movie theater and a bowling alley.

In Portugal, Klépierre acquired the Braga shopping center from Banco Espirito Santo. Covering 9 293 m², this center is structured around a Carrefour hypermarket and features 66 shops and 2,000 parking stalls.

Investments made in Italy (19.4 million euros) primarily concerned the extension of existing shopping centers, in particular in Giussano (opened for business in 2006, for a 9.1 million euros investment) and in Varese (5.2 million euros invested).

In Belgium, a total of 24.9 million euros was paid out (in the Louvain-La-Neuve shopping center), while 15.5 million euros were spent in Poland for additional cash payments due following rental improvements, as contractually agreed on acquisition dates.

Overall, investments made in 2006 brought the number of shopping centers owned by Klépierre in continental Europe to 236, representing total floor area of more than 2 million m² (GLA). These acquisitions will generate additional full-year rent of 19.4 million euros net (i.e., 9.9 million euros in 2006 based on acquisition dates).

An integrated management network

In buying out the minority interests in its Italian and Czech management subsidiaries (50% and 25% of equity capital, respectively) in 2006, Ségécé pursued its strategy of gaining control over its European asset management network in countries where the group is present. These acquisitions represented a total investment of 9.4 million euros in 2006.

CLOSE TO 300 MILLION EUROS INVESTED IN RETAIL PROPERTY VIA KLEMURS

Klémurs, a subsidiary in which Klépierre owns an 84.1% interest after the IPO that was carried out last December, acquired real estate ownership of 128 Buffalo Grill restaurants in France. This 299.8 million euro investment (including transfer duties and acquisition fees) is expected to generate full-year rents of 18.7 million euros net. It is also the first step in the strategic partnership agreement between Klémurs and Buffalo Grill, which also calls for the involvement of Klémurs in the development of Buffalo Grill's restaurant business in France and Europe.

OFFICES: PURSUIT OF DISPOSAL PLAN AND BUY-SIDE REPOSITIONING

In line with its opportunistic approach of the office property segment, Klépierre has resumed its position as a buyer while pursuing the disposal plan of its mature assets.

The two acquisitions made in 2006 provide a good illustration of Klépierre's positioning:

- The first one, measuring 4 000 m², is located at 7 Rue Meyerbeer, in the heart of the Paris CBD (*quartier de l'Opéra*). This first-end location should enable to generate a real upside potential in the long run.
- The second involves the purchase of an office building to be built in the ZAC Forum Seine in Issy-Les-Moulineaux, in connection with a real estate development contract or CPI (*Contrat de Promotion Immobilière*). The building, which is scheduled for delivery in late 2008, will feature nearly 12 000 m² of office space, distributed over 7 floors and more than 300 parking stalls. This project is adjacent to another building owned by Klépierre, which is currently fully occupied by Steria. The building is likely to be offered to the rental market when the timing is right cycle-wise.

Together, these two acquisitions represent an investment of 112.9 million euros, including 67.0 million euros in 2006 and 45.9 million euros spread over 2007 and 2008 in connection with the Issy-Les-Moulineaux CPI. The total amount of rents used to price these two investments is 6.7 million euros.

In parallel, 4 office property assets were sold off in 2006 (representing a total of 28 025 m²) for a total of 112.6 million euros. These assets provided a total of 3.3 million euros in rents in 2006.

OUTLOOK FOR 2007

"The fact that we have broadened the scope of our growth foundations seems to us more important than the mere investment volume achieved in 2006", stated Michel Clair, Chairman of the Executive Board of Klépierre. "Not only do we benefit from the geographic diversity and from the quality of our management and development teams in the shopping center business, but we also opened, via Klémurs, a new and very promising growth path. We are therefore very confident on Klépierre's ability, as a global player of the commercial real estate, to maintain a very high pace of investment throughout 2007."

Upcoming releases: *2006 revenues (January 24, 2007)*
 2006 earnings (February 12, 2007)

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INVESTMENTS MADE IN 2006

Total share	2005	2006	Future outlays	
	Investment outlays	Investment outlays	Total	Of which committed in 2006
	In M€	In M€	In M€	In M€
SHOPPING CENTERS	718.4	378.0	481.6	118.2
• France	194.6	218.9	132.8	95.4
- in operation	95.1	84.6		
- projects	91.4	110.3		
- others	8.1	24.0		
• Spain	45.2	30.9	136.8	2.7
- in operation	0.2	29.6		
- projects	45.0	1.3		
• Italy	244.9	19.4	18.7	13.4
- in operation	223.1	10.7		
- projects	0.0	6.5		
- others	21.8	2.2		
• Belgium	49.9	24.9	1.3	0.0
- in operation	49.9	24.9		
• Czech Republic	0.8	38.6	49.5	6.7
- in operation	0.8	38.6		
• Portugal	0.0	29.8	0.0	0.0
- in operation	0.0	29.8		
• Poland	183.0	15.5	143.5	0.0
- in operation	183.0	15.5		
• Other (Hungary, Greece, Slovakia)	0.0	0.0	0.0	0.0
RETAIL PROPERTY	0.0	299.8	0.0	0.0
OFFICES	0.0	67.0	45.9	45.9
SERVICE COMPANIES	1.2	9.4	0.0	0.0
TOTAL <i>o/w projects</i>	719.6 <i>136.4</i>	754.2 <i>118.1</i>	526.5	164.1

PRINCIPAL ACQUISITIONS IN OPERATION MADE IN 2006

COUNTRY	Location	Date	Floor area acquired (m ² *)	Klépierre share of ownership	Description of shopping center acquired
SHOPPING CENTERS					
France	Valenciennes Place d'Armes	04/18/2006	15 739	100%	Downtown 4 mid-sized retail units (Match, Fnac, H&M, Zara), 56 small outlets, 450 parking stalls
	Toulouse Purpan	10/26/2006	7 220	83%	32 retail outlets, including Intersport, Cafeteria Eris, Quicksilver, Armand Thierry and Marionnaud, 1,800 parking stalls
Spain	Molina de Segura	06/30/2006	10 651	100%	Supercor supermarket, 79 retail outlets (including Zara), 600 parking stalls
Czech Republic	Novordorska Plaza	06/29/2006	25 900	100%	Tesco (6 300 m ²), 120 retail units, Cinéma City (5 projection rooms), Fantasy Park bowling, 870 parking stalls
Portugal	Braga	12/28/2006	9 293	100%	Open since 1998. Carrefour hypermarket, 66 retail outlets, including Toys R Us, 2 000 parking stalls on two levels
RETAIL PROPERTY					
France	Buffalo Grill	12/18/2006	79 693	84.1%	128 restaurants located in 20 French regions.
OFFICES					
France	7 rue Meyerbeer - Paris	12/29/2006	4 000	100%	Hausmanian style building in the heart of the <i>quartier de l'Opéra</i> , 2 below-ground levels of retail and office space

DISPOSALS OF PROPERTIES IN 2006

	Floor area in m ² *
OFFICES: 4 assets sold for a total of 112.6 million euros	
Saint-Maurice 94 - 3/5, avenue du Chemin de Presles	9 885
Paris 17 ^e - 140/144, Bd Malesherbes	7 156
Levallois-Perret 92 - Front de Paris - Îlot 5	9 988
Vélizy 78 - 8, rue des frères Caudron	993
RETAIL SPACE: several retail units sold for a total of 2.4 million euros	
Several retail units	1 148

* GLA for shopping centers, weighted leasing area for offices

PORTFOLIO OF SHOPPING CENTERS ON **12.31.2006** ⁽¹⁾

Country	Number of centers owned	Total m ²
France	105	932 356
Spain	70	277 514
Italy	32	278 060
Greece	4	23 782
Belgium	1	52 219
Slovakia	1	12 244
Portugal	5	91 983
Czech Republic	2	64 279
Hungary	12	168 464
Poland	4	99 655
TOTAL	236	2 000 556

(1) Does not include projects currently under construction