2013
ANNUAL REPORT

HIGH STANDARDS AND **EXCELLENCE**

ONLY@KLEPIERRE

AT THE HEART **OF REGIONS**

LEADING CENTERS IN EUROPE

KLEPIERRE

LOCATED IN THE MOST DYNAMIC RETAIL CATCHMENT AREAS IN EUROPE, KLEPIERRE CENTERS HAVE ACCESS TO 80 MILLION EUROPEAN CONSUMERS.

CONTENTS

PROFILE

Klépierre is a pure player in the continental European shopping center segment, with a property portfolio valued at 16 billion euros. The Group has created or redeveloped these assets itself, transforming them into pivotal retail leaders in the heart of their catchment area. In all, they attract a billion visitors each year.

Relying on its workforce of 1 346 employees and their combined expertise in development, rental property management, and asset management, Klépierre has gradually positioned itself in those regions of Europe identified as the most dynamic and buoyant in France, in Belgium, in Scandinavia, and in Northern Italy, as well as in the major capitals of Europe. By actively rotating the assets in its portfolio, Klépierre has successfully bolstered its presence in these regions, developing shopping centers that are increasingly of premium quality, compliant with the most stringent environmental standards, and seamlessly integrated into the regions in which they are located.

Places where people interact and experience life, Klépierre's shopping centers appeal to innovative retail brands looking for singular locations. They attract customers who are looking for a retail mix that changes ahead of the times, and who are won over by the unique combination of the one-of-a-kind shopping experiences Klépierre invents for them and the attentive customer care it delivers to them.

CRÉTEIL SOLEIL

VAL D'EUROPE

FIELD'S

EMPORIA

BLAGNAC

RIVES D'ARCINS

BRUUN'S GALLERI

L'ESPLANADE

ARCADES

LES SENTIERS
DE CLAYE-SOUILLY

ODYSSEUM

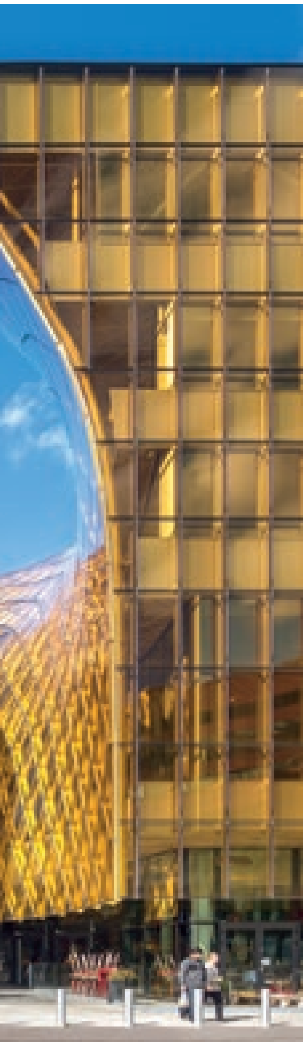
LA GAVIA

NOVÝ SMÍCHOV

ST.LAZARE PARIS

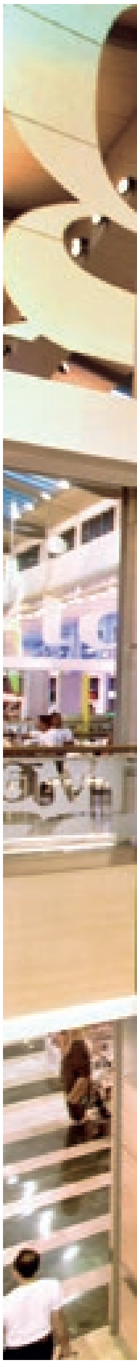
ALLUM

LANDMARK SHOPPING CENTERS



↑ **EMPORIA**
(Malmö, Sweden)
This center, with its emblematic architecture, opened in October of 2012 with the most complete and original retail mix of the Øresund region.

ST. LAZARE PARIS (Paris, France) ↑
A truly unique retail space in the heart of Paris, inaugurated in March of 2012, inside a station that welcomes close to 500 000 travelers and commuters daily.



↓ **NOVÝ SMÍCHOV** (Prague, Czech Republic)
A dominant center in the downtown areas of the Czech capital, attracting nearly 20 million visitors a year with a merchandising mix that was thoroughly renewed in 2012 and 2013.

↑ **LA GAVIA** (Madrid, Spain)
The leading retail hub of the Spanish capital, whose rents, retailer sales and footfall have grown steadily since it opened in 2008.

15 TOP ASSETS

1. **Créteil Soleil**
(Paris area, France)
18 million visitors.
221 stores. 125 500 sq.m.

2. **Val d'Europe**
(Paris area, France)
16 million visitors.
140 stores. 98 400 sq.m.

3. **Field's**
(Copenhagen, Denmark)
7 million visitors.
152 stores. 91 340 sq.m.

4. **Emporia**
(Malmö, Sweden)
6 million visitors.
210 stores. 68 300 sq.m.

5. **Blagnac**
(Toulouse, France)
7 million visitors.
122 stores. 48 200 sq.m.

6. **Rives d'Arcins**
(Bordeaux, France)
6 million visitors.
155 stores. 53 480 sq.m.

7. **Bruun's Galleri**
(Århus, Denmark)
11 million visitors.
105 stores. 36 680 sq.m.

8. **L'esplanade**
(Brussels area, Belgium)
8 million visitors.
132 stores. 55 680 sq.m.

9. **Arcades**
(Paris area, France)
17 million visitors.
160 stores. 63 000 sq.m.

10. **Les Sentiers de Claye-Souilly**
(Paris area, France)
6 million visitors.
125 stores. 61 150 sq.m.

11. **Odysseum**
(Montpellier, France)
6 million visitors.
116 stores. 71 750 sq.m.

12. **La Gavia**
(Madrid, Spain)
13 million visitors.
165 stores. 82 790 sq.m.

13. **Nový Smíchov**
(Prague, Czech Republic)
19 million visitors.
162 stores. 57 190 sq.m.

14. **St.Lazare Paris**
(Paris, France)
120 million visitors.
80 stores. 11 920 sq.m.

15. **Allum**
(Gothenburg, Sweden)
6 million visitors.
116 stores. 61 700 sq.m.

"KLEPIERRE WILL BE TRANSFORMED INTO A MORE NIMBLE COMPANY, WHICH FOCUSES ON THE BEST RETAIL PROPERTIES IN THE MARKETS WHERE THEY ARE LOCATED, AS IT HAS ALSO IMPROVED ITS BALANCE SHEET AND OPERATING COST STRUCTURE."

DAVID SIMON,
CHAIRMAN OF THE SUPERVISORY BOARD

Klépierre is in an excellent position, financially and operationally, as a result of the implementation of our strategy that focuses our business on retail shopping centers, implementation of a rigorous capital allocation philosophy and an emphasis on increasing operating efficiency at our properties. In addition, we have continued to enhance many of our properties and customers receive elevated service and satisfaction.

An example of the execution of our strategy is best seen through our agreement to sell 127 shopping malls to a group formed by Carrefour. This transaction is expected to be completed during the first half of 2014. Klépierre will be transformed into a more nimble company which focuses on the best retail properties in the markets where they are located, as it has also improved its balance sheet and operating cost structure. This transaction will allow Klépierre to continue with enhancing long-term shareholder value through growth.

Klépierre performed well in 2013 despite the economic difficulties that we were faced with in many of the countries where we operate. We believe that this proves our resilience in challenging business and consumer environments and that our properties remain a highly desirable and relevant retail platform in the future.

The Supervisory Board is proud of the 2013 financial results and operating accomplishments that were achieved by the hard work of many, and we look forward to continuing with Klépierre's strategy become one of the top retail real estate company in Europe.

LAURENT MOREL,
CHAIRMAN OF THE EXECUTIVE BOARD

"KLEPIERRE IS PURSUING ITS PORTFOLIO RESHAPING WITH THE AIM OF FURTHER STRENGTHENING THE APPEAL OF ITS OFFERING AND ITS COMPETITIVE EDGE. MORE THAN EVER, WE ARE CONVINCED OF THE RELEVANCE AND POTENTIAL OF OUR ECONOMIC MODEL."

Our business is changing more rapidly than ever and also becoming more polarized. Differences in demographic growth between the various consumption areas in Europe are becoming more pronounced as well. The top-performing retailers are those that have shown a remarkable degree of commercial vitality. The new forms of digital interaction with consumers are a source of unlimited potential.

Against this backdrop, Klépierre is pursuing its transformation, the aim of which is to further strengthen the appeal of its offering and its competitive edge. In 2013, we combined our operations under a single identity, launched our teams on a quest for performance, and enhanced our commercial skills. Taking inspiration from the practices of the Simon Property Group, we multiplied the marketing initiatives launched in our centers. In the area of sustainable development the ratings of Klépierre strongly progressed. Our efforts were devoted to improving the monitoring of our performances and, by means of a materiality assessment, setting out our challenges and objectives for the coming years.

We exceeded the objective of our asset disposal program for 2012-2013, including the disposal of all of our office properties completed under good conditions. In addition, the successful openings of the extensions at Rives d'Arcins in Bègles and the Jaude Center in Clermont-Ferrand confirm our capacity to create high quality assets.

But the most important event for Klépierre in 2013 was the signature of the memorandum of understanding with Carrefour on the sale of 127 shopping malls. The closing of this transactionexpected in 2014, would enable us to step up the effort to reposition our portfolio on destination shopping centers located in the most dynamic regions, while raising our financial profile thanks to a significant improvement in our debt gearing, which would open the door to new prospects for growth.

In other words, Klépierre's performance for the year is positive: we achieved our financial targets, our portfolio is increasingly homogenous, and we have enhanced our ability to capitalize more efficiently on our expertise in shopping center management and development. We continue to make further improvements in the quality and profitability of our operations. And we are working hand in hand with our retailers to constantly upgrade the appeal of our overall retail mix, by continuously adapting it to the tastes and needs of consumers.

THE **EXECUTIVE BOARD**

The Executive Board is responsible for managing Klépierre's operations, assisted by the Executive Committee.

JEAN-MICHEL GAULT
Deputy CEO
Member of the Executive Board

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.

54 years old – A graduate of the École supérieure de commerce de Bordeaux

LAURENT MOREL
Chairman of the Executive Board

Laurent Morel has served as Chairman of the Klépierre Executive Board since January 1, 2009, and has been a member of the Executive Board since June 2005, the year he joined the Group to lead its Shopping Center Division. 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 the United Kingdom.

52 years old – Engineering degree from the École centrale de Paris

JEAN-MARC JESTIN
Chief Operating Officer
Member of the Executive Board

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.

46 years old – A graduate of HEC

THE **EXECUTIVE COMMITTEE**

This Committee, that gathers the members of the Executive Board and the 7 main executives of the Company, takes part in developing strategy. It meets at least weekly.

GUILLAUME LAPP
Managing Director French Shopping Center Division
Member of the Executive Committee
since August 26, 2013

BERNARD DESLANDES
Chief Development Officer
Member of the Executive Committee
since April 1, 2008

SANDRINE QUESNEL
Chief Communication and Marketing Officer
Member of the Executive Committee
since February 1, 2012

MARIE-THÉRÈSE DIMASI
Chief Legal and Human Resources Officer
Membre of the Executive Committee
since April 1, 2008

GONTRAN THÜRING
Chief Leasing Officer
Member of the Executive Committee
since January 1, 2012

FRÉDÉRIC DE KLOPSTEIN
Chief Investment Officer
Member of the Executive Committee
since April 1, 2008

BRUNO VALENTIN
Deputy Chief Financial Officer
Member of the Executive Committee
since April 1, 2008

THE
SUPERVISORY BOARD

The role of the Supervisory Board is to oversee the management of the Company by its Executive Board, which report to the Supervisory Board on strategy and business on a quarterly basis. In order to accomplish its mission and ensure that the shareholders' interests are protected the Supervisory Board relies on the works of 4 special-purpose committees: the Investment Committee, the Audit Committee, the Nomination and Compensation Committee and the Sustainable Development Committee.

10
MEETINGS IN 2013

93.3%
ATTENDANCE RATE

DAVID SIMON
Chairman of the Supervisory Board
Chairman of the Investment Committee

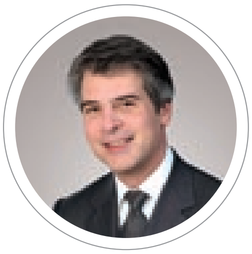
VIVIEN LÉVY-GARBOUA
Vice-Chairman
of the Supervisory Board

DOMINIQUE AUBERNON
Member of the Supervisory Board

BERTRAND DE FEYDEAU
Chairman of the Nomination
and Compensation Committee
Independent director

STEVEN FIVEL
Chairman of the Sustainable
Development Committee

BERTRAND JACQUILLAT
Chairman of the Audit Committee
Independent director



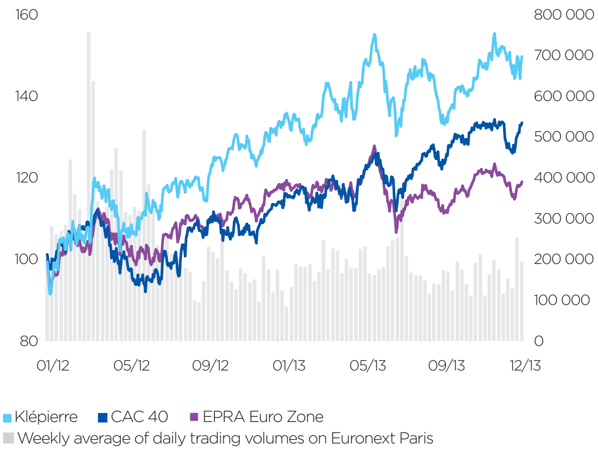
FRANÇOIS KAYAT
Member of the Supervisory Board

CATHERINE SIMONI
Member of the Supervisory Board
Independent director

ROSE-MARIE VAN LERBERGHE
Member of the Supervisory Board
Independent director

Stock performance

KLEPIERRE SHARE PERFORMANCE OVER TWO YEARS



Source: Thomson Reuters (base 100 at 12/30/2011).

STOCK INFORMATION

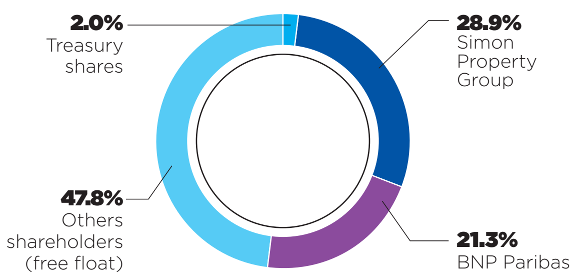
ISIN Code	FR0000121964
Mnemonic Code	LI
Market	Euronext Paris - Compartment A
Number of shares	199 470 340
Indexes	SBF80, SBF120, SBF250, EURONEXT 100, SIIC. FRANCE, CAC ALL SHARES, CAC FINANCIALS, CAC REAL ESTATE, DJ STOXX 600, EPRA Euro Zone, GPR 250 Index
Sustainable development indexes	DJSI World and Europe, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo France 20, Eurozone 120 and World 120

	2006	2007	2008	2009	2010	2011	2012	2013
Close price (in euros)	46.37	34.01	17.50	28.39	27.00	22.04	30.02	**33.69**
Year-on-year change (%)	+80.4%	-26.6%	-48.6%	+62.2%	-4.9%	-18.4%	+36.2%	**+12.2%**
Change in CAC 40 index	+17.5%	+1.3%	-42.7%	+22.3%	-3.3%	-17.0%	+15.2%	**+18.0%**
Change in EPRA Euro Zone index	+45.5%	-26.5%	-45.4%	+34.4%	+8.8%	-18.4%	+21.8%	**+1.7%**

Source: Thomson Reuters.

Shareholder base

SHAREHOLDER BREAKDOWN



Klépierre's largest shareholders are Simon Property Group, world leader in the shopping center industry, and BNP Paribas. Half of the capital is free float, mainly held by institutional investors.

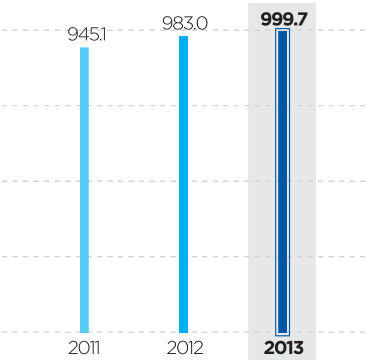
2014 FINANCIAL COMMUNICATION AGENDA

2013 Full Year Earnings(1)	February 3, 2014
General Meeting of shareholders	April 10, 2014
Ex-dividend date(2)	April 14, 2014
Record date(2)	April 16, 2014
Dividend payment(2)	April 17, 2014
2014 1st Quarter Revenues(1)	April 23, 2014
2014 Half Year Earnings(1)	July 21, 2014
2014 3rd Quarter Revenues(1)	October 22, 2014

(1) Press release after market close.
(2) Submitted to a vote of the shareholders at their April 10, 2014 General Meeting.

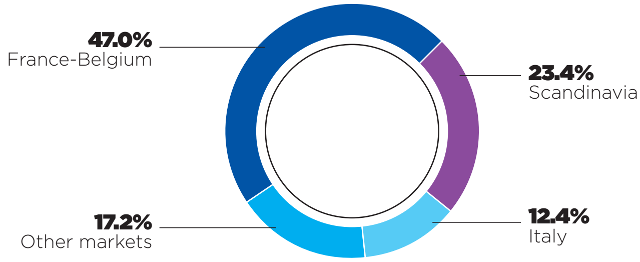
Operating and financial performances

GROSS RENTS
(total share, in millons of euros)

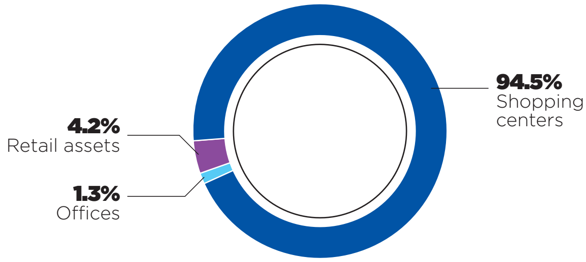


Gross rents are up by 1.7% over 2013, new developments and the combined impact of reversion and indexation more than offset rental loss due to 2012-2013 disposals.

BREAKDOWN **BY AREA**
(total share, in % of gross rents)



BREAKDOWN **BY ACTIVITIES**
(total share, in % of gross rents)



16.0 billion euros

VALUE OF THE **PORTFOLIO** (total share, excluding duties)

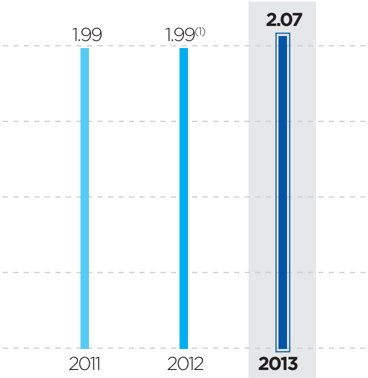
256

SHOPPING CENTERS

1 billion

VISITORS IN 2013

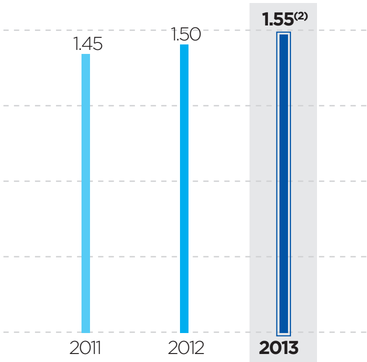
NET CURRENT CASH FLOW
(in euros per share)



(1) Creation of 9 822 100 new shares on May 21, 2012 (scrip dividend).

Net current cash-flow per share is up by 3.8% over the year, in line with the objectives stated.

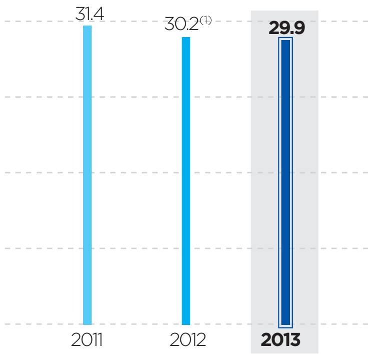
DIVIDEND
(in euro per share)



(2) Submitted to a vote of the shareholders at their April 10, 2014 general meeting.

The proposed dividend (+3.3% vs. the amount per share paid in respect of fiscal year 2012) corresponds to a pay-out ratio of 77% of group share net current cash flow.

EPRA NNNAV
(in euros per share)



The positive impact of the 2013 cash flow on EPRA NNNAV (+2.1 euros per share) was neutralized by the dividend payment in respect of fiscal year 2012 (-1.5) and the valuation of the portfolio (-0.6) in connection with the projected transaction with Carrefour.

1.3 billion euros

DISPOSALS
COMPLETED IN 2012-2013

3.0 billion euros

2014-2018
DEVELOPMENT PIPELINE

1346

EMPLOYEES

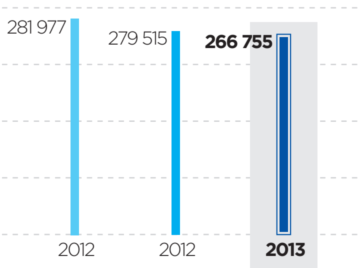
4297

RETAIL TENANTS

Environmental data

133 **KWH/SQ.M.** AND 0.64 **KWH/VISIT** IN 2013

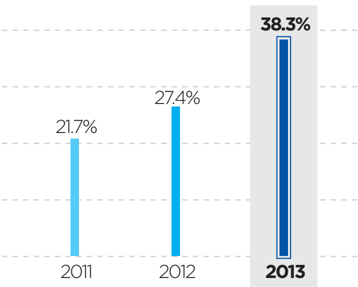
ELECTRICITY CONSUMPTION,
DOWN BY 5.4% BETWEEN 2011 AND 2013
(constant portfolio, in MWh)



15.2 million kWh avoided on electricity consumptions between 2011 and 2013, attesting to the Group's genuine operational performance.

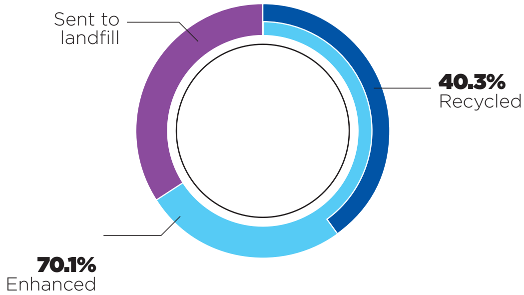
8.3 **MILLION EUROS** IN ACCUMULATED SAVINGS ON ENERGY BILL OVER 5 YEARS

37 CENTERS CERTIFIED AS OF YEAR-END 2013



Percentage of holdings certified (value)

MORE THAN **40% OF WASTE IS RECYCLED** AND **70% ENHANCED**



Breakdown of waste by destination

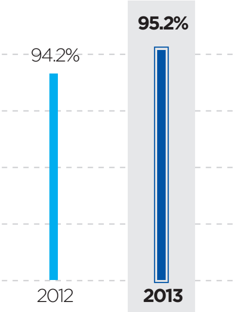
Societal data

223 **MILLION EUROS WORTH OF PROCUREMENTS** FOR ASSETS MANAGED BY THE GROUP, 63% OF WHICH INVOLVE PROVIDERS THAT ARE PRESENT ONSITE DAILY

48.7 **MILLION EUROS** IN LOCAL TAXES PAID IN 2013 BY GROUP SHOPPING CENTERS

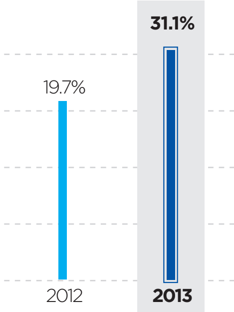
Employment data

1 346 EMPLOYEES, MORE THAN 95% OF TOTAL WORKFORCE, EMPLOYED UNDER OPEN-ENDED CONTRACTS



Employees working under open-ended contracts as a % of workforce
The increase in the percentage of the workforce hired under open-ended employment contracts illustrates the desire of the organization to build long-term relationships with its employees, in the interest of promoting career development.

THE SHARE OF WOMEN IN MIDDLE MANAGEMENT POSITIONS INCREASED BY 58%



Women in middle management, by %
By offering more women access to middle management positions, the Group enables them to evolve and advance within the Company.

7%

OF THE WORKFORCE BENEFITED FROM IN-HOUSE MOBILITY IN 2013

The Group continues to promote in-house mobility, in the interest of developing the competencies of its employees.

2183 hours

OF TRAINING IN 2013

37%

OF THIS TRAINING WAS COMPLETED UNDER THE AUSPICES OF KLEPIERRE UNIVERSITY AND TAUGHT BY EMPLOYEES

AROUND

90000

JOBS RESULTING FROM ACTIVITY GENERATED BY GROUP SHOPPING CENTERS

53%

OF ALL VISITS TO SHOPPING CENTERS VIA PUBLIC TRANSPORTATION OR SOFT TRANSPORTATION FOR CENTERS OPEN DURING THE LAST FIVE YEARS

EPRA 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).

EPRA EARNINGS
(in millions of euros)

2013	**384.9**
2012	365.2
2011	357.2

Measure of the underlying operating performance of an investment property company excluding changes in fair value, investment property disposals and limited other items that are not considered to be part of the core activity of an investment property company.

EPRA NET INITIAL YIELD
(in %)

	Retail assets	Shopping centers
2012	6.6	5.7
2013	6.6	**5.6**

Retail assets Shopping centers

Ratio calculated as the annualized rental income based on the cash rents passing at the balance sheet date (but adjusted as set out below), less non-recoverable property operating expenses, divided by the gross market value of the property.

EPRA "TOPPED-UP" NET INITIAL YIELD
(in %)

	Retail assets	Shopping centers
2012	6.6	5.9
2013	6.6	**5.8**

Retail assets Shopping centers

Ratio calculated by making an adjustment to EPRA Net Initial Yield in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent free periods and step rents).

EPRA NAV
(in millions of euros)

2013	**6300**
2012	6634
2011	6226

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. For this reason, deferred taxes on property revaluations and the fair value of deferred tax liabilities, debt, and financial instruments are excluded as the investment property is not expected to be sold and the tax liability is not expected to materialize.

EPRA NNNAV
(in millions of euros)

2013	**5837**
2012	5903
2011	5808

Indicator similar to EPRA NAV except it includes the fair value of deferred tax liabilities, debt, and financial instruments.

EPRA VACANCY RATE

3.3%

Ratio 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). The vacancy rate is calculated for the shopping center portfolio as of December 31, 2013.

EPRA COST RATIO

16.4%
EXCLUDING DIRECT VACANCY COSTS

18.2%
INCLUDING DIRECT VACANCY COSTS

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 administration expenses (excluding exceptional items) as a percentage of gross rental income.

FOR MORE INFORMATION
on EPRA performance indicators, read pages 90 and following

A MUCH STRONGER FINANCIAL PROFILE

Klépierre continued to reinforce its financial profile in 2013, an objective initially set at the beginning of 2012, and which the Group is in the process of achieving through an ambitious asset disposal program and active management of its financing.

After first stating an objective of 1 billion euros worth of disposals over the 2012-2013 period, total asset sales reached 1.3 billion euros following the disposal in November 2013 of four shopping centers in Norway. Finalized at or above their most recently appraised values, these transactions attest to the quality of the portfolio and demonstrate the high level of investor interest in the Group's assets.

Going for an A credit rating

In line with its strategy, the Group has nearly completed its exit from the Office property business and has begun a process of gradual disengagement from the

Klépierre is ready to join the highly select circle comprised of the world's most solid real estate companies.

Retail segment (3.6% of its portfolio). The memorandum of understanding signed with Carrefour in late 2013 *(see inset)*, consistent with its strategy of repositioning the Group in better targeted assets, further accelerates the upgrade in its financial profile. It should enable Klépierre, which is seeking an A rating from Standards & Poor's – it currently has a rating of BBB+ – to acquire one of the best credit ratings among its peers once the transaction is completed. Eventually, this transaction could offer the Group new growth prospects, whether these entail financing its development pipeline or making targeted acquisitions along the lines of Odysseum in Montpellier, which is now wholly owned, and the IGC portfolio in Northern Italy (now 88% owned).

Sale of Carrefour-anchored retail galleries to a consortium of investors led by Carrefour: what is the financial impact?

In December 2013, Klépierre announced that it had signed a memorandum of understanding related to the proposed sale of 127 retail malls adjoining Carrefour hypermarkets for a total consideration of 2.0 billion euros (1.7 billion euros group share). Covering a total floor area of 476 000 sq.m., the portfolio includes 57 assets in France (70% of the total amount of the transaction), 63 assets in Spain (19%), and 7 assets in Italy (11%).

The agreement would lower the Group's debt level significantly. The net cash proceeds of 1.5 billion euros for Klépierre (group share) generated by the transaction would be used to pay down existing lines of credit and fund the restructuring of its current hedging portfolio to optimize financing costs.

The sale would also lower the Group's LTV ratio to around 40%, lower the cost of debt, and would bring Klépierre's ICR to above 3.5. The interest savings generated by the transaction would mostly offset the loss in rental income that would follow this portfolio sale.

OPERATIONS

HIGH STANDARDS AND EXCELLENCE


CENTRE
JAUDE

DINING

BURGER KING AND A THREE-STAR MICHELIN CHEF AT ST. LAZARE PARIS

The Whopper® is back! The mythical Burger King returns to Paris 16 years after it left the French capital. Since December of 2013, St.Lazare Paris is the home of the third Burger King restaurant in France, in a 500 sq.m. space that is bringing joy to the many fans of its flame-grilled burger. Klépierre continues to reap the benefits of this location, which sees nearly 500 000 commuters and travelers pass through daily. The shopping center's innovative range of food choices has also been enhanced by the addition of Éric Frechon, a renowned three-star Michelin chef, who arrived in September of 2013 with an exclusive concept. Lazare features the very best of French cuisine, authentic and high quality, in a bistro setting that is open non-stop during business hours.

NEW CONCEPTS

ALWAYS SOMETHING NEW AT KLEPIERRE SHOPPING CENTERS

After inaugurating its 4 500 sq.m. flagship XXL store at Belle Épine during the summer of 2013, Tati plans to open a 2 500 sq.m. store at Le Millénaire in the spring of 2014. The Dutch retailer Hema also chose the Belle Épine shopping center to test its new beauty concept in France. Hema opened its first store in France at Créteil Soleil in 2009. And Mango is preparing to inaugurate a 1 022 sq.m. megastore in the Claye-Souilly shopping center in the first half of 2014. Its current store, which measures 276 sq.m., will become Violeta by Mango, a new fashion concept for women with curves.

SIGNATURE

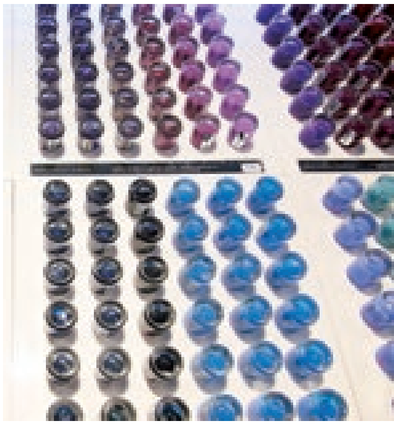
KLEPIERRE IS PRIMARK'S LEADING LESSOR IN CONTINENTAL EUROPE

Ireland's top clothing retailer with unbeatable prices is coming to 2 leading shopping centers in France: Créteil Soleil (in June 2014 in a 5 400 sq.m. store) and Val d'Europe (in 2016). These latest leases reinforce the partnership between Klépierre and Primark, which already has leases with Klépierre at Aqua Portimão and Parque Nascente in Portugal, and at La Gavia in Spain (Madrid). Next opening: Meridiano (Canary Islands) in March 2014.

ATTRACTION

TAKING RETAILERS BEYOND BORDERS

Klépierre shopping centers are a unique springboard for Europe's leading retailers. Zara, the emblematic brand of the world's leading clothing manufacturer (Inditex), already present in 36 Klépierre centers, opened its largest Swedish store to date in 2013 (2 400 sq.m.) at Emporia. Since the launch of its first store in Poland in May of 2013, the French group Celio now has 14 shops in Klépierre shopping centers located outside France. Lastly, after having been the first to get Kiko, the Italian cosmetic specialist, to open a store in France, Klépierre is now helping Terranova put down roots. For its first store in France, the Italian specialist in low-priced urban fashion for young people that is already present in 3 of Klépierre's centers in Italy, chose the Rives d'Arcins shopping center in Bordeaux.



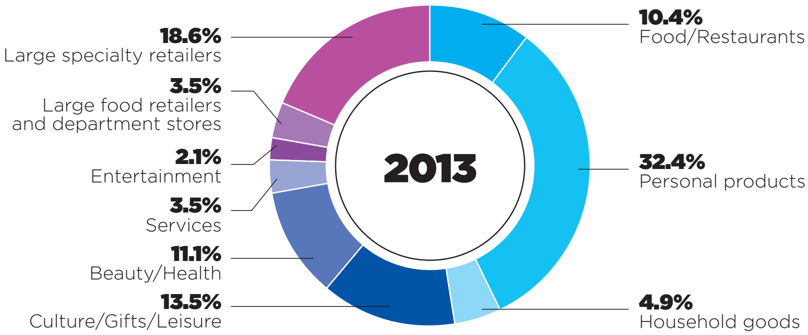
TOP 10 TENANTS

(IN % OF RENTS)

1. **H&M** 2.1%
2. **ZARA** 1.5%
3. **CAMAIEU** 1.0%
4. **SEPHORA** 1.0%
5. **FNAC** 0.9%
6. **MCDONALD'S** 0.9%
7. **CELIO** 0.8%
8. **C&A** 0.7%
9. **ALAIN AFFLELOU** 0.7%
10. **ARMAND THIERY** 0.7%

BREAKDOWN BY ACTIVITIES

(IN % OF RENTS)



OPERATIONAL EXCELLENCE, A PRIORITY

For Klépierre, improving efficiency in asset management is a priority. To achieve this goal, the Group has reorganized its teams (shopping center management, leasing and asset management teams) by bringing new talent on board from different worlds (real estate, shopping centers, retailers).

The leasing teams in particular have added around 15 new employees in order to develop the property management business across Europe. As for the reinforced operational asset management division, it is drawing up a business plan for each asset to ensure proactive management of real estate holdings. Updated at least once a year, this plan contains the five-year vision for the shopping center, from an architectural, marketing and retail perspective. It sets objectives for each asset in terms of property management, enhancement of the retail mix, improving the customer experience, marketing events and digital tools.

Inside the shopping center, sales forecasts are made for each retailer prior to the adoption of a more dynamic policy that changes up the retail mix. This portfolio review is done in biannual meetings with retail partners, the aim of which is to talk about sales performance and upcoming projects (new openings, the introduction of new concepts) – at the regional, national, and European levels.

13 000 leases under observation

This progress has been made possible by the installation of a powerful information system (SAP) capable of improving the quality of data and harmonizing it from one country to the next. After a gradual rollout that began in 2010, this resource is now fully operational in every entity of the Group. It provides the asset and rental management teams with immediate access to information and an overview of some 13 000 leases.

Re-tenanting to step up growth

Combined with the expertise of the leasing teams, this proactive approach to asset management has paid off for Klépierre. In all, 2 152 leases were signed in 2013, an increase of 27% since 2009. In order to accelerate enhancements of the retail mix, the Group has intensified its re-tenanting (releasing) efforts. The goal of these enhancements is to make shopping centers more appealing by attracting a new retailer that will strengthen the overall merchandising mix (differentiating brands, must haves or new concepts created by the highest-performing retailers). For the newly signed leases, the Group is aiming for 50% in terms of new concepts or upgrades to existing concepts.

A sign of dynamic rental property management, the rent increases observed on the occasion of recent releasing or re-tenanting campaigns are significant, especially in France, where the figure is 17.9%. In 2013, the Group renewed or relet 1 897 leases.

A clear vision
for every asset
+
Teams with cutting edge
expertise
=
The Group's operational
excellence

BRANDS INSPIRED BY THE TIMES

Lego® at Jaude: a unique location for a selective retailer

It is no accident that the celebrated Danish brand chose Jaude for the location of its third Lego Store® in France. Totally reconfigured the new shopping center – renamed the "Bubble Gomme Club Store®" – offered a unique opportunity in the heart of Clermont-Ferrand, the economic and cultural capital of the Auvergne region.

With a toy market worth an estimated 50 million euros, a shopping destination that attracts 9.5 million visitors a year, and a young population (44% under 45), the shopping center – a regional magnet – has everything that one of the most selective retailers could hope for.

Source: Klépierre marketing survey.

Consumer habits and expectations are evolving at an increasingly rapid pace. Both nomadic and connected, the customer of today tends to consume products and services that resonate on a personal level. The act of buying has become an opportunity to assert his or her personality. The philosophy of "having for the sake of having", which characterized the years immediately following the year 2000, is slowly giving way to a new mindset, that of "having for the sake of being", a philosophy that resonates with the idea of responsible consumption. More than ever, the shopping center has to meet visitor expectations – and even anticipate them – whether these take the form of customized services or the obvious care taken in selecting the merchandising mix.

Bold: going beyond traditional retail

Unlike downtown main streets, the range of brands that are on offer in shopping centers is never left to chance. This talent for coming up with just the right mix of brands and concepts is the fruit of hard-won expertise and constant observation.

FLAVORS

•••

Whether it's a simple coffee break or time for a treat, a business lunch or a casual meeting with friends, traditional fare or a takeaway meal, the palette of the shopping center has something for every taste!

Every one of Klépierre's assets has a unique merchandising mix that is constantly refined to ensure that it corresponds to the needs of shoppers, who are looking for both novelty and the reassurance that comes with seeing trusted brand names. Around the must haves that make up the backbone of the retail mix – leading, lasting performers like Zara, H&M, and Sephora – there are brands that create differentiation. Representing around 10-15% of the mix, these retailers go by names like Hollister, Desigual, Apple, Uniqlo and Primark. Rare in France, Primark has just decided to open stores in Créteil-Soleil and Val d'Europe after an extension. Lastly, unique brands (10-15% of the mix) enhance the mix with a touch of exclusivity, like Hamley's at Emporia, Mauboussin and Lego® at Jaude (Clermont-Ferrand), etc.

Attentive: supporting the declinations of major brands

This work that goes into creating the retail mix is made possible by the pool of retailers that the Group has built up over the years. Klépierre has been able to attract this full array of retailers beyond borders thanks to the quality of its portfolio, its knowledge of local markets, and the close relationships it develops with nationwide brands.

Strong partnerships are forged with retail heavyweights, often fashion retailers that are constantly reinventing themselves by launching new concepts or satellite brands, like Inditex (Zara, Pull & Bear, Zara Home, Bershka, Massimo Dutti) or H&M (Monki, Weekday, H&M Home). Other well-established retail names in their markets, already present

●●●

The brands on offer at a shopping mall reflect a balance between multiple criteria: the diversity of the retail segments represented (clothing, cosmetics, leisure, etc.), national and international brands, store formats, synergies between retailers (the goal is a good fit, not direct competition), characteristics of the catchment area, customer expectations and marketing surveys.

at Group-owned shopping centers, see Klépierre as the ideal springboard for conquering new markets at the European level. Since 2010, Klépierre has been supporting the successful development of the Italian cosmetic group Kiko in France (41 stores operating in the Group shopping centers) and, more recently, the fashion retailer Terranova (which chose Rives d'Arcins for its first opening in France) and Calzedonia, a fast-growing Italian group that already has more than 83 stores operating out of Group assets (including 37 Calzedonia, 31 Intimissimi and 15 Tezenis).

Visionary: identifying the driving forces of retail

Thanks to the work done in each country by leasing teams, novel concepts are identified and long-term relationships forged, like the one with Primark in Spain and Portugal. Today, Klépierre is the only shopping center property company to have signed 2 leases in France (at Créteil Soleil and Val d'Europe) and 4 in Europe with Ireland's retail clothing champion. This kind of cross-fertilization also extends to nationwide brands. In 2012, Sephora made its first appearance in a Scandinavian shopping center (at Emporia), while Celio (67 stores in Klépierre shopping centers, 14 of them in Europe) opened its first store in Poland in 2013.

By paying attention to the latest trends, Klépierre identifies the retail champions of the future. They are the ones that stand out for the quality of their products, that show talent for innovation, or that have developed a truly novel concept. Through its shareholder Simon Property Group, Klépierre has the opportunity to encounter retailers that are rarely seen in Continental Europe, such as J. Crew, Urban Outfitters and Victoria's Secret. This new pool is likely to update the retail mix of its shopping centers.

Emporia – nowhere else

200 retailers, premium brands, fresh concepts: the merchandising mix at Emporia, which opened in October 2012 in Malmö (Sweden), reflects the creativity and cutting-edge expertise of Klépierre teams.

The center is divided into different sectors that correspond to customer lifestyles – gourmet, traditional, modern, etc. – themselves subdivided into finer categories: business, nature, preppy, young fashion, etc. Each sector features the must have brands (Club Monaco, Sephora, Apple Store, Oasis, Bose, etc.), the best Scandinavian concepts, lots of sporting goods (5 000 sq.m.), a high-end fashion space (25% global brands), and major Swedish retailers, not to mention two outstanding food court areas.

HIGH STREET CENTERS

While the merchandising mix of a shopping center is always a subtle balance between several different criteria, getting it just right is even more decisive in the case of assets that are located in the heart of an urban neighborhood. Unlike centers located on the outskirts of the city, which are veritable shopping destinations, the downtown shopping center is just one stage among others along the shopping route of the visitor.

The challenge is more than just attracting a savvy urban clientele with substantial purchasing power, whom everyone – first and foremost the retailers on the streets nearby – wants to capture. It also involves living up to the expectations of this clientele, not to mention offering surprises and reasons to come back again. This is why downtown areas, where the retail mix is constantly being reinvented, require even more inventive positioning. This means selecting retailers that correspond to the needs of the target audience, after a highly detailed analysis of those needs.

See you in the city

At Passages (Boulogne-Billancourt), a shopping center that boasts a unique location, at the heart of an employment hub for 80 000 people (two thirds of whom are managers, many of them working in advertising and media), Klépierre reaches a clientele that is mostly female and middle class to affluent. Designed on the high street model, the shopping center features some of the trendiest and trusted names in retail: Zadig & Voltaire, Lancel, the haberdasher Oliver Grant.

In the same vein, the Jaude shopping center in downtown Clermont-Ferrand, unveiled a totally new merchandising mix following a major refurbishment-extension, with the arrival of 54 retailers that include some global brands that have not penetrated the shopping center setting before (Hollister, Lego®, Mauboussin), a few regional exclusives (the flagship red concept of H&M, Hema, Bershka, American Vintage, Yellow Korner), and some new names in the city (Levi's Store, Sud Express, Kiko, Pylones, etc.). All of these brands have wide consumer appeal, are popular with young consumers (71% are between 15 and 44 years of age), loyal (52% are exclusive customers), and from all over the region.

WHAT AN
EXPERIENCE!

PASSAGES
THE ORIGINAL CLUB STORE®

Votre nouveau centre de la mode Version Originale.

INSPIRATION

•••

For one out of 2 urban dwellers, shopping is a pastime, something like a leisure pursuit, a moment of recreation, a slice of time they allow themselves. It's a pleasure that is constantly repeated in Klépierre centers.

Promoting the well-being of visitors, creating surprise... Klépierre strives to design spaces that do not leave people indifferent. This intention is immediately visible in the architectural choices, such as the spectacular façades of Emporia, curved like 2 immense waves; the Eiffel inspired glass roofs of Val d'Europe; or the Passages Pasteur (Besançon), a covered walkway that is designed to look like a cozy loft that links 2 townhouses, and which will open its doors in the third quarter of 2015. Light, noble materials and quality furnishings are the top priorities, transforming shopping centers into perfect spaces.

THE SPACE: 100% ROOMY, 100% COMFORTABLE

Zero defect, 100% pleasure

The decision to alternate areas featuring shops with rest and leisure space is particularly important: the refurbishment-extension project at Marseille Bourse, whose façades will be redrawn and whose interior will be reconfigured: as they do their shopping, visitors will see many incredible sights – a waterfall runs from the glass roof under the eye of Tarot of Marseilles figures – and can take a break and have a seat in pastel colored armchairs.

The spaces are always designed to ensure fluid transitions. At Odysseum (Montpellier), the escalators have been moved to facilitate customer flows; at St.Lazare Paris, 4 vast shafts house 25 escalators that make this heavily traveled space – some 450 000 people come through it daily – both fluid and intuitive. The goal is to transform routine moments into pleasant ones and a transit corridor into a lively space.

Whether it is the materials used, equipment maintenance or the services offered (rest areas, restrooms, Wi-Fi, information desk and reserved space for alternative modes of transportation, etc.), the shopping center exudes quality on a day-to-day basis, proof that consumers are taken seriously. The goal is zero defect, as measured by regularly conducted satisfaction surveys. For all Klépierre shopping center properties, more than 31 000 people have been surveyed.

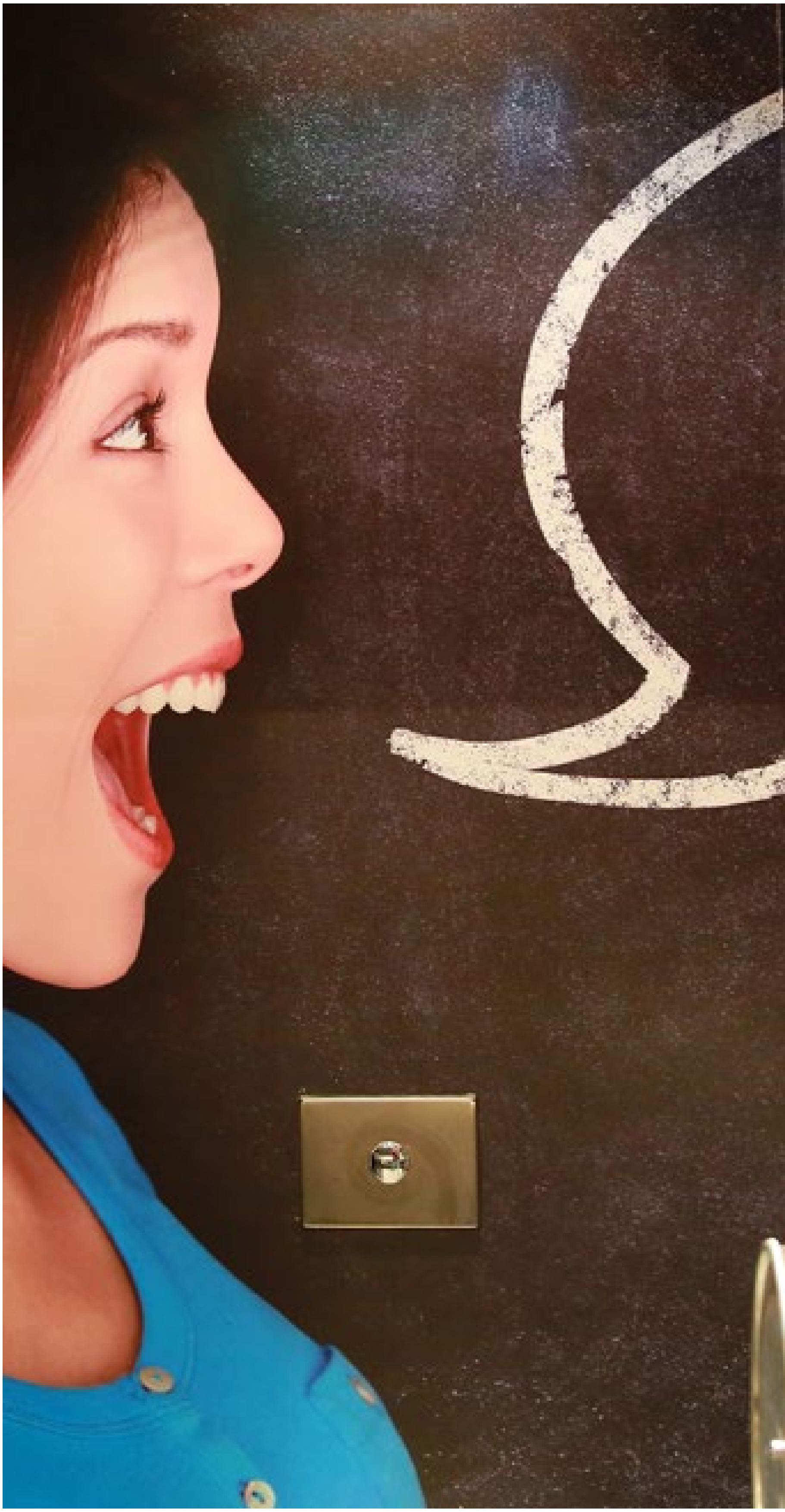
WHAT AN
EXPERIENCE!

RELAXATION

Hug Chairs invite you to take a break inside the Club Store® located inside Passages in Boulogne-Billancourt (France). All curves, they are designed to be as cozy as their setting – so comfortable you want to stop for more than just a minute.

MARKETING

ONLY@KLEPIERRE




Follow us on

DIGITAL

VISITS TO KLEPIERRE CENTERS **ARE PLANNED ONLINE**

88%[1] of all shoppers prepare for their purchases online before going out to the shopping center. With its new digital platform Klépierre puts the stress on the search of products and retailers. Thanks to Megalogue®, a concept exclusive to Klépierre, shoppers have the option of consulting all of the information delivered by the brands represented in the Group's centers. They can also discover all the latest trends, events, the best deals on offer and the products currently available in stores! By the end of 2014, the number of shopping centers equipped with digital tools will double, reaching 60, all over Europe.

(1) Source: Digitas Research (figures for France).

GIFT CARD

A PREMIUM TOOL ACTIVATING SALES

The Klépierre gift card was rolled out in October 2013 at some 20 of its shopping centers in France, as well as at Nový Smíchov (Prague). Created in partnership with Visa, the card is valid for one year and can be credited with any amount between 15 and 150 euros.

The card is available at participating shopping centers' visitor information desks or on their websites, and allows the shopper to make several purchases at different stores in the shopping center, which is a great way to promote customer loyalty, encourage return visits, and boost retail tenant revenue! A real hit with young people, the gift card is an integral part of the modern retail toolkit and has enormous potential for growth across Europe.

EXCLUSIVITY

THE VOICE, A NEW WAY TO CREATE BUZZ

Happenings are a great way to generate traffic and buzz. That's why Klépierre renewed its exclusive partnership with The Voice – TF1's top-rated television show – for 2014. From January 11 to February 1, 2014, five Klépierre shopping centers – Créteil Soleil, Le Millénaire, Colombia, Jaude and Val d'Europe – featured the famous red coaches' chair and an exceptional showcase with Yoann Fréget, who was the winner of season two in France. Visitors got to sit in the famous chair for photo ops, and their photos were then posted online by the TF1&Vous and MyTF1.fr websites, in addition to being shared on the Facebook pages of The Voice and the participating shopping centers.

EVENT IN DENMARK

THOUSANDS OF FANS AT FIELD'S

Tremendous buzz at the Field's shopping center in Copenhagen in August of 2013. A pop-up store with One Direction branded merchandise attracted thousands of fans of the boys' band. The result: 4 000 sales in one day! This spike in footfall was repeated when the rapper 50 Cent visited the electronics store El-Giganten, which is located in the same center.

THE CLUB STORE®: THE KLEPIERRE MODEL

Because relaxed and happy customers tend to spend more time at a shopping center, Klépierre is continuously improving its centers to give visitors a new shopping experience: more choice thanks to a different retail mix, more services, more personal care, more comfort, etc.

The customer experience must create the conditions that make people want to return, which us why the Group emphasizes premium guest welcome and services in its centers: personal shopping assistants, cellphone charging stations, taxi booking services, a coat check with laundry and tailoring services, loaner strollers and wheelchairs, shopping carts, information available on each floor, and much more. The Emporia center in Sweden, which opened in 2012, has rolled out an unprecedented range of services to make the lives of its customers easier. Similarly, L'esplanade in Belgium is equipped with family-friendly baby corners and Kid'chens, for customers who want to change or feed their children.

In 2013, Klépierre took a step further, creating the Club Store®, an exclusive concept completely oriented toward customer satisfaction and providing an appealing setting for retail tenants. The idea is to create spaces with personality, combining the services and excellence of a department store with the feeling of belonging and the personal touch of a concept store, while offering the reach and impact of a shopping center. From the signage to the high-design rest spaces and interactive, digital play areas for children, every detail is carefully crafted to prevent boredom and stress. The ultimate aim is to enrich the buying experience, offer customers a place to take a break from daily life that encourage them to want to linger in the shopping center.

Shopping with a human face

With the Club Store®, Klépierre makes every visitor feel that his or her wellbeing and comfort really and truly matter. This exclusive concept has already been rolled out in 2 Klépierre centers: Passages, in Boulogne-Billancourt, and

66%

of the French feel that retailers don't listen to their customers and no longer serve their interests.(1)

> Every point of contact during the customer experience is designed to create a relationship.

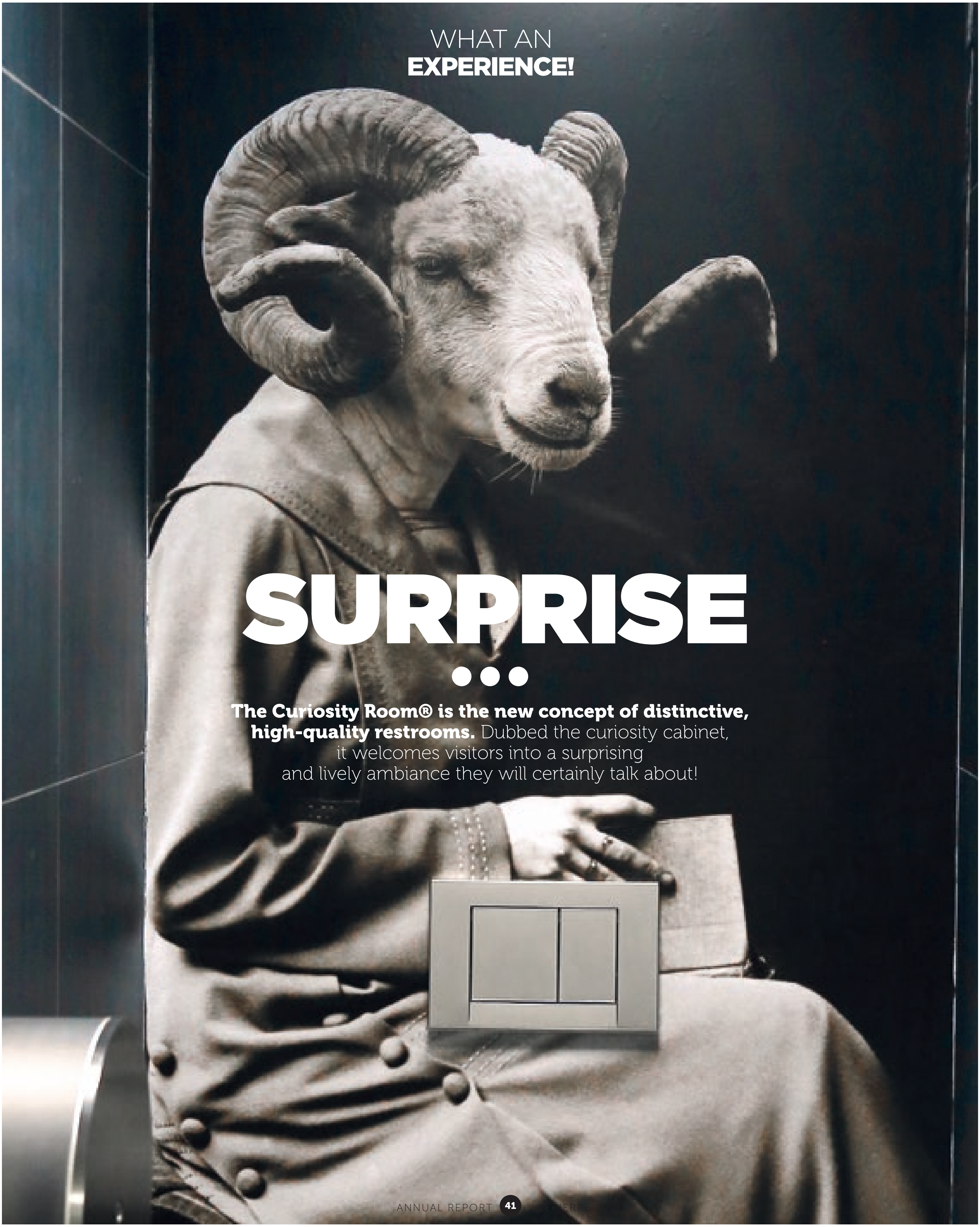
Jaude, in Clermont-Ferrand. The leading shopping center for Western Paris, Passages adopted the new slogan “The Original Club Store®” for its twelfth anniversary in 2013. It welcomes shoppers into a cozy and trendy Anglo-Saxon style universe, appealing to this urban center’s hip, fashion-forward clientele.

Between purchases, shoppers can put up their feet in large club chairs at the club lounge or curl up in the Hug Chairs or Egg Chairs located in the rest areas. Known as the Bubblegum Club Store®, the shopping center is airy and playful. It features a glass façade and large, hanging spheres that add impact to the curves and bright colors of its design.

Design and fantasy

A declaration of our focus on the customer, this exclusive concept will be gradually rolled out in ten other downtown shopping centers, in particular when renovation and extension projects are carried out. It enhances the link with the customer by adding fantasy and a sense of surprise at every step of the purchasing experience. This is the case, for example, at Les Sentiers de Claye-Souilly (re-opened in December 2012 after an extension and renovation project), which is filled with large animal sculptures that fit harmoniously into their environment; at the new Jaude center, where a hopscotch game and a pink Barbie foosball game epitomize the whimsy of the new center in the play area for dads; at Passages, with an elevator-cum-library and a piano staircase with melody-producing keys for steps; and of course the restrooms, transformed with a touch of humor into Curiosity Cabinets. This gesture is not random; 77% of customers (83% of female customers) think that nice restrooms are essential in a shopping center[2].

(1) French shopping survey: “Shopping crisis and/or crisis shopping”.
(2) Survey conducted by Opinionway in October of 2013.



WHAT AN
EXPERIENCE!

SURPRISE

•••

The Curiosity Room® is the new concept of distinctive, high-quality restrooms. Dubbed the curiosity cabinet, it welcomes visitors into a surprising and lively ambiance they will certainly talk about!

THE DIGITAL EXPERIENCE: CONNECTED REALITY

Today, the act of purchasing is multi-faceted, and the top-performing retailers are the ones that know how to leverage and combine the synergies among the various distribution channels (physical, Internet, mobile, social networks, etc.). Research Online, Purchase Offline (ROPO) is an established phenomenon; 88%[1] of customers research products online before going to a store to make the purchase, with the act of going to a store remaining key for the majority. Nearly three quarters of the French population (72%) say that they prefer buying in person, citing the human interaction factor, and 78% say the need to touch or try a product before buying it[2].

Welcome to the pure players

While the line between e-commerce and physical retail is becoming blurred, some web-based pure players see Klépierre's shopping centers as the ideal platform for bringing their brand and products to life in a physical sense and benefiting from the much higher purchase rate for physical stores without having to establish a permanent one (40.6% in a mall versus 2.15% online[3]).

For Klépierre, this is yet another opportunity to surprise visitors and embrace modernity by showcasing prestigious, innovative, and uncommon retailers such as Fleurance Nature and ObeyYourBody®, both of which joined the retail line-up at Klépierre centers in 2013. Fleurance Nature, a brand of organic cosmetics and natural dietary supplements, set up a 40 sq.m. pop-up store at Passages (Boulogne-Billancourt) that offered a total experience for visitors: food demonstrations, a tea fountain, a texture bar for testing treatments, hand massage workshops led by an esthetician, and more. In a similar fashion, the American online cosmetics retailer ObeyYourBody®, which is branching out into the European market, tested the waters of the French market with a 12 sq.m. pop-up store at Val d'Europe. Visitors were able to get exclusive access to their high-end products, made from Dead Sea minerals.

(1) Digitas Research (figures for France).
(2) IPSOS Survey, February 2013.
(3) Fevad.

Even more connected with Packcity!

Since November of 2013, customers at Créteil Soleil (18 million visitors per year) have access to Packcity, a new service for picking up purchases made online started by Neopost ID (with Relais Colis).

As soon as a package is available in one of the Packcity locations at Créteil Soleil, the e-shopper is informed by email or SMS and can come and pick up their package at the automated kiosk using the retrieval codes. Packcity also allows customers to return products purchased online in under a minute.

At Le Millénaire, Claye-Souilly, and Passages centers, customers can pick up packages at the welcome desk. It's a practical and flexible solution for online shoppers and an innovative web-to-store solution for retailers.

ObeyYourBody®, the high end cosmetics brand, is on display simultaneously at Val d'Europe (France) and La Gavia (Spain).

Fleurance Nature.

THE BRAND EVENT: A "*WOW!*" EXPERIENCE

With access to a very large audience – close to a billion people visit Klépierre centers each year in Europe – shopping centers are veritable media outlets. They provide brands with a powerful opportunity to strengthen their presence and visibility, and are also particularly well-adapted spaces for organizing spectacular events that increase the frequency of visits, prolong them, and build customer loyalty. Klépierre qualifies customers through advanced quantitative and qualitative studies (analysis of the number of visitors, variations based on time of day, down time and prime time, profiles and buying tendencies, etc.).

For brands, it's also a guaranteed way to reach a large audience at a low price – the price per contact being less than one euro – and to quantify their return on investment with accuracy. Klépierre provides them with a dedicated team, Klépierre Brand Event, which offers customized solutions for retailers: product launches, the creation of happenings, event sponsorship, etc.

Buzz-generating events

In 2013, the Group dedicated itself to reworking the content and quality of programming in its shopping centers by forming partnerships with world-renowned players. With high-quality partners – TF1, Disney, Warner, and Nickelodeon – Klépierre develops programming, often tied to current events, which draws an audience seeking positive, upbeat experiences. These programs will be rolled out in various shopping centers, both in France and abroad.

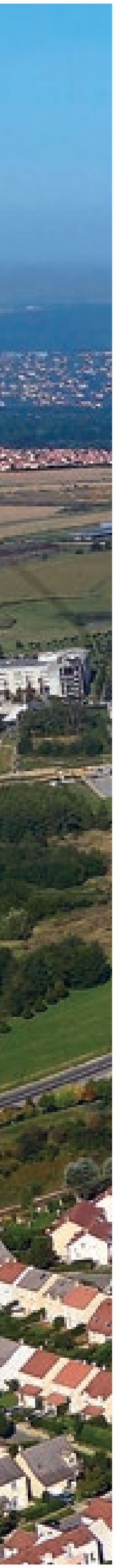
One example is *Avengers,* a spectacular free jump operation that took place over Father's Day weekend in Créteil Soleil. Over two days, 750 people, 450 of them children, walked away with their super hero diploma after having jumped from a 7-meter high platform. A photo of each jump was published on the center's Facebook page.
At Passages (Boulogne-Billancourt), a princess runway show was timed to coincide with the release of Disney's *Frozen* in December of 2013. Photo shoots with the characters from the film, a contest on the center's Facebook page... visitors truly experienced the fairytale universe of this tale.

WHAT AN
EXPERIENCE!

MAGIC

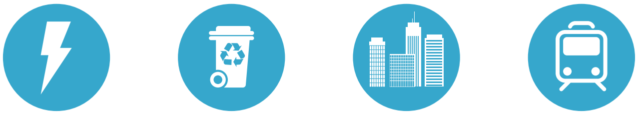
You are in the center of the St. Lazare Paris retail space. In front of you, a shining Christmas tree that is 12 meters high, decorated with 2 800 ornaments representing the famous chocolates of Ferrero Rocher. What great visibility for the brand during the Christmas holiday season. And what a jaw-dropping experience for customers!

ENGAGEMENT
AT THE HEART OF REGIONS

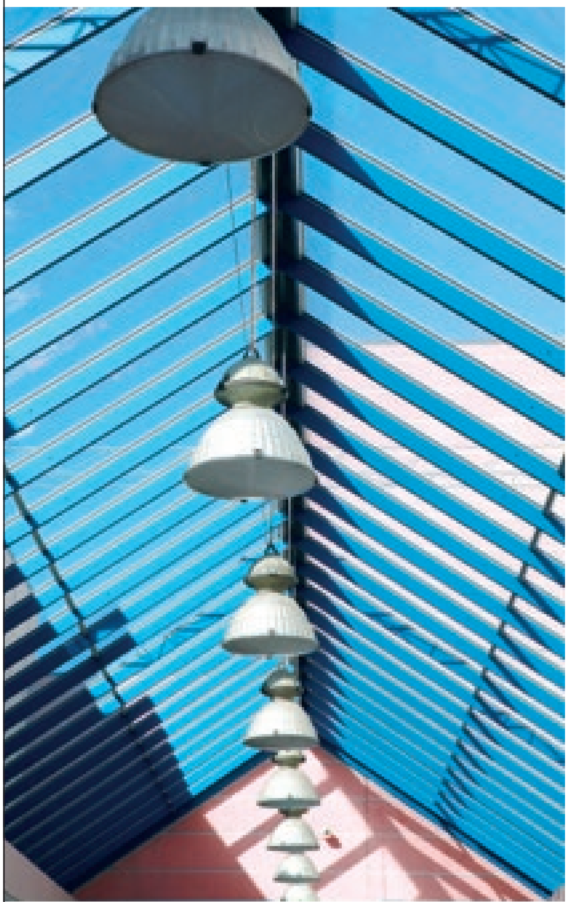


OBJECTIVES

REVIEWING MATERIALITY TO SET PRIORITIES



Klépierre's goal is to address its challenges in the area of sustainable development in a way that is clear and effective. The materiality review carried out in early 2013 provides a framework of specific actions. Priorities – for the Group and its stakeholders – were identified and ambitious objectives were defined.



ENERGY

AUTOMATIC METERS DETECT AND ISOLATE ALL CONSUMPTION

Better detection of energy consumption for each building, broken down by use and by equipment, better adjustments based on outdoor temperatures and crowd density: these things are now possible thanks to remote measurement systems in real time. The systems are currently being deployed. By the end of 2013, nearly half of total holdings (in value terms) were already equipped with these systems, and the Group is targeting 75% by the end of 2014.

THE ENERGY BILL REPRESENTS BETWEEN 15 AND 30% OF THE OPERATING BUDGET OF A SHOPPING CENTER.

BIODIVERSITY

WHAT ECOLOGICAL SENSIBILITY IN THE CENTERS?

The bulk of the holdings have been examined form the perspective of biodiversity in order to gain a better understanding of our impacts. A total of 85% of the centers examined emerged from the review with a score of low or average sensitivity. Bègles Rives d'Arcins, on the banks of the Garonne, is the most concerned by this issue. When work was done on the extension, specific actions were taken to address the biodiversity question, such as the creation of 11 500 sq.m. of green spaces and the installation of beehives.

TRANSPARENCY

INCLUDED IN THE BEST EXTRA-FINANCIAL RATING INDICATORS

A Green Star from GRESB, among the top 20 in France and the top 120 worldwide according to Euronext Vigeo, a member of the DJSI World and Europe indices. With its ratings up significantly in 2013, Klépierre affirms its leadership and its ambition in the area of responsibility.

CERTIFICATIONS

BREEAM IN-USE MINIMUM LEVEL VERY GOOD

As soon as the BREEAM In-Use Retail International benchmark appeared in July 2013, Klépierre rolled out an ambitious certification program. 5 French centers represent nearly a quarter of the holdings in terms of value were certified in the second half of the year, getting a Very Good rating for the Management portion, an objective set by the Group, which prefers the BREEAM and ISO 14001 ratings for their complementarity. By the end of 2013, 37 centers had already been certified.

AN EXEMPLARY APPROACH

With 256 shopping centers located within 40 retail catchment areas, Klépierre is a pivotal player in the area of regional development. The shopping center – which is a retail space, a place where people interact, a source of employment, and a creator of economic wealth – participates fully in community life. This is why the Group's sustainable development strategy is inscribed within a virtuous approach that creates value for all stakeholders: customers, retailers, employees, elected officials, suppliers, etc. A center that is firmly planted in its surroundings, more innovative on a

Retail stores, employment, social ties, the centers are part of the life of the community.

societal level, is a center that shows greater respect for its stakeholders and thus is more attractive to consumers. In the same way, a better environmental performance is above all the sign of more efficient operations.

Refocus on material items

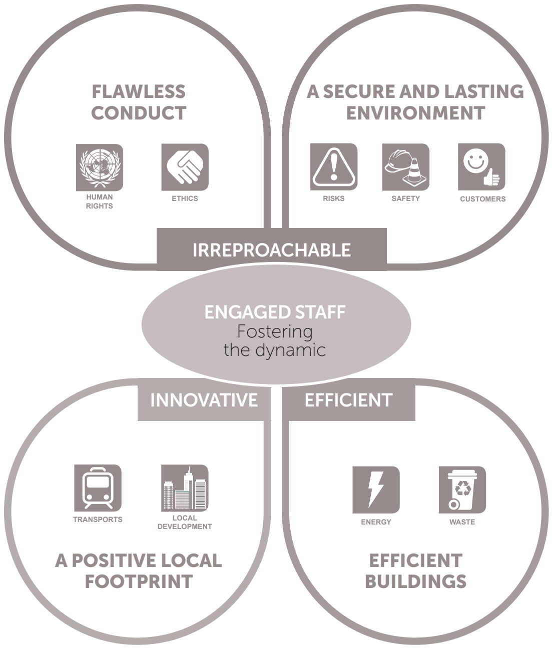
In 2013, Klépierre made efforts to improve the structure of its sustainable development policy, in the aim of linking it more closely and naturally to the daily activity inside shopping centers and thus producing operational excellence.

Refocused on purely material items, the defined strategy posits a framework and objectives that are more relevant because they are directly tied to the organization's environmental, social and societal performances. This project began in the first half of 2013 with the identification of some twenty or so themes encompassing all aspects of the Group's sphere of intervention: energy, basic human rights, risks, ethics, working conditions, certification and biodiversity, etc. Each of these items was then ranked in terms of its relevance for Klépierre and for each of its stakeholders, a process that led to the identification of three essential engagements, accompanied by precise and measurable actions. For Klépierre, sustainable development must include conduct that is beyond reproach, performance, and innovation. The Group must be:

- Irreproachable: to guarantee a level of safety and comfort that is optimal for both tenants and visitors, and exemplary conduct toward all stakeholders;
- Efficient: by setting ambitious objectives that are quantifiable and specific in order to deliver every day on the promise of optimal management of its shopping centers;
- Innovative: by constantly paying attention to best practices and by leveraging its European presence and the creative energy of its people.

Shared by all, this sustainable development strategy is driven by engaged employees and an *ad hoc* organization that includes a sustainable development department and a network of 30 local correspondents that ensure the approach is adopted wherever the Group operates, at the most local level. Communications on the subject of the approach are totally transparent, and efforts are made to ensure that information is prioritized and consistent with the materiality survey conducted.

3 priority pillars of engagement



After having reorganized the Internal Control Department in 2012, Klépierre focused in 2013 on reviewing all of its processes, for the purpose of grouping them within a Code of professional conduct that is more accessible to all Group users.

Published in early 2014, this document lists the rules of conduct that employees are expected to follow in the event that any of a set of precisely identified at-risk situations occurs: conduct to adopt in dealings with clients and suppliers, conflicts of interest with outside parties, the fight against corruption and money laundering, etc. When the guidelines are published, more ample communication will be made on the Group's ambitions in the area of exemplarity: training sessions will be conducted for new hires and for employees who occupy critical positions. The rules regarding whistle-blowing – which enables employees to report on illegal acts they may have observed without fear of reprisal – were also reviewed to ensure that they are compliant with the legislation wherever the Group operates, so that any employee who blows the whistle is better protected.

42 risks identified

With nearly a billion customers visiting its shopping centers each year, Klépierre must also adopt an exemplary attitude toward risk prevention and risk management, in particular risks related to the safety of its guests. To this end, the Group beefed up its risk mapping in 2013 (42 risks identified, broken down into 10 categories), asset by asset, while all of its head offices are covered by a robust BCP (business continuity plan) that is regularly updated to ensure that it serves its purpose, that of ensuring the business can continue to function no matter what.

Because the exemplarity of an organization also depends on the performance of the suppliers it does business with, Klépierre is committed to giving preference to service suppliers (in the areas of maintenance, cleaning, and security) that are ISO 14001 or 9001 certified. Its goal is to reach the level of 80% of its suppliers certified by 2017. At the end of 2013, the percentage was already 76%. Lastly, a condition sine qua non of a lasting future, the zero defect requirement is measured each year using satisfaction surveys completed by visitors (more than 40 000 were surveyed in 2013 across all Group countries of operation). In France, the customer satisfaction score went from 8.2 to 8.52 between 2010 and 2013. Eventually, Klépierre intends to further enrich its approach with criteria that are more detailed and harmonized across Europe, and to analyze the satisfaction of its retail tenants.

CONDUCT BEYOND REPROACH

WHAT AN
EXPERIENCE!

SHARING

Shopping centers are also places where people meet, chat, and have fun. Klépierre's malls are fluid, and feature highly designed rest spaces that serve to create small instants of shared pleasure. They make you want to come back, with family or friends.

EFFICIENT CENTERS

The issue of energy performance remains firmly planted at the heart of the Group's sustainable development strategy. The energy bill totals 38.6 million euros, which is between 15 and 30% of the operating budget of a shopping center. This percentage is expected to rise automatically in the years to come, given the volatility of energy prices and the gradual depletion of natural resources.

For this reason, Klépierre has set an ambitious objective for 2020, that of improving its energy efficiency by 25% (in kWh/visit). And the Group is already advanced in its pursuit of this objective. Since 2009, it has in fact achieved savings of 8.3 million euros on a constant portfolio basis, by taking a number of different measures: closer management of consumption levels; investment in less energy-consuming technical equipment; and work to improve building quality, in particular when refurbishments are carried out. The successful pilot at the Louvain-la-Neuve shopping center (Belgium) – which saw its energy bill decrease by 42% after an innovative energy accounting system was installed, coupled with investments – demonstrates the value of efficient remote measurement systems. Nearly half of

Klépierre's holdings are now equipped with them, and nearly all centers use LED or low consumption bulbs.

Klépierre is also expanding its use of the green lease (100% of newly signed leases in Europe) to raise awareness of environmental issues among its retail partners. This ongoing dialogue is reflected in special operations such as night hiking (the goal of which is to hunt down nocturnal energy waste), regularly carried out across Europe.

Reducing the environmental footprint

Proof of the Group's engagement, the quest for certification based on internationally recognized benchmarks relates to development projects (greenfield construction or extensions-refurbishments) as well as to existing centers. Developments and extensions are BREEAM rated (with Very Good being the minimum), like Le Millénaire (which opened in 2011), Emporia (2012), and the Claye-Souilly (2012) and Bègles Rives d'Arcins (2013) extension-refurbishment projects. So far, 37 shopping centers (38% of the holdings in value terms) have received environmental certification (BREEAM or ISO 14001). In 2013, 5 facilities in France that together represent more than a quarter of the French holdings received the BREEAM In-Use Very Good rating (Val d'Europe, Noisy Arcades, Pontault-Combault, Saint-Orens and Blagnac). The Group targets that, by 2015, half of its shopping center portfolio will be environmentally certified.

This constant search for efficiency supports a leading objective – reducing the environmental footprint in order to fight against climate change. Klépierre has set the goal of reducing its carbon intensity by 30% ($kgCO_2e$/visit) by 2020, and will pay particular attention to the countries of Central Europe, which use a greater quantity of polluting energies. Currently, 44% of the electricity consumed by the Group's shopping centers is from renewable sources. For Belgium, the percentage is 100%, while it is 93% for Scandinavia and 81% for the Iberian Peninsula.

25%
reduction in energy consumption (in kWh/visit) by 2020.

A POSITIVE LOCAL FOOTPRINT

To achieve its aspirations in the area of best practices, Klépierre rolls out innovative actions that benefit society (local development, transportation) and the environment (biodiversity).

By nature anchored locally, shopping centers make a substantial contribution to the economic development of their immediate setting. The Group intends to measure this economic impact more precisely, whether it concerns taxes, revenues, operating budgets, construction costs, direct jobs, etc. With no fewer than 90 000 jobs and annual operating budgets of 223 million euros, of which about two thirds is allocated to the purchase of services (maintenance, cleaning, security guards, etc.), Klépierre occupies a central place on the local development scene. It also participates directly in regional and urban planning, as the shopping center is an integral part of the urban environment it both alters and enhances.

Forging close relationships with local players

Committed to ensuring sustainable development at the local level, Klépierre has set the goal of developing special parking areas for alternative transportation (bicycles and electric cars) in all of its shopping centers by 2017. Already, 97% of its centers are easy to access using public transportation and 38% of

WHAT AN
EXPERIENCE!

RESPIRATION

You use the light rail system to get to the Odysseum center in Montpellier (France) because you also care about preserving natural resources. So does Klépierre, and we are working hard to decrease the energy footprint of our shopping centers. Our goal is to reduce our total carbon intensity by 30% (in eCO_2kg/visit) in 7 years.

Around
90 000
jobs generated by the centers: Klépierre plays a pivotal role in the local fabric.

the visitors use some form of alternative transportation to reach Group assets. The percentage is even higher, 53%, for newer centers that have opened in the last five years, a reflection of the genuine commitment to urban integration. These results serve to illustrate the constructive dialogue between Group teams and public policymakers, and Klépierre takes steps to build close relationships with all local stakeholders: municipal governments, economic actors, community organizations, etc. This is an area where the Group targets to invest more, involving more local partners working with players in the non-profit sector and NGOs for all of its benchmark shopping centers, and by establishing high-visibility partnerships.

An ecological audit

Recent development projects undertaken by the Group demonstrate its concern for both innovation and respect for the environment. Two recent examples stand out: the Emporia center, with its extraordinary green roof – the biggest in all of Europe – or Bègles Rives d'Arcins. This extension-refurbishment project, which was conducted with the help of an ecologist throughout the process and rated BREEAM Very Good, led to the creation of 11 500 sq.m. of green spaces on this facility, located on the banks of the Garonne and the installation of 5 beehives.

In order to better understand the issues surrounding biodiversity and to fine-tune its actions in this area, Klépierre asked a specialized consulting firm, Gaiadomo, to carry out a study of the impact of 40 of its top shopping centers on their surrounding ecosystems.

COLLECTIVE ENGAGEMENT

Passion for the business
+
Commitment to continuous improvement
=
Organizational performance

Against a backdrop of strategic changes, Klépierre is making efforts to improve its organizational efficiency, in particular by promoting internal mobility and an ongoing dialogue between employees and management. A genuine opportunity to promote vibrant career paths, internal mobility stands at 7% for the Group as a whole.

To meet the challenges, 25 new training modules

To support its policy of career mobility and its strategy, as well as to develop its talent pool, Klépierre maintained a substantial investment in education last year, with 21 483 hours of training in 2013. Klépierre University offered 25 new training modules for more than 600 participants, designed to address the challenges facing the Group. In all, 37% of this training was facilitated by company employees, which is an excellent way to promote the dissemination of best practices and leverage in-house expertise.

In the interest of providing the best working conditions while ensuring environmental performance, the Group has also decided to group all of the corporate office teams – currently spread over four buildings – in the Edouard VII center in Paris by September 2014. The new building, which has a BREEAM In-Use rating, is located in the heart of retail. It offers ease of access and a location that appeals to top talent. Around sixty employees have taken part in seminars, and working groups have been formed to discuss new ways of working. This involvement is indispensable, according to the Group, in building total buy-in on the project.

For Klépierre, having a diverse pool of talent is a source of innovation and wealth. The Group is committed to this goal and promotes every initiative whose aim is to develop it. For example, the percentage of women in middle management increased by 58% between 2012 and 2013.

PORTFOLIO

LEADING CENTERS IN EUROPE

EXTENSION-REFURBISHMENTS

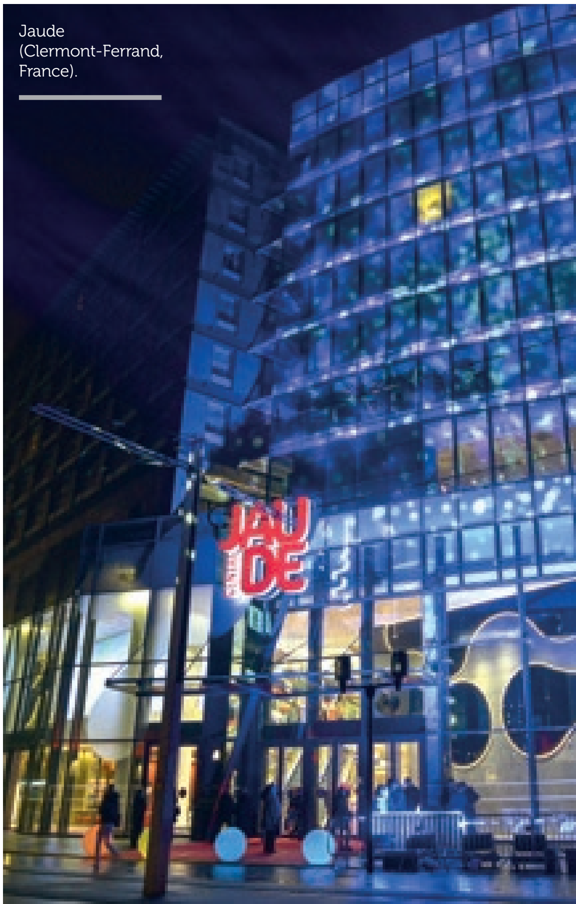
FOUR CENTERS OPEN: MORE NOVELTY, MORE APPEAL

After Passages in Boulogne-Billancourt, the Jaude Center in Clermont-Ferrand now has the exclusive The Club Store® concept as well. Deployed by Klépierre, it features curiosity cabinets, surprises, novel services and customized spaces within a fully reinvented customer experience. In the Greater Bordeaux Area, Rives d'Arcins has become a unique place for shopping (155 stores), and a trailblazer in terms of architecture, responsible commerce and services. In Norway, Vinterbro (Oslo) has been spruced up through an extension-refurbishment that includes 60 new concepts, both international and Scandinavian.

Passages (Boulogne-Billancourt, France).

Rives d'Arcins (Bordeaux, France).

Vinterbro (Oslo, Norway).



Jaude (Clermont-Ferrand, France).

INVESTMENTS

TWO STRATEGIC ACQUISITIONS IN FRANCE AND IN ITALY

Two major acquisitions enable Klépierre to bolster its presence in its preferred regions. The Group now has full ownership of Odysseum, the destination shopping center that holds the leading position in Montpellier.
In Northern Italy, another particularly dynamic region, Klépierre has increased its stake in the IGC portfolio (IGC owns 9 shopping centers around Milan), from 71.3% to 88%.

KLEPIERRE IS STRENGTHENING ITS ASSETS AND CONSOLIDATING ITS POSITIONS IN ITS PREFERRED REGIONS.

PROJECTS

TWO EXTENSIONS LAUNCHED AT LEADING CENTERS

A remarkable success, Val d'Europe (Greater Paris Area) welcomes 16 million visitors a year and has joined the ranks of France's top 3 shopping centers in less than ten years. At the end of 2016, Val d'Europe will have around thirty additional retailers (including Primark) operating out of an extension covering nearly 17 000 sq.m., featuring a 2 600 sq.m. glass roof. Leading its catchment area, the Danish shopping center Field's (in Copenhagen) will get an immense 9-screen movie complex in the spring of 2015, in addition to several new stores and a totally revamped food court.

DEVELOPING THE RIGHT ASSET IN THE RIGHT PLACE

Extension works at the Jaude Center, in the very heart of Clermont-Ferrand.

Klépierre is a member of an exclusive club comprised of real estate companies that are able to successfully carry out and ensure the success of large-scale shopping center development projects. The Group has acquired recognized experience in the creation of leading assets and the transformation of existing ones, for shopping centers that dominate their catchment area, via extension-refurbishment projects.

Through these efforts, the Group has managed to build a powerful portfolio of shopping center assets that it has mostly either created itself or redeveloped. More than two thirds (68%) of its current portfolio has been developed or refurbished over the course of the past ten years.

Thanks to its active asset rotation strategy, Klépierre reallocates the proceeds from the sale of mature assets to the financing of its higher-growth asset development pipeline. The pipeline boasts 3 billion euros worth of shopping center projects – of which 1.5 billion euros for projects that are committed and controlled – 57% of which are extension-refurbishment projects and 43% of which are redevelopment or creation projects.

A targeted strategy

These investments are concentrated in European regions that show high growth potential, in terms of both dynamic demographics and economic wealth. In France, this is the case of the Greater Paris Area (per capita annual income of 49 800 euros, demographic growth of 10.7% between now and 2030[(1)]), as well as the area surrounding Lyon and both the South and Southwest of France. Elsewhere in Europe, Scandinavia (41 415 euros, +10%), Northern Italy (29 133 euros, +5.7%), and the Greater Brussels Area (41 039 euros, +12.2%) are among the most promising geographic regions.

Within these regions – not to mention Europe's capital cities and its most popular tourist destinations – Klépierre is making priority investments to create leading centers. Other decisive factors

More than
2/3
of the portfolio has been developed or refurbished over the last ten years.

driving development decisions include the placement of shopping centers at the heart of urban redevelopment programs, the existence of a strong link between the shopping center and the mass transit infrastructure nexus, and a strong regulatory environment.

The Group's development activity over the course of the past five years attests to this investment focus, with investments targeting the Greater Paris Area (Le Millénaire, St.Lazare Paris, Claye-Souilly), Scandinavia (Sollentuna, Gulskogen, Metro, Emporia), the South of France (Saint-Orens, Blagnac, Odysseum), and Northern Italy (Il Leone di Lonato, Le Corti Venete, Il Destriero).

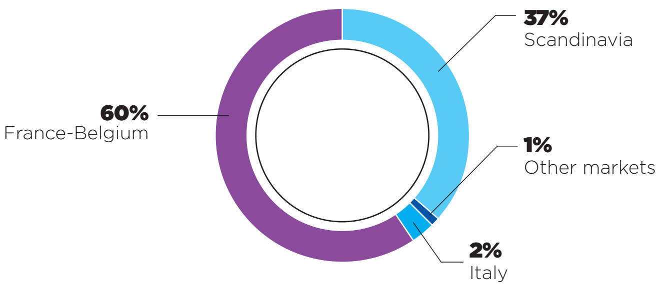
Benchmark assets

After the recent inaugurations of Vinterbro in Oslo (opened in June of 2013), Rives d'Arcins in the Greater Bordeaux Area (May of 2013), and Jaude in Clermont-Ferrand (November of 2013), the year 2014 will see openings at the Romagna Center in Italy and the second phase of the Galleria Boulevard project in Kristianstad (Sweden).

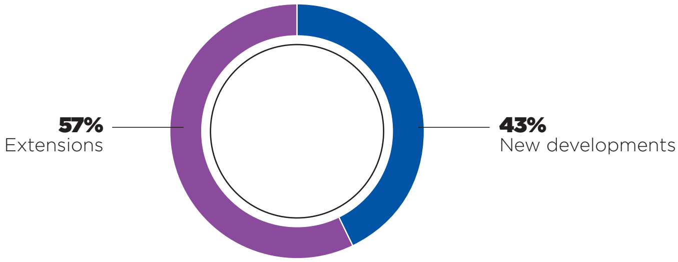
Between 2016 and 2018, three leading centers in East Paris will undergo major extension-refurbishments: Val d'Europe, Créteil Soleil and Noisy Arcades. The same is true for L'esplanade in Belgium and Grand Portet in Toulouse, France. New shopping center creations are planned for Scandinavia: Viva in Denmark (2017) and Økernsenteret (2018), which lies in the heart of the Norwegian capital.

(1) Source: Eurostat 2010.

BREAKDOWN OF CONTROLLED AND COMMITTED PROJECTS **BY REGION**



BREAKDOWN OF CONTROLLED AND COMMITTED PROJECTS **BY TYPE OF PROJECT**



WHAT AN
EXPERIENCE!

IMAGINATION

Before you, spread out over 150 000 sq.m., the transformed district of Groruddalen, one of the most dynamic neighborhoods of Oslo (Norway). Økernsenteret, the regional shopping center, features 150 stores covering 50 000 sq.m. It is surrounded by 100 000 sq.m. of office space, a convention center, housing, a hotel and a spa/fitness center. By the end of 2018, this dream will come to life.

FRANCE-BELGIUM

KEY FIGURES

91 centers,
1 270 967 sq.m.
of rentable floor area.

7.5 billion euros
(49.4% of the total value of shopping center portfolio, total share excluding duties).

414.9 million euros
in gross rents
(43.9% of total shopping center gross rents).

Home to more than 50% of its shopping centers, France is the Group's number one territory and boasts solid performance: gross rents up 4.7%; a high financial occupancy rate (97.8%), retailer revenues outperforming national indexes, and a high rate of reversion for the 258 leases signed in 2013 (+17.9%).

Consistent vitality

Riding on the exceptional performance of St.Lazare Paris, Klépierre has strengthened its presence in city centers with the extension of Jaude in Clermont-Ferrand and the renovation of Passages in Boulogne-Billancourt, 2 centers where the exclusive Club Store® concept has been launched. The Group is also targeting high-potential regions, including the urban area near Bordeaux. The Rives d'Arcins shopping center, whose new extension opened in April of 2013, is now the city's leading retail hub. Notable leases signed include Hema Beauty at Belle Épine, Mauboussin and Alice Délice at Jaude, the Irish brand Primark at Créteil Soleil and Val d'Europe, Tati at Belle Épine and Le Millénaire, and the Italian fashion brand Terranova at Rives d'Arcins.

In Belgium, L'esplanade (Louvain-la-Neuve) remains the shopping destination of choice for the residents of Brabant-Wallon, a clientele with 10% more buying power than the Belgian national average[1]. This shopping center, located in a growing catchment area, will be expanded to respond to demand from retailers eager to rent retail space within this successful mall.

(1) Source: Eurostat.

KLEPIERRE IS CONSTANTLY IMPROVING ITS CENTERS TO STRENGTHEN THEIR LEADERSHIP.

L'esplanade (Louvain-la-Neuve, Belgium).

Field's
(Copenhagen,
Denmark).

SCANDINAVIA

Comprising 25% of the value of the Group's shopping center properties, Scandinavia is Klépierre's second largest territory. It is one of the wealthiest and most dynamic regions in Europe, which is why it will be the focus of nearly 40% of the projects currently in the development pipeline for 2014-2018.

High potential assets

While Emporia (Sweden) has turned in a remarkable performance after one year in operation, 2 other openings were also key in 2013. In Sweden, the second phase of redevelopment for Galleria Boulevard, in Kristianstad, was delivered in October. Incorporated with an important urban renewal project spearheaded by the municipality, this retail spot in the city center will eventually be home to nearly one third of the city's retail business. In Norway, the extension and renovation of Vinterbro, 25 kilometers from Oslo, marks the renewal of the shopping center with the arrival of 60 new international and Scandinavian concepts. Field's in Denmark, the largest shopping center in the country, will ensure its leadership position in Copenhagen by opening a 9-screen movie theater, a film school, and new restaurants in Spring 2015.

Much like Emporia's retail mix *(see page 29)*, the Scandinavian shopping centers offer consumers a wide range of shops that strike the right balance between local and international brands. Field's, which features the Norwegian brand Helly Hansen in addition to Apple, Nike, and Zara, offers the perfect illustration.

KEY FIGURES

25 centers,
820 592 sq.m. of rentable floor area.

3.8 billion euros (24.7% of the total value of shopping center portfolio, total share excluding duties).

234.2 million euros in gross rents (24.8% of shopping center gross rents).

40% OF KLEPIERRE'S DEVELOPMENT PROJECTS BETWEEN NOW AND 2018 ARE **IN SCANDINAVIA.**

ITALY

KEY FIGURES

35 centers,
421 149 sq.m. of rentable floor area.

1.7 billion euros (11.3% of the total value of shopping center portfolio, total share excluding duties).

124.2 million euros gross rents (13.1% of shopping center gross rents).

Present in Italy for the last fifteen years, Klépierre's 35 shopping centers are primarily located in Northern Italy – Veneto, Piedmont, and Lombardy – a region with excellent purchasing power and road infrastructure. While the Group's property portfolio shows resilience, in 2013 Klépierre bolstered its position in Northern Italy by consolidating its ownership in IGC, a company that holds 9 shopping centers, mostly located in the region of Milan.

A stronger presence in Northern Italy

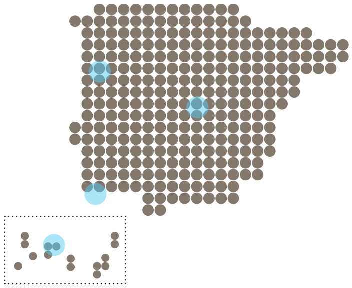
The extension and renovation of the Romagna Center will be completed in the third quarter of 2014, doubling the floor area of the mall and completely restructuring its retail park. With more than 100 stores spread over 85 000 sq.m., the complex will be the leading retail hub for the region of Rimini, a first rank tourist destination on the Adriatic coast.

Efforts to improve the retail mix resulted in the signing of nearly 160 leases in 2013. The jeweler Pandora is making its first foray into the Group's Italian shopping centers at Belforte (Varese) and at Corti Venete (Verona). Kiko continues its expansion while also developing its new brand, Madina, at Corti Venete and Belforte, and Celio is opening its eighth store with the Group in Italy (at Le Rondinelle). The food court at Milanofiori is now home to 2 restaurants that are exclusive to the Group's centers: Roadhouse Grill, occupying 600 sq.m., and So'Riso, a concept developed by the famous rice brand Riso Scotti.

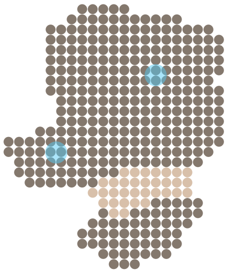
KLEPIERRE HAS BOLSTERED ITS POSITION IN NORTHERN ITALY, A REGION WITH HIGH PURCHASING POWER.

Il Leone di Lonato (Lonato, Italy).

Aqua Portimão
(Portimão, Portugal).



OTHER MARKETS



The Group is also present in Iberia and Central Europe, where the bulk of its centers are in large cities or tourist destinations.

Leveraging anchor tenants

The appeal of the Iberian peninsula as a tourist destination is as strong as ever; Spain welcomed a record number of tourists (60.6 million in 2013, +5.2% over 2012[1]) and they spent significantly more (+8.7%[2]), attesting to the relevance of the Group's location in areas that appeal to tourists, such as Meridiano, at Santa Cruz de Tenerife (Canary Islands). La Gavia, in Madrid, remains the peninsula's leading center, attracting more than 13 million visitors in 2013 and posting a 3.5% rise in retailer sales. Leasing operations enabled new brands to join the Group: German retailer and European leader McFIT (at Valladolid), Primark at Meridiano, Asics at Aqua Portimão, Women's Secret at Parque Nascente, an American restaurant (Kentucky Fried Chicken) and a Belgian one (Eggo Kitchen) at La Gavia, and more. Pop-up stores have also seen major growth (52 in Spain, 26 in Portugal), enabling brands to test new concepts with consumers at a low cost in a difficult economic climate.

In Central Europe, Klépierre's shopping centers are performing well in the 3 countries where the Group is present (Hungary, Poland and Czech Republic). Nový Smíchov (Prague) is the region's leading center and one of Klépierre's top 15 shopping centers. Its retail tenants saw a rise in sales revenue of 3.4% in 2013.

(1) Source: Spanish Ministry of Tourism.
(2) Source: Touristic Studies Institute Egatur.

KEY FIGURES

105 centers.
961 227 sq.m. of rentable floor area.

2.2 billion euros
(14.6% of the total value of shopping center portfolio, total share excluding duties).

171.8 million euros gross rents (18.2% of shopping center gross rents).

IN THIS MIXED ECONOMIC BACKDROP, **THE GROUP IS PERFORMING WELL.**

FINANCIAL REPORT

1

BUSINESS FOR THE YEAR

1.1. ECONOMIC ENVIRONMENT

The economic recovery is still expected to be slow in Europe, but business climate surveys have suggested continued improvement in the fourth quarter. After a slight contraction in 2013 (-0.4%), activity in the Eurozone should grow by 1.0% in 2014, supported by moderate fiscal consolidation, an investment recovery and a decline in precautionary household savings.
The economic outlook is expected to improve in every country where Klépierre operates. In Scandinavia, growth should reach 2.8% in Norway, 2.3% in Sweden and 1.6% in Denmark. Central Europe should also maintain a certain momentum (Poland: +2.7%, Hungary: +2.0% and Czech Republic: +1.1%). GDP growth will remain more measured in France (+1.0%) and Belgium (+1.1%) and will be weaker but positive in Southern Europe (Italy: +0.6%, Spain: +0.5% and Portugal: +0.4%).
Overall, household spending will continue to show resilience, with positive figures in most countries (except Spain: -0.4% and Portugal: -0.5%).

Expected GDP changes for 2014[1]

France-Belgium		Scandinavia				Iberia		Central Europe		
France	Belgium	Norway	Sweden	Denmark	Italy	Spain	Portugal	Poland	Hungary	Czech Republic
+1.0%	+1.1%	+2.8%	+2.3%	+1.6%	+0.6%	+0.5%	+0.4%	+2.7%	+2.0%	+1.1%

1.2. CHANGE IN RETAILER SALES

In 2013, retailer sales[2] in Klépierre's shopping malls were flat (-0.1%) compared to 2012. On a like-for-like basis (excluding the impact of asset sales and the opening of new spaces), retail sales were slightly due to the currently lackluster consumption environment across Europe (-0.7%).

Year-on-year retailer sales change through December 2013	Current portfolio	Comparable portfolio
France	-2.6%	-1.4%
Belgium	-0.8%	-0.8%
France-Belgium	**-2.5%**	**-1.4%**
Norway	-3.5%	-1.2%
Sweden	+17.2%	+1.7%
Denmark	-0.4%	-0.4%
Scandinavia	**+4.0%**	**0.0%**
Italy	**-0.5%**	**-0.5%**
Spain	-5.7%	-5.7%
Portugal	+2.0%	+2.0%
Iberia	**-3.6%**	**-3.6%**
Poland	-0.9%	-0.9%
Hungary	+10.9%	+10.9%
Czech Republic	+3.4%	+3.4%
Central Europe	**+3.6%**	**+3.6%**
SHOPPING CENTERS	**-0.1%**	**-0.7%**

1.2.1. France-Belgium

In France, retailer sales in Klépierre shopping malls outperformed national indices in 2013. For the year through November, national sales (source: French National Council of Shopping Centers) were down 1.5%, compared with -1.0% for retailers located in Klépierre shopping centers.

Like-for-like change

In France, sales by Klépierre tenants remained driven by regional shopping centers where sales increased by 1.3% compared with 2012. Val d'Europe (Greater Paris Area: +9.4%), Le Millénaire (Aubervilliers: +7.9%), Blagnac (Toulouse: +4.3%) and Odysseum (Montpellier: +3.3%) posted especially strong numbers.
For the portfolio as a whole, sales decreased slightly for the full year (-1.4%), reflecting disappointing results in December (with adverse calendar effects).

(1) OECD (November 2013).
(2) Sales numbers for France, Sweden and Italy include Apple Store sales estimates based on a conservative approach of Apple Inc. reports and information publicly available.

The Personal Products segment – the main segment as measured by sales – continued to show resilience and even improved slightly in the second half of 2013 (-0.9% on a like-for-like stores basis, versus -1.4% for the first half of the year).
In Belgium, retail sales at L'esplanade (Louvain-la-Neuve) decreased by 0.8%, mostly impacted by the household equipment segment. Excluding this segment, sales were up slightly (+0.4%).

Change in current portfolio

Asset sales – completed for the most part in 2012 (Bourges, Flins-sur-Seine, Lormont, Nîmes Étoile, Dijon Quétigny, Mulhouse Illzach, Rambouillet, Aulnoy-lez-Valenciennes, Beaune, Moulins and Guingamp) and 2013 (Lomme) – impacted the overall sales figures. In France, retail tenants sales were down by 2.6% compared with last year.

1.2.2. Scandinavia

Like-for-like change

In Sweden, sales were up by 1.7%. Performances were driven by Sollentuna (Greater Stockholm Area), Marieberg (Örebro) and Mirum Galleria (Norrköping) which rank among the most dynamic centers.
In Norway (-1.2% for the full year), sales were negatively impacted for most of 2013 by the strategy of the major food operator ICA, which closed the ICA MAXI concept, and by several competitors that reopened after major extensions. Nevertheless, sales exceeded last year's figures in both November (+3.3%) and in December (+1.2%).
In Denmark, retail sales were virtually unchanged in 2013 (-0.4%) with Field's reporting growth (+0.6%). It is the largest shopping center in terms of sales.

Change in current portfolio

In Sweden, the +17.2% sales performance was boosted by the contribution of Emporia (which opened in October 2012), the largest center in terms of retail sales. The center welcomed 6 million visitors in 2013.
In Norway, retail sales were impacted by the disposal of 4 shopping centers in December (Halden Storsenter, Markedet, Stovner Senter, and Torvbyen). Vinterbro (Greater Oslo Area), for which an extension-refurbishment was completed in June, posted a strong increase in sales in December (+15.5%), and was up by 5.5% for the full year.

1.2.3. Italy

Aggregate sales for the full year remained resilient (-0.5%). Retailer sales in Klépierre shopping centers significantly outperformed the national sales index (for the first eleven months of the year, sales by Klépierre retailers were unchanged at 0.0%, versus national sales down -2.1%[(3)]).
After good performances in November (+2.3%), December turned negative (-4.2% due to a calendar effect: one less Saturday than last year). There was also a base effect in December as tenants were allowed to offer promotions last year but were no longer allowed to do so in 2013.

1.2.4. Iberia

In Spain, where the macroeconomic environment remains challenging, tenant sales declined by 5.7% in 2013. La Gavia (Madrid) continues to outperform, with sales for the period up by 3.5%.
In Portugal, shopping center sales also showed improvement after the first half of the year. Tenant sales increased by 2.0% in 2013 (versus -2.2% through June). Aqua Portimão (Algarve) once again showed the strongest gain in retail sales (+4.1%).

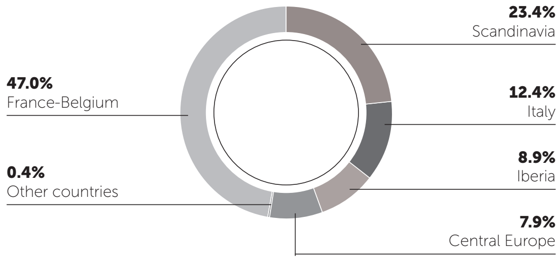
1.2.5. Central Europe

In Poland, retail tenant sales fell slightly in 2013 (-0.9%), but recovered gradually during the second half of the year, especially in the fourth quarter (the change was -2.6% for the 6 months ended June). Overall, results remained globally impacted by Ruda which is facing a new competitor. Conversely, Lublin posted strong growth (+8.1%).
In Hungary, the proactive approach to leasing in 2012 and 2013 led to a 10.9% increase in retail tenant sales this year. Sales rose by 17.2% at Corvin in Budapest (which opened in 2010). In the Czech Republic, thanks to the re-tenanting program rolled out at Nový Smíchov (the main contributor in terms of retail sales), retail tenant sales continued to grow throughout the year (+3.4% for the full year versus +3.0% for the first half of the year). Sales were also up in the country's 3 shopping centers.

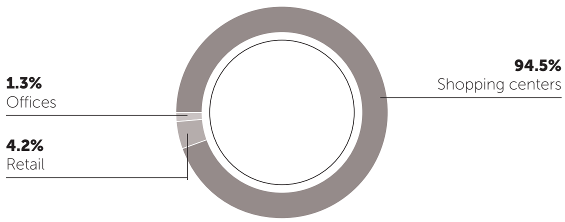
(3) Source: ISTAT.

1.3. RENTAL BUSINESS

Breakdown in gross rents by area
Year ended December, 31, 2013 (total share)



Breakdown in gross rents by segment
Year ended December, 31, 2013 (total share)



	GROSS RENTS 12 MONTHS					
(in millions of euros, total share)	**2013**	2012	Change current porfolio	**2013**	2012	Change like-for-like
Shopping centers	945.2	918.8	+2.9%	860.1	838.4	+2.6%
Retail assets	41.6	44.0	-5.3%	41.6	43.7	-4.7%
RENTS RETAIL REAL ESTATE	**986.8**	**962.8**	**+2.5%**	**901.7**	**882.1**	**+2.2%**
Offices	13.0	20.2	–			
TOTAL	999.7	983.0	+1.7%			

1.3.1. Shopping center segment (94.5% of consolidated rents)

Shopping centers gross rents increased by 2.9% on a current portfolio basis and by 2.6% on a like-for-like basis. After deduction of rental and building expenses, shopping centers net lease income rose by 2.3% and by 3.5% on a like-for-like basis.

Gross rents

			Current portfolio			Like-for-like
(in millions of euros, total share)	**12/31/2013**	12/31/2012	Change	**12/31/2013**	12/31/2012	Change
Shopping centers	**945.2**	**918.8**	**+2.9%**	**860.1**	**838.4**	**+2.6%**
France-Belgium	414.9	400.3	+3.7%	389.4	372.2	+4.6%
Scandinavia	234.2	218.0	+7.4%	180.3	174.2	+3.5%
Italy	124.2	123.6	+0.5%	119.8	117.9	+1.7%
Iberia	88.7	93.1	-4.7%	88.7	92.7	-4.3%
Central Europe	78.8	78.4	+0.4%	77.5	76.0	+2.0%
Other countries	4.4	5.4	–	4.4	5.4	–
Retail assets	**41.6**	**44.0**	**-5.3%**	**41.6**	**43.7**	**-4.7%**
S/Total Shopping centers + Retail	986.8	962.8	+2.5%	901.7	882.1	+2.2%
Offices	**13.0**	**20.2**	**–**			
TOTAL	999.7	983.0	+1.7%			

Net lease income

(in millions of euros, total share)	Current portfolio 12/31/2013	12/31/2012	Change	Like-for-like 12/31/2013	12/31/2012	Change
Shopping centers	**842.4**	**823.5**	**+2.3%**	**768.0**	**742.1**	**+3.5%**
France-Belgium	382.5	373.2	+2.5%	358.6	342.5	+4.7%
Scandinavia	203.2	189.2	+7.4%	155.7	145.4	+7.1%
Italy	112.4	111.4	+0.9%	108.7	106.5	+2.1%
Iberia	76.3	81.9	-6.9%	76.5	80.8	-5.3%
Central Europe	67.2	64.2	+4.8%	66.7	63.3	+5.3%
Other countries	0.7	3.6	–	1.8	3.6	–
Retail assets	**39.9**	**42.8**	**-6.7%**	**40.3**	**42.5**	**-5.2%**
S/Total Shopping centers + Retail	**882.3**	**866.2**	**+1.9%**	**808.3**	**784.6**	**+3.0%**
Offices	**10.5**	**17.6**	**–**			
TOTAL	**892.8**	**883.8**	**+1.0%**			

Shopping centers activity summary

	Volume of leases renewed and relet (€M)	Reversion (%)	Reversion (€M)	OCR[1]	Financial occupancy rate	Late payment rate[2]
France-Belgium	20.7	+17.8%	+3.7	11.9%	97.8%	1.2%
Scandinavia	33.8	+1.4%	+0.5	10.5%	97.0%	0.4%
Italy	11.9	-2.9%	-0.3	12.0%	98.3%	2.4%
Iberia[3]	13.0	-7.7%	-1.0	13.7%	89.9%	3.2%
Central Europe[3]	12.7	-4.1%	-0.5	12.9%	95.3%	2.6%
TOTAL[4]	**92.6**		**+2.1**	**11.7%**	**96.5%**	**1.7%**

(1) Occupancy Cost Ratio.
(2) Rate 6 months out.
(3) Data for Iberia and Central Europe include temporary rental discounts.
(4) Total Shopping centers, including Greece and Slovakia.

1.3.1.1. France-Belgium (41.5% of consolidated rents)

(in millions of euros, total share)	Gross rents 12 months 2013	2012	Change Current portfolio	Change Like-for-like	Financial occupancy rate 2013	2012	Late payment rate[1] 2013	2012
France	400.0	385.9	+3.6%	+4.7%	97.8%	98.5%	1.2%	1.1%
Belgium	14.9	14.4	+3.8%	+3.8%	97.8%	99.3%	1.3%	1.6%
FRANCE-BELGIUM	**414.9**	**400.3**	**+3.7%**	**+4.6%**	**97.8%**	**98.5%**	**1.2%**	**1.1%**

(1) Rate 6 months out.

France

Gross rents increased by 4.7% on a like-for-like basis, outperforming index-linked rent adjustments (+3.4%) thanks to the positive impact of renewals and relets signed in Q4 2012 and in 2013. This year, 258 leases were signed with an average reversion rate of +17.9%. This strong performance, delivered by refreshed and reorganized leasing teams, shows that retailers are interested in investing in Klépierre's high-quality portfolio.

On a current portfolio basis, the increase in gross rents reached 3.6%, impacted by disposals completed in 2012 (Aulnoy-lez-Valenciennes, Beaune, Moulins, Guingamp, La Roche-sur-Yon, Nîmes Étoile, Dijon Quétigny, Mulhouse Illzach, Rambouillet, Flins-sur-Seine, Bourges, Lormont) and 2013 (Lomme). Successful new developments and acquisitions contributed positively, as indicated below:

- Rives d'Arcins (Bordeaux, France) extension-refurbishment opened in May 2013. Since its opening, footfall has increased by more than 12% compared to the corresponding prior period before works. With 150 shops and an updated retail mix featuring Adidas Originals, Intimissimi (Calzedonia Group), Mango Touch, Hema and Terranova (for the first time in France), Rives d'Arcins has indeed refreshed the retail offer in the Greater Bordeaux Area and has naturally become the leading shopping destination in this dynamic city;

- the new Jaude center (Clermont-Ferrand, France) opened in November 2013. It features 54 additional shops and has introduced new brands to the region (Hollister, Mauboussin, Kiko, Hema, American Vintage, etc.). Jaude, which was already attracting 9.5 million visitors a year before the makeover, has succeeded its transformation, becoming the dominant shopping facility in Auvergne;
- St.Lazare Paris, the retail space at the Saint-Lazare train station, opened on March 30, 2012. 2013 was another year of tremendous success for this unique shopping center located in the very heart of Paris. In 2013, St.Lazare Paris continued to outperform and built on efforts to appeal to the best retailers. In Q3 and Q4, leases were signed with Moleskine, the upscale Italian notebook manufacturer, and Burger King, one of the most eagerly anticipated food brands for French consumers;
- Les Sentiers de Claye-Souilly (Greater Paris Area) extension-refurbishment opened on November 21, 2012. One year after its inauguration, it has proven to be a genuine success. Its strengthened retail offering and the deployment of new concepts from international retailers (H&M, Zara, Mango) have given the shopping center a larger footprint in its catchment area. Since it opened last year, footfall has increased by more than 20% compared to the corresponding period prior to the extension-refurbishment;
- the acquisition in November 29, 2013 of the remaining 50% stake in Odysseum (Montpellier), the leading retail destination for Montpellier opened in 2009.

Belgium

Gross rents for L'esplanade (Louvain-la-Neuve) rose by 3.8%, including 1.4% index-linked growth. This outperformance, reflecting L'esplanade's power of attraction for both retailers and customers, is mainly due to active management of the shopping center and a changing retail mix. On September 28, for instance, the center welcomed a Superdry store, which posted the highest revenues in the country for the brand during its first days of operation. Leases signed since the beginning of the year include M.A.C – the Estée Lauder group's high-end make-up brand – and Undiz – the Etam Group's trendy lingerie brand.

1.3.1.2. Scandinavia (23.4% of consolidated rents)

	Gross rents 12 months				Financial occupancy rate		Late payment rate[1]	
(in millions of euros, total share)	**2013**	2012	Change current portfolio	Change Like-for-like	**2013**	2012	**2013**	2012
Norway	91.9	98.2	-6.4%	+3.3%	97.9%	97.9%	0.0%	0.1%
Sweden	95.2	75.6	+26.0%	+1.6%	96.7%	96.0%	0.5%	0.4%
Denmark	47.1	44.2	+6.3%	+6.5%	95.7%	93.6%	0.9%	0.4%
SCANDINAVIA	**234.2**	**218.0**	**+7.4%**	**+3.5%**	**97.0%**	**96.1%**	**0.4%**	**0.3%**

(1) Rate 6 months out.

Norway

Gross rents increased by 3.3% on a like-for-like basis, outperforming index-linked rent adjustments (+1.1%). In 2013, 360 lease renewals/changes were concluded, with a reversion rate of 3.9%. Leasing and reletting at the Gulskogen shopping center continued to translate into sound performances.

On a current portfolio basis, gross rents were impacted:

- downward by the sale of a 50% stake in Nordbyen (Larvik) completed on February 1, 2013, by the disposal of a portfolio of 4 shopping centers on November 29, 2013 (Halden Storsenter, in Halden; Torvbyen, in Fredrikstad; Stovner Senter, in Oslo; and Markedet, in Haugesund) and by a significant negative forex effect;
- upward by the 7 600 sq.m. extension and refurbishment of the Vinterbro shopping center (Greater Oslo Area). With the opening of this extension in June 2013, Vinterbro's GLA now totals 54 000 sq.m. and features 25 brand new shops. In addition, the shopping center's 35 existing shops have rolled out new concepts, including Benetton, Burger King, Carlings and H&M.

Sweden

Gross rents rose by 1.6% on a like-for-like basis (including a 0.4% indexation effect). A strong leasing activity – 195 leases were signed in 2013 – and healthy fundamentals account for this success. Its strategic positioning in the most dynamic and flourishing cities allow Klépierre to capture the solid increase in consumption in this market (consumer spending up 2%[4] for the past three years).

The change on a current portfolio basis (+26.0%) is mainly attributable to the contribution of Emporia, which opened on October 25, 2012 in Malmö and welcomed 6.5 million visitors in its first year of operation. One year after its opening, Emporia has already established itself as one of the most profitable shopping centers for retailers in Sweden.

Denmark

Gross rents rose by 6.5% on a like-for-like basis, reflecting the impact of new leasing operations at Field's and index-linked rent adjustments (+1.9%). Leases signed include Helly Hansen – the Norwegian brand specialized in manufacturing gear for extreme sports and sailing – and StyleBox by Matas – the Danish cosmetics chain that offers an outstanding personal shopping experience.

(4) Source: European Commission Autumn 2013.

1.3.1.3. Italy (12.4% of consolidated rents)

	Gross rents 12 monthd				Financial occupancy rate		Late payment rate[1]	
(in millions of euros, total share)	**2013**	2012	Change Current portfolio	Change like-for-like	**2013**	2012	**2013**	2012
ITALY	**124.2**	**123.6**	**+0.5%**	**+1.7%**	**98.3%**	**98.1%**	**2.4%**	**2.6%**

(1) Rate 6 months out.

Gross rents from Italian shopping centers rose by 1.7% on a like-for-like basis. 158 leases were signed in 2013. New tenants include Roadhouse Grill, the leading steakhouse chain in Italy, with 600 sq.m. at Milanofiori (Milan) and Scarpe&Scarpe – a dominant Italian fashion player with more than 100 stores in the country, at La Romanina (Rome). Discrepancies in rents growth between the well-performing centers in the North and the Southern malls intensified in 2013.

The change in gross rents on a current portfolio basis is mainly attributable to strategic vacancies in the Romagna Center to accommodate the completion of redevelopment work and several positive one-off items posted in 2012.

1.3.1.4. Iberia (8.9% of consolidated rents)

	Gross rents 12 months				Financial occupancy rate		Late payment rate[1]	
(in millions of euros, total share)	**2013**	2012	Change current portfolio	Change like-for-like	**2013**	2012	**2013**	2012
Spain	72.0	75.3	-4.4%	-3.9%	89.5%	89.7%	3.7%	3.1%
Portugal	16.7	17.8	-6.0%	-6.0%	91.6%	93.2%	1.8%	2.0%
IBERIA	**88.7**	**93.1**	**-4.7%**	**-4.3%**	**89.9%**	**90.3%**	**3.2%**	**2.9%**

(1) Rate 6 months out.

In Spain, gross rents decreased by 3.9% on a like-for-like basis, reflecting a decline in retail sales and the generally challenging macro-economic environment. The challenges are nevertheless concentrated in 5 shopping centers. Excluding these assets, the decrease in like-for-like gross rents is limited to 1.5% (-1.0 €M), mainly driven by the resilient performances of the 2 largest shopping centers (La Gavia in Madrid and Meridiano in Tenerife).
In Portugal, gross rents fell by 6.0%.
In those markets, which are expected to slowly recover from 2014 (the GDP[5] growth forecast for Spain and Portugal in 2014 is +0.5% and +0.4%, respectively, after two years of contraction), Klépierre's strategy is to focus on the most awaited international brands and expand their presence in the portfolio. For instance, Primark will soon begin fit-in work at Meridiano, where it plans to open a 4 000 sq.m. store in early 2014.

1.3.1.5. Central Europe (7.9% of consolidated rents)

	Gross rents 12 months				Financial occupancy rate		Late payment rate[1]	
(in millions of euros, total share)	**2013**	2012	Change current portfolio	Change like-for-like	**2013**	2012	**2013**	2012
Poland	35.0	35.3	-0.8%	+1.9%	96.3%	95.5%	2.4%	3.6%
Hungary	21.9	22.1	-1.0%	-0.7%	91.1%	89.5%	3.7%	5.4%
Czech Republic	21.9	21.1	+3.9%	+5.2%	98.2%	98.0%	1.3%	3.2%
CENTRAL EUROPE	**78.8**	**78.4**	**+0.4%**	**+2.0%**	**95.3%**	**94.3%**	**2.6%**	**4.1%**

(1) Rate 6 months out.

In Poland, gross rents were up by 1.9% on a like-for-like basis and down by 0.8% on a current basis, including a negative forex impact. Leases signed during 2013 include Douglas – one of the leading perfume retailers in Europe – at Lublin Plaza, Sony Center at Poznań Plaza and Gino Rossi – the Polish shoe manufacturer with 80 stores spread across Poland, Germany and Russia – at Sadyba Best Mall.
In Hungary, gross rents were down by 0.7% on a like-for-like basis. During 2013, leases were signed with KFC in Alba Plaza and with CCC – a Polish shoe retailer operating in Eastern Europe and in the United Kingdom – at Zala Plaza.

(5) Source: OECD November 2013.

In the Czech Republic, the increase in gross rents on a like-for-like basis (+5.2%) outperformed the average index-linked rent adjustment (+2.5%) thanks to lease renegotiations at Nový Smíchov. The ongoing re-tenanting program in this center led to the signing of additional leases: new tenants include international retailers such as Ecco – the Danish innovative comfort footwear retailer for men, women and children –, Gerry Weber – the German clothing retailer for modern and sophisticated women –, La Martina – the Argentine polo manufacturer, Nike, Paul – the famous French bakery and patisserie –, and Samsung. Plzeň Plaza will welcome a Mohito store – the trendy Polish women's clothing retailer – in November 2014.

1.3.1.6. Forex impact on gross rents over 12 months

12-month change like-for-like (total share)	Constant forex	Current forex
Norway	3.3%	-1.1%
Sweden	1.6%	2.3%
Denmark	6.5%	6.3%
Scandinavia	**3.5%**	**2.0%**
Poland	1.9%	1.4%
Hungary	-0.7%	-1.7%
Czech Republic	5.2%	3.9%
Central Europe	**2.0%**	**1.2%**
SHOPPING CENTERS	**2.6%**	**2.2%**
TOTAL RENTS	**2.2%**	**1.9%**

1.3.2. Retail segment – Klémurs (4.2% of consolidated rents)

	Gross rents 12 months				Financial occupancy rate		Late payment rate[1]	
(in millions of euros, total share)	**2013**	2012	Change current portfolio	Change like-for-like	**2013**	2012	**2013**	2012
RETAIL-KLÉMURS	**41.6**	**44.0**	**-5.3%**	**-4.7%**	**99.5%**	**99.1%**	**0.1%**	**0.5%**

(1) Rate 6 months out.

Gross rents from retail properties/Klémurs fell by 4.7%, reflecting the following items:

- the anticipated renewal in January 2013 of all Buffalo Grill leases for a 12-year period;
- index-linked rent adjustments (+3.2%) on minimum guaranteed rents;
- a decrease in variable rents;
- the disposal of a Sephora store in July.

1.3.3. Office property segment (1.3% of consolidated rents)

	Gross rents 12 months			Financial occupancy rate		Late payment rate[1]	
(in millions of euros, total share)	**2013**	2012	Change current portfolio	**2013**	2012	**2013**	2012
OFFICES	**13.0**	**20.2**	**-36.0%**	**98.1%**	**83.7%**	**0.0%**	**0.0%**

(1) Rate 6 months out.

The change in gross rents from office properties mainly reflects the impact of Klépierre's gradual withdrawal from the office property business, with several asset disposals completed in 2012 and 2013 (211 million euros in 2013).

1.3.4. Fee income

Fee income for 2013 was 78.2 million euros, down by 13.4% compared to 2012. The decrease is attributable to the delivery of large projects in the Group's development pipeline (in particular Emporia, Les Sentiers de Claye-Souilly and Rives d'Arcins).
Overall, revenues for 2013 came to 1 087.4 million euros, an increase of 0.5% compared to 2012.

1.3.5. Lease expiry schedules as of December 31, 2013

Shopping center lease expiry schedule

	< 2014	2014	2015	2016	2017	2018	2019	2020	2021	2022+	Total	Average lease length
France	8.2%	4.7%	4.3%	7.5%	9.7%	7.4%	9.6%	12.5%	13.9%	22.2%	100.0%	5.4
Belgium	1.0%	59.5%	4.1%	10.5%	2.1%	1.7%	12.2%	1.6%	1.6%	5.6%	100.0%	2.4
France-Belgium	**8.0%**	**6.5%**	**4.3%**	**7.6%**	**9.4%**	**7.2%**	**9.7%**	**12.2%**	**13.6%**	**21.7%**	**100.0%**	**5.3**
Denmark												
Norway	12.1%	13.9%	10.8%	16.0%	15.7%	19.1%	5.3%	2.7%	1.4%	2.9%	100.0%	3.5
Sweden	13.6%	15.8%	20.8%	19.4%	13.5%	5.7%	3.3%	2.5%	0.3%	5.2%	100.0%	3.0
Scandinavia	**13.0%**	**15.0%**	**16.5%**	**17.9%**	**14.5%**	**11.5%**	**4.1%**	**2.6%**	**0.8%**	**4.2%**	**100.0%**	**3.2**
Italy	**4.6%**	**10.5%**	**8.8%**	**14.7%**	**12.3%**	**8.4%**	**8.0%**	**9.5%**	**3.4%**	**19.9%**	**100.0%**	**4.7**
Spain	0.6%	9.9%	6.5%	9.9%	7.4%	7.2%	9.8%	3.4%	5.4%	39.9%	100.0%	6.5
Portugal	2.3%	11.0%	12.6%	12.2%	24.5%	9.9%	5.3%	1.5%	2.0%	18.7%	100.0%	5.3
Iberia	**1.0%**	**10.1%**	**7.8%**	**10.4%**	**11.0%**	**7.7%**	**8.9%**	**3.0%**	**4.7%**	**35.4%**	**100.0%**	**6.2**
Poland	0.6%	6.7%	32.1%	7.9%	36.5%	6.6%	2.7%	3.8%	0.0%	3.1%	100.0%	3.1
Hungary	3.6%	22.3%	35.5%	11.0%	9.9%	11.2%	0.6%	0.2%	1.4%	4.4%	100.0%	3.1
Czech Republic	1.5%	9.3%	12.0%	27.0%	24.1%	0.0%	0.0%	0.0%	0.0%	26.2%	100.0%	3.3
Central Europe	**1.8%**	**12.1%**	**27.1%**	**14.5%**	**24.9%**	**6.0%**	**1.3%**	**1.6%**	**0.4%**	**10.3%**	**100.0%**	**3.2**
TOTAL	7.2%	9.5%	9.4%	11.3%	12.1%	8.1%	7.6%	8.3%	7.7%	18.6%	100.0%	4.7

Retail segment–Klémurs lease expiry schedule

< 2014	2014	2015	2016	2017	2018	2019	2020	2021	2022+	Average lease length
3.5%	1.2%	3.1%	2.4%	0.3%	4.7%	1.8%	15.4%	6.4%	61.2%	8.6

1.4. DEVELOPMENT – DISPOSALS

1.4.1. The retail real estate investment market in 2013[6]

In 2013, transactions in the retail real estate market in Continental Europe totaled 18.1 billion euros, an increase of 34% compared to 2012 due to a lack of large high quality projects being transacted.

Shopping centers represent 67% of retail investment in Continental Europe.

The retail investment market was dominated in 2013 by Germany, the Nordics and France. Germany, the Nordics and France once again captured the bulk of the capital flows targeting the European market in 2013, with 27%, 19% and 12% of the market respectively. Several major portfolio sales and large size unit assets sales have boosted the performance.

The supply/demand gap persists for prime products. Prime yields have been globally unchanged over the last 6 months except for French assets, for which the decrease was 15 bps and for Spanish assets, for which yields rose by 25 bps.

Pending deals in France (the Beaugrenelle shopping center in Paris, the proposed disposal of 127 Carrefour-anchored retail malls by Klépierre, etc.) could give a significant boost to the market.

1.4.2. Investments in 2013

In 2013, a total of 408.3 million euros was invested in shopping centers for strategic acquisitions and selected developments. With regard to investments, Klépierre continues to favor regions that enjoy strong purchasing power and a favorable demographic outlook for the years ahead.

Acquisitions totaled 201.6 million euros in 2013 with 2 major transactions:

- acquisition of the remaining 50% stake in the Odysseum shopping center (Montpellier, France) on November 29, 2013. Opened in 2009, located just 15 minutes from Montpellier town center, and served by the city's light rail network, this open air shopping center houses more than 120 stores over more than 50 000 sq.m. and has become the top first shopping destination in the Montpellier region in the past few years;
- acquisition of an additional 16.7% stake in IGC in Italy on December 5, 2013, bringing Klépierre's share in this vehicle, which owns 9 centers, to 88%. This transaction has enabled Klépierre to increase its exposure to Italy's most dynamic regions (Lombardy and Emilia-Romagna), which outperform Italian national indices in terms of both GDP per capita and demographic growth.

(6) Source: Jones Lang LaSalle.

130.2 million euros were invested in recently developed shopping malls as well as in shopping center extension-refurbishments that opened in 2013. These centers largely met the demand of retailers and were almost fully let on opening.

- Rives d'Arcins (Greater Bordeaux Area, France) inaugurated on May 16, 2013. The extension and restructuring brought the total size of this regional center to 87 000 sq. m. The new 150 store-complex, which includes a large number of entirely new retailers to the region, has posted strong performances since it opened.
- Jaude (Clermont-Ferrand, France), inaugurated on November 13, 2013. This totally refurbished and extended shopping center has created quite a revolution for shoppers in Clermont-Ferrand's city center. With a brand new, state-of-the-art design, the new Jaude center has introduced exclusive retailers to Clermont-Ferrand, bringing 54 new names to the city center.
- Vinterbro (Greater Oslo Area, Norway), inaugurated on June 13, 2013, now features 85 stores spread over more than 40 000 sq.m. The extension-refurbishment provided an opportunity to strengthen the center's retail offering: 25 new stores have opened and 35 existing retail names have rolled out new concepts.
- Salanca (Perpignan, France), inaugurated on April 2, 2013. The existing shopping center has been transformed into a 40 000 sq.m. regional retail hub that features 65 stores.

A total of 76.5 million euros was allocated to the Group's development pipeline, mainly in France and Sweden (see section 1.4.3, "2014-2018 Development pipeline").

In addition, a total of 32.2 million euros was outlaid to buy back Klémurs' minority shares during the first half of the year.

1.4.3. 2014-2018 development pipeline

With the delivery of 4 successful extension-refurbishments and the launch of four new projects in 2013, Klépierre demonstrated once again in 2013, its ability to develop high-quality leading shopping centers that offer superior growth prospects:

- Val d'Europe (Paris region, France): in the interest of continuing Val d'Europe's extraordinary success story, Klépierre has decided to launch an extension of the shopping mall and has already signed leases for certain units to some of the best-performing international best performing global retailers, such as Primark;
- Romagna Center (Rimini, Italy): located in Emilia-Romagna, one of the most dynamic Italian regions in terms of demographic growth (population forecast to grow by 20%[7] by 2040 versus 5% nationwide average), the extension program consists of the redevelopment of the existing shopping center, transforming it into a regional hub adapted to this city's growth and appeal as a touristic destination;
- Galleria Boulevard (Kristianstad, Sweden): located close to the Danish border, in one of Sweden's most attractive region, the Galleria Boulevard shopping center is being refurbished by Klépierre in phases. The redevelopment, which will be opened at the end of 2014 will complete this program and offer a brand new scheme unique to the city;
- Field's (Copenhagen, Denmark): to remain the leader in the Copenhagen's competitive market, Klépierre has launched an ambitious project to create a unique super jumbo for the Danish market. Besides a revamped shopping mall, the new complex will host several cinemas, a renewed food area and a cinema school.

99% of all investments are concentrated in France, Belgium, Northern Italy and Scandinavia:

- 57.3% of the committed and controlled projects are extension-refurbishment projects that enable the Group to capitalize on retail facilities that have demonstrated leadership in their respective catchment areas;
- 42.7% are greenfield projects that are part of large urban redevelopment programs supported by powerful transportation network plans, housing and office building projects.

The Group's global development pipeline has a value of 3.0 billion euros, which includes 0.4 billion euros worth of committed projects[8], 1.1 billion euros worth of controlled projects[9], and 1.5 billion euros worth of identified[10] projects. Expressed in group share terms, the respective amounts are 2.5 billion euros, 0.2 billion euros, 0.9 billion euros and 1.4 billion euros.

For the period 2014-2018, the Group plans to invest 2.3 billion euros (total share), which breaks down as follows: 0.2 billion euros for committed projects, 0.8 billion euros for controlled projects, and 1.3 billion euros for identified projects.

(7) Source: ISTAT.
(8) Projects that are in the process of completion, for which Klépierre controls the land and has obtained the necessary administrative approvals and permits.
(9) 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).
(10) 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)	Estimated net initial yield(2)	Floor area (sq.m.)	Expected opening date	Pre-let rate (%) MGR(3)	Pre-let rate (%) Floor area
Romagna Center	Italy	Rimini	extension-refurbishment	88.0%	26.4	3.9	7.9%	7 800	Q3 2014	73%	76%
Galleria Boulevard	Sweden	Kristianstad	redevelopment	56.1%	129.8	86.1	4.7%	21 760	Q4 2014	73%	74%
Centre Bourse	France	Marseille	extension-refurbishment	50.0%	20.7	5.4	6.0%	2 700	Q2 2015	77%	84%
Les Passages Pasteur	France	Besançon	new development	100.0%	56.9	17.9	5.8%	15 000	Q3 2015	25%	37%
Field's	Denmark	Copenhagen	extension	56.1%	15.7	1.7	11.3%	8 500	Q4 2015	–	–
Val d'Europe	France	Paris region	extension	55.0%	99.1	12.5	7.3%	17 000	Q1 2017	26%	44%
Other projets											
TOTAL COMMITTED PROJECTS					**395.5**	**167.1**	**6.4%**	**82 813**			
Allum	Sweden	Allum	redevelopment	56.1%	56.3	5.1	8.7%	14 500	Q1 2015		
Créteil Soleil – Phase 1	France	Paris region	extension	80.0%	66.3	0.0	8.2%	7 500	Q2 2016		
Grand Portet	France	Toulouse region	extension-refurbishment	83.0%	60.1	3.8	7.8%	8 000	Q4 2016		
L'esplanade	Belgium	Brussels region	extension	100.0%	128.1	18.1	6.4%	18 000	Q2 2017		
Les Portes de Chaumont	France	Chaumont	new development	100.0%	37.9	0.6	9.4%	31 600	Q2 2017		
Vitrolles	France	Marseille region	extension	83.0%	56.0	0.0	7.0%	10 900	Q3 2017		
Arcades	France	Paris region	extension	53.6%	142.0	0.0	6.6%	28 000	Q4 2017		
Viva	Denmark	Odense	new development	56.1%	175.6	41.0	7.9%	48 500	Q4 2017		
Økernsenteret (50%)	Norway	Oslo	redevelopment	56.1%	211.2	4.4	6.2%	25 300	Q4 2018		
TOTAL CONTROLLED PROJECTS					**1 118.9**	**106.5**	**7.1%**	**258 758**			
TOTAL IDENTIFIED PROJECTS					**1 525.5**	**29.4**	**–**	**289 602**			
TOTAL					**3 039.9**	**303.0**	**–**	**631 172**			

(1) Estimated cost price before financial costs.
(2) Expected net rents/Total estimated cost price before financial costs.
(3) MGR: Minimum guaranteed rent.

In the years to come, the Group will continue to deliver the development projects included in this pipeline. The launch of controlled projects is subject to profitability, timing and pre-letting criteria. Supported by a high level of liquidity (1.9 billion euros on December 31, 2013), the Group will be able to strengthen its presence in targeted areas in Continental Europe, either by launching projects included in the pipeline or by seizing accretive acquisition opportunities.

1.4.4. Disposals completed in 2013

1.4.4.1. Assets sold since January 1, 2013

Klépierre's strategy – re-affirmed two years ago – is to become a leading pure player in the European shopping center segment. Ambitious when it was announced at the beginning of 2012, Klépierre's 1 billion euros disposal program to refine its portfolio has turned out to be a great success. The 1 billion euros target was largely exceeded (1 236 million euros of assets disposed as of 12/31/2013) and the asset by asset approach strategy resulted in average disposal yields of 5.8% in 2012 and 5.2% in 2013.

Klépierre completed 11 asset sales in 2013, totaling 538.4 million euros (excluding duties, total share).

Assets	GLA (sq.m.)	Sale price	Date
Nordbyen (50%; Norway)	21 000		02/01/2013
Lomme (France)	30 000		03/28/2013
Halden (90%; Norway)(1)	14 200		11/29/2013
Markedet (90%; Norway)(1)	17 000		11/29/2013
Torvbyen (90%; Norway)(1)	19 000		11/29/2013
Stovner (90%; Norway)(1)	51 000		11/29/2013
TOTAL SHOPPING CENTERS		**308.0**	
Sephora (Avignon, France)	460		07/17/2013
Retail park (Châlon, France)	9 600		11/04/2013
TOTAL RETAIL ASSETS		**19.5**	
21 La Pérouse/21 Kléber (Paris 16th)	4 000		06/25/2013
192 Charles-de-Gaulle (Neuilly-sur-Seine)	13 500		12/20/2013
Meyerbeer (Paris 9th)	4 200		12/27/2013
TOTAL OFFICES		**211.0**	
TOTAL DISPOSALS (€M, excl. duties)		**538.4**	

(1) The sale prices include the repayment of advancies and loans.

1.4.4.2. Assets in the process to be sold as of January 2014

Klépierre signed a memorandum of understanding with Carrefour and a consortium of investors for the disposal of a 2 billion euros portfolio of retail galleries. This portfolio consists of 127 small to medium-sized retail galleries initially acquired from Carrefour in 2000-2001. Their disposal would significantly tilt the balance in Klépierre's shopping center portfolio toward Klépierre's key strategic regions and leading shopping centers. The transaction is expected to close in the second quarter of 2014.

On January 20, 2014, Klépierre completed the sale of a 50% stake in Le Millénaire offices (17 063 sq.m.).

In addition, a sale and purchase promissory agreement was signed for an office building located in Paris (Javel) in December 2013 and was sold on February 11, 2014.

1.5. CONSOLIDATED EARNINGS AND CASH FLOW

1.5.1. Consolidated earnings

(in millions of euros)	**2013**	2012
LEASE INCOME	**1 009.2**	**992.1**
Rental and real estate expenses	-116.4	-108.3
NET LEASE INCOME	**892.8**	**883.8**
Management, administrative and related income	78.2	90.3
Other operating revenue	19.3	14.1
Survey and research costs	-4.4	-2.4
Payroll expense	-122.4	-120.5
Other general expenses	-44.4	-43.6
Depreciation and impairment allowance on investment property	-392.8	-374.6
Depreciation and impairment allowance on intangible assets and PPE	-11.3	-10.9
Provisions	-1.1	0.3
Proceeds of sales	173.4	204.8
OPERATING INCOME	**587.2**	**641.4**
Financial income	*97.7*	*134.3*
Financial expenses	*-424.4*	*-452.0*
Net cost of debt	**-326.7**	**-317.7**
Change in the fair value of financial instruments	-94.2	-41.6
Effect of discounting	0	0
Share in earnings of equity-method investees	1.7	1.5
PROFIT BEFORE TAX	**168.0**	**283.6**
Corporate income tax	-31.0	-21.7
NET INCOME	**137.0**	**261.9**

Lease income amounted to 1 009.2 million euros, with 954.6 million euros of the total provided by shopping centers, 41.6 million euros provided by retail properties, and 13.0 million euros provided by office properties.

Net rents for the year came to 892.8 million euros, an increase of 1.0% compared with the year ended December 31, 2012.

Management and administrative income (fees) from service businesses totaled 78.2 million euros, down by 12.1 million euros, mainly attributable to the delivery of large projects in the Group's development pipeline.

Other operating income primarily includes gains on work reinvoiced to tenants and various indemnities.

Rntal and real eastate expenses for the year came to 116.4 million euros, an increase of 8.1 million euros (+7.5%) reflecting the impact of recent openings and an increase in doubtful debtors.

Depreciation and impairment allowance on property was 392.8 million euros for the year, an increase of 18.2 million euros compared with 2012. This variation includes an 80.1 million euros asset impairment allowance, an increase of 7.1 million euros. The 3.7% rise in amortization allowance reflects the development of the property portfolio.

Depreciation and impairment allowance on intangible assets and equipment came to 11.3 million euros, compared to 10.9 million euros for the previous year.

Provisions for the year came to -1.1 million euros, versus 0.3 million euros for 2012.

Net proceeds from the sale of assets reached 173.4 million euros for the year, compared with 204.8 million euros for the previous year. This item includes the capital gain on the disposals of offices in the Paris area, the Lomme shopping mall in France, 50% of Nordbyen and 4 other Norwegian shopping centers.

Operating income, 587.2 million euros for the period, down by 8.4% compared with December 31, 2012.

The net cost of debt amounted to 326.7 million euros (+2.8%). The increase in financial expenses is attributable in particular to the reduction in capitalized costs in connection with recent openings and changes in the status of development projects. The average cost of debt – the ratio of interest expense to average financing – decreased to below 3.5% at year-end 2013.

The change in the fair value of financial instruments was -94.2 million euros for the year ended December 31, 2013, versus -41.6 million euros on December 31, 2012. This major difference comes from the reclassification from cash flow hedge to fair value of 1.3 billion euros worth of swaps in connection with the expected net proceeds of the contemplated transaction with Carrefour.

Klépierre's financial policy and structure are described in more detail in paragraph 1.9.

Tax expense was 31.0 million euros, compared to 21.7 million euros for the year ended December 31, 2012:
- tax payable was 31.3 million euros, versus 26.8 million euros for the preceding period including the impact of the 3% dividend tax in France;
- deferred taxes amounted to a credit of 0.3 million euros, versus 5.1 million euros in 2012.

Consolidated net income was 137.0 million euros, down by 47.7% compared with December 31, 2012.

Minority share of net income (non-controlling interests) for the period was 83.5 million euros, mainly from the shopping center segment, bringing group share of net income to 53.6 million euros, a decrease of 67.8%.

1.5.2. Change in net current cash flow

(in millions of euros)	2013	2012	2013/2012 (%)
LEASE INCOME	**1 009.2**	**992.1**	**+1.7%**
Rental and real estate expenses	-116.4	-108.3	+7.5%
NET LEASE INCOME	**892.8**	**883.8**	**+1.0%**
Management and other income	97.5	104.4	
Other operating expenses	-171.2	-166.5	
Restatement payroll and deferred expenses	8.7	6.3	
Net cost of debt	-326.7	-317.7	
Restatement financial allowance	54.7	21.4	
Share in earning of equity method investees	1.7	1.5	
Currents tax expenses	-23.9	-24.4	
NET CURRENT CASH FLOW (TOTAL SHARE)	**533.5**	**508.9**	**+4.8%**
NET CURRENT CASH FLOW (GROUP SHARE)	**403.8**	**380.8**	**+6.1%**
Restatement payroll and deferred expenses	-7.6	-5.9	
Restatement amortization allowances and provisions for contingencies and losses	-10.4	-8.8	
Other restatements related to tax	-1.0	-0.8	
EPRA EARNINGS (GROUP SHARE)	**384.9**	**365.2**	**+5.4%**
Per share			
NET CURRENT CASH FLOW PER SHARE (in euros)	**2.07**	**1.99**	**+3.8%**
EPRA EARNINGS PER SHARE (in euros)	**1.97**	**1.91**	**+3.2%**
Average number of shares	195 400 982	191 271 591	

After-tax, global net current cash flow for the year came to 533.5 million euros, an increase of 4.8%. Group share, it amounts to 403.8 million euros (2.07 euros per share), up by 6.1% (+3.8% per share) versus 2012.

1.6. PARENT COMPANY EARNINGS AND DISTRIBUTION

Summary earnings statement for the parent company Klépierre SA

(in millions of euros)	2013	2012
Operating revenue	16.2	27.5
Operating expenses	-27.6	-31.6
OPERATING INCOME	**-11.4**	**-4.1**
Share income from subsidiaries	158.9	371.9
Net financial income	-157.6	104.1
NET INCOME FROM ORDINARY OPERATIONS BEFORE TAX	**-10.0**	**471.9**
Non-recurring income	86.2	43.4
Corporate income tax	-0.6	-0.5
NET INCOME	**75.5**	**514.8**

Net income for Klépierre SA was 75.5 million euros for fiscal year 2013, compared to 514.8 million euros for fiscal year 2012. This decrease is mainly attributable to the following items:

- the decrease in operating revenue in line with the decrease in rental income following the disposal of offices premises completed during the period (Collines de l'Arche, Séreinis and Equilis in 2012; 21 La Pérouse/21 Kléber Paris, 192 Charles-de-Gaulle Neuilly-sur-Seine and 7 Meyerbeer Paris in 2013). These disposals explain the increase in non-recurring income for the year ended December 31, 2013;
- the decrease in income from subsidiaries, mainly due to the effect of the non-recurring income from Klécar in 2012. As a reminder, last year Klécar income included capital gains on the disposal of several shopping centers;
- the decrease in net financial income due to the changes in dividends received from subsidiaries (mainly Klécar and Klémurs) and the impact of provision for swap unwinding.

The mandatory distribution is 174.6 million euros after discharging the obligation relative to capital gain on assets sales.

The Supervisory Board will recommend that the shareholders present or represented at the shareholders meeting on April 10, 2014 approve the payment of a cash dividend in respect of fiscal year 2013 of 1.55 euros per share, versus 1.50 euros per share in respect of fiscal year 2012 (+3.3%), reflecting a payout ratio of 77% of the group share of net current cash flow.

1.7. NET ASSET VALUE (NAV)

1.7.1. Appraisal of the Group's assets

1.7.1.1. 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 year ended December 31, 2013, these appraisals were carried out by the following appraisers:

Experts	Portfolios	Number of assets	Valuation(1)	%	June report	December report
Jones Lang LaSalle 39%	France	208	3 294	19.5	summarized	detailed + summarized
	Italy	27	1 563	9.3	summarized	detailed + summarized
	Poland	7	449	2.7	summarized	detailed + summarized
	Hungary	7	149	0.9	summarized	detailed + summarized
	Greece	5	36	0.2	summarized	detailed + summarized
	Belgium	2	280	1.7	summarized	detailed + summarized
	Norway	6	839	5.0	summarized	detailed + summarized
DTZ 38%	France	8	2 375	14.1	summarized	detailed + summarized
	Italy: Klépierre Italy	35	277	1.6	summarized	detailed + summarized
	Spain: KFI	8	352	2.1	summarized	detailed + summarized
	Hungary	7	135	0.8	summarized	detailed + summarized
	Czech Republic and Slovakia	4	362	2.1	summarized	detailed + summarized
	Norway	6	608	3.6	summarized	detailed + summarized
	Sweden	10	1 483	8.8	summarized	detailed + summarized
	Denmark	3	891	5.3	summarized	detailed + summarized
Auguste-Thouard/ BNPP Real Estate 22%	France (Offices + Shopping centers + Retail)	222	2 782	16.5	summarized	detailed + summarized
	Spain: KFE et KFV	36	721	4.3	summarized	detailed + summarized
	Portugal	7	286	1.7	summarized	detailed + summarized

(1) In millions 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.

1.7.1.2. Results of appraisals

The value of Klépierre's property portfolio excluding transfer duties was 16.0 billion euros total share and 12.6 billion euros group share. Total share, shopping centers accounted for 95.6% of the portfolio, retail properties for 3.6%, and office properties for 0.8%. On a group share basis, these percentages are respectively for 94.4%, 4.5%, and 1.0%.

In accordance with IAS 40, the Group's committed development projects are taken into account at fair value using appraisals established by in-house teams. In particular, the following projects have been assessed at fair value: Jaude in Clermont-Ferrand (France) and Besançon Pasteur (France). Projects that are not appraised are carried at their cost price. These are mainly Scandinavian projects, in particular Kristianstad (Sweden) and Viva in Odense (Denmark). Projects under development represent 3.7% of the Group's property portfolio.

For the year-end valuations, the agreed price was used for all Carrefour-anchored retail malls included in the Projected Transaction[11].

On a constant portfolio and exchange rate basis, the change in the valuation of assets – excluding transfer duties – over 6 months is +0.4% (+54 million euros) for the shopping center segment and -0.6% for the retail segment. Over 12 months, the change is -0.1% (-19 million euros) for shopping centers and -0.5% for retail properties.

(11) The proposed transaction refers to the proposed disposal of 127 Carrefour-anchored retail galleries to a consortium of investors announced in December 2013 (cf. Klépierre press release dated December 16, 2013).

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

(in millions of euros)	12/31/2013	In % of total portfolio	Change over 6 months: 06/30/2013	Change over 6 months: Current portfolio basis	Change over 6 months: Like-for-like change(1)	Change over 12 months: 12/31/2012	Change over 12 months: Current portfolio basis	Change over 12 months: Like-for-like change(1)
France	7 247	45.4%	6 940	+4.4%	+1.6%	6 841	+5.9%	+3.3%
Belgium	299	1.9%	280	+6.9%	+7.4%	277	+8.2%	+8.8%
France-Belgium	**7 546**	**47.2%**	**7 220**	**+4.5%**	**+1.9%**	**7 118**	**+6.0%**	**+3.5%**
Norway	1 209	7.6%	1 561	-22.5%	-0.9%	1 706	-29.1%	+0.2%
Sweden	1 588	9.9%	1 586	+0.1%	+0.1%	1 540	+3.1%	-1.7%
Denmark	970	6.1%	944	+2.8%	+2.7%	930	+4.3%	+4.0%
Scandinavia	**3 767**	**23.6%**	**4 091**	**-7.9%**	**+0.4%**	**4 176**	**-9.8%**	**+0.6%**
Italy	**1 728**	**10.8%**	**1 702**	**+1.5%**	**+1.5%**	**1 780**	**-2.9%**	**-3.5%**
Spain	845	5.3%	993	-14.9%	-14.9%	1 047	-19.3%	-19.3%
Portugal	247	1.5%	247	-0.2%	-0.2%	248	-0.4%	-0.4%
Iberia	**1 092**	**6.8%**	**1 240**	**-11.9%**	**-11.9%**	**1 295**	**-15.7%**	**-15.7%**
Poland	446	2.8%	432	+3.3%	+3.3%	441	+1.2%	+1.2%
Hungary	289	1.8%	294	-1.5%	+2.1%	324	-10.8%	-8.1%
Czech Republic	347	2.2%	334	+3.9%	+3.9%	334	+3.8%	+3.8%
Central Europe	**1 083**	**6.8%**	**1 060**	**+2.1%**	**+3.1%**	**1 100**	**-1.6%**	**-0.6%**
Other countries	**50**	**0.3%**	**52**	**–**	**–**	**56**	**–**	**–**
TOTAL SHOPPING CENTERS	**15 266**	**95.6%**	**15 366**	**-0.7%**	**+0.4%**	**15 525**	**-1.7%**	**-0.1%**
TOTAL RETAIL ASSETS	**574**	**3.6%**	**596**	**-3.7%**	**-0.6%**	**596**	**-3.7%**	**-0.5%**
TOTAL OFFICES	**132**	**0.8%**	**282**	**-53.2%**	**NA**	**324**	**-59.3%**	**NA**
TOTAL PORTFOLIO	**15 972**	**100.0%**	**16 244**	**-1.7%**	**+0.3%**	**16 445**	**-2.9%**	**-0.1%**

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

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

(in millions of euros)	12/31/2013	In % of total portfolio	Change over 6 months: 06/30/2013	Change over 6 months: Current portfolio basis	Change over 6 months: Like-for-like change(1)	Change over 12 months: 12/31/2012	Change over 12 months: Current portfolio basis	Change over 12 months: Like-for-like change(1)
France	5 813	46.0%	5 540	+4.9%	+1.5%	5 464	+6.4%	+3.0%
Belgium	299	2.4%	280	+6.9%	+7.4%	277	+8.2%	+8.8%
France-Belgium	**6 113**	**48.4%**	**5 820**	**+5.0%**	**+1.7%**	**5 741**	**+6.5%**	**+3.3%**
Norway	678	5.4%	876	-22.5%	-0.9%	957	-29.1%	+0.2%
Sweden	891	7.0%	890	+0.1%	+0.1%	864	+3.1%	-1.7%
Denmark	544	4.3%	530	+2.8%	+2.7%	522	+4.3%	+4.0%
Scandinavia	**2 113**	**16.7%**	**2 295**	**-7.9%**	**+0.4%**	**2 343**	**-9.8%**	**+0.6%**
Italy	**1 586**	**12.5%**	**1 489**	**+6.5%**	**+1.2%**	**1 556**	**+1.9%**	**-3.6%**
Spain	749	5.9%	871	-14.0%	-14.0%	917	-18.3%	-18.3%
Portugal	247	2.0%	247	-0.2%	-0.2%	248	-0.4%	-0.4%
Iberia	**996**	**7.9%**	**1 119**	**-11.0%**	**-11.0%**	**1 165**	**-14.5%**	**-14.5%**
Poland	446	3.5%	432	+3.3%	+3.3%	441	+1.2%	+1.2%
Hungary	289	2.3%	294	-1.5%	+2.1%	324	-10.8%	-8.1%
Czech Republic	347	2.7%	334	+3.9%	+3.9%	334	+3.8%	+3.8%
Central Europe	**1 083**	**8.6%**	**1 060**	**+2.1%**	**+3.1%**	**1 100**	**-1.6%**	**-0.6%**
Other countries	**45**	**0.4%**	**46**	**–**	**–**	**50**	**–**	**–**
TOTAL SHOPPING CENTERS	**11 936**	**94.4%**	**11 829**	**+0.9%**	**+0.3%**	**11 954**	**-0.1%**	**-0.4%**
TOTAL RETAIL ASSETS	**574**	**4.5%**	**596**	**-3.7%**	**-0.6%**	**501**	**+14.5%**	**-0.5%**
TOTAL OFFICES	**132**	**1.0%**	**282**	**-53.2%**	**NA**	**324**	**-59.3%**	**NA**
TOTAL PORTFOLIO	**12 642**	**100.0%**	**12 707**	**-0.5%**	**+0.3%**	**12 779**	**-1.1%**	**-0.4%**

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

Shopping centers

The value of the shopping center portfolio, excluding transfer duties, was 15 266 million euros (11 936 million euros group share) on December 31, 2013, a decrease of 100 million euros compared with June 30, 2013 (-0.7%). Over 12 months, the portfolio total share decreased in value by 259 million euros (-1.7%).

The change on a current portfolio basis includes the forex effect related to the depreciation of Scandinavian currencies since December 31, 2012 against the euro (for -257 million euros total share and -144 million euros group share). This forex impact translates into a decrease in the amount of debt contracted in Scandinavian currencies when converted in euros.

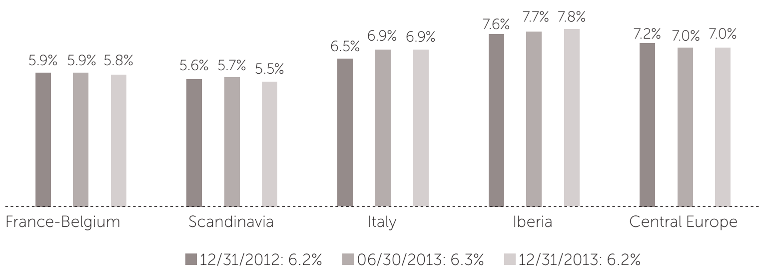
External growth added 312 million euros to the increase in the value of this portfolio over 12 months on a current basis. Most of the increase is attributable to developments and openings in France (+214 €M) and in Scandinavia (+98 €M). Significant changes are listed below:

- in France, the acquisition of a 50% interest in Montpellier Odysseum in December 2013, the acquisition of Monoprix in Le Havre and the impact of the opening of Jaude (Clermont-Ferrand) in November 2013;
- in Sweden, the first external appraisal of Emporia (Malmö), which was completed by in-house teams in December 2012.

This change was partly offset by the impact of the disposal program (-296 €M) in France with Lomme in March of 2013, and in Norway with 50% of Nordbyen in February 2013 and the disposal of 4 assets in December 2013 (Halden, Torvbyen, Stovner, Markedet).

Group share, the average yield rate of the portfolio is at 6.2%, excluding duties, a decrease of 4 bps compared with June 30, 2013 and an increase of 3 bps compared with December 31, 2012.

Change in yields (group share) – Shopping center portfolio



Retail assets – Klémurs

The value of the retail assets portfolio excluding transfer duties stands at 574 million euros (the figure is the same expressed in group share), a decrease of 3.7% over 6 months and 12 months. On a constant portfolio basis, the change in the value of the retail assets is -0.6% over 6 months (-0.5% over 12 months).
The change in group share on a current portfolio basis over 12 months (+14.5%) is due to the acquisition of the minority interests (15.9%) in March of 2013.

The average yield rate of the retail assets is 6.9% excluding duties, a decrease of 10 bps compared with June 30, 2013 and down by 13 bps compared with December 31, 2012.

1.7.2. Change in EPRA NNNAV per share

(in millions of euros)	31/12/2013	30/06/2013	31/12/2012	Variation sur 6 mois		Variation sur 12 mois	
Consolidated shareholders' equity (group share)	**2 089**	**1 981**	**2 210**	**+109**	**+5.5 %**	**-121**	**-5.5 %**
Unrealized capital gains on portfolio (duties included)	4 095	4 121	4 032	-26	-0.6 %	+62	+1.5 %
Fair value of financial instruments	182	293	413	-111	-37.9 %	-231	-55.9 %
Defered tax on asset values on the balance sheet	278	299	306	-20	-6.9 %	-27	-9.0 %
Reconstitution NAV	**6 644**	**6 693**	**6 961**	**-49**	**-0.7 %**	**-317**	**-4.5 %**
Duties and fees on the sale of assets	-344	-354	-327	+9	-2.6 %	-18	+5.4 %
EPRA NAV	**6 300**	**6 339**	**6 634**	**-40**	**-0.6 %**	**-334**	**-5.0 %**
Effective taxes on capital gains	-144	-188	-210	+44	-23.4 %	+66	-31.5 %
Fair value of financial instruments	-182	-293	-413	+111	-37.9 %	+231	-55.9 %
Fair value of fixed-rate debt	-137	-125	-108	-11	NA	-29	NA
EPRA NNNAV	**5 837**	**5 733**	**5 903**	**+104**	**+1.8 %**	**-66**	**-1.1 %**
Number of shares, end of period (after dilutive effect)	195 556 518	195 485 003	195 217 631				
Per share *(in euros)*							
RECONSTITUTION NAV PER SHARE	**34.0**	**34.2**	**35.7**	**-0.3**	**-0.8 %**	**-1.7**	**-4.7 %**
EPRA NAV PER SHARE	**32.2**	**32.4**	**34.0**	**-0.2**	**-0.7 %**	**-1.8**	**-5.2 %**
EPRA NNNAV PER SHARE	**29.9**	**29.3**	**30.2**	**+0.5**	**+1.8 %**	**-0.4**	**-1.3 %**

EPRA NNNAV is 29.9 euros per share, versus 29.3 euros per share on June 30, 2013 and 30.2 euros per share on December 31, 2012.
The positive impact of the 2013 cash flow on the EPRA NNNAV (+2.1 euros) was neutralized by the dividend payment (-1.5 euro) and the valuation of the portfolio (-0.6 euro), mainly concentrated on Spain in connection with the Projected Transaction with Carrefour.

1.8. EPRA 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).

1.8.1. 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 millions of euros)	2013	2012	2011
Net current cash-flow, group share	**403.8**	**380.8**	**371.1**
Restatement payroll expense (employee benefits, stock options)	-7.6	-5.9	-3.0
Restatement amortization allowances and provisions for contingencies and losses	-10.4	-8.8	-10.7
Other restatements related to tax	-1.0	-0.8	-0.3
EPRA EARNINGS	**384.9**	**365.2**	**357.2**

(in euros per share)	2013	2012[1]	2011
Average number of shares, excluding treasury shares	195 400 982	191 271 591	186 336 909
EPRA EARNINGS PER SHARE	**1.97**	**1.91**	**1.92**

(1) Creation of 9 822 100 shares on May 21, 2012 (scrip dividend).

1.8.2. EPRA NAV

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. For this reason, deferred taxes on property revaluations and the fair value of deferred tax liabilities are excluded as the investment property is not expected to be sold and the tax liability is not expected to materialize.

(in millions of euros)	**2013**	2012	2011
EPRA NAV	**6 300**	**6 634**	**6 226**

(in euros per share)	**2013**	2012[1]	2011
Number of shares, and of period, excluding treasury shares	195 556 518	195 217 631	185 250 832
EPRA NAV PER SHARE	**32.2**	**34.0**	**33.6**

(1) Creation of 9 822 100 shares on May 21, 2012 (scrip dividend).

1.8.3. EPRA NNNAV

EPRA NNNAV (Triple Net Asset Value) is similar to EPRA NAV except it includes the fair value of deferred tax liabilities, debt, and financial instruments.

(in millions of euros)	**2013**	2012	2011
EPRA NNNAV	**5 837**	**5 903**	**5 808**

(in euros per share)	**2013**	2012[1]	2011
Number of shares, and of period, excluding treasury shares	195 556 518	195 217 631	185 250 832
EPRA NNNAV PER SHARE	**29.9**	**30.2**	**31.4**

(1) Creation of 9 822 100 shares on May 21, 2012 (scrip dividend).

1.8.4. 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 (but adjusted as set out below), 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).

	2013		2012	
	Shopping centers	**Retail assets**	Shopping centers	Retail assets
Klépierre yields	**6.2%**	**6.9%**	**6.2%**	**7.1%**
Effect of vacant units	-0.4%	0.0%	-0.3%	0.0%
Effect of EPRA adjustments on rents	0.2%	-0.3%	0.2%	-0.1%
Effect of estimated transfer taxes and transaction costs	-0.2%	0.0%	-0.2%	-0.4%
EPRA "TOPPED-UP" NET INITIAL YIELD	**5.8%**	**6.6%**	**5.9%**	**6.6%**
Effect of lease incentives	-0.2%	0.0%	-0.1%	0.0%
EPRA NET INITIAL YIELD	**5.6%**	**6.6%**	**5.7%**	**6.6%**

1.8.5. EPRA Vacancy Rate

The 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).
The vacancy rate is calculated for the shopping center portfolio as of December 31, 2013.

(in thousands of euros)	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	**Total[1]**
Estimated rental value (ERV)	359 280	223 016	127 368	98 669	78 332	891 975
ERV of vacant space	7 258	7 134	1 936	8 808	3 685	29 569
EPRA Vacancy rate	2.0%	3.2%	1.5%	8.9%	4.7%	3.3%

(1) Total shopping centers, including Greece and Slovakia.

Reconciliation with Klépierre "Financial occupancy rate"

The financial occupancy rate published by Klépierre is the ratio of annual contractual rents occupied to total contractual rents occupied plus target rents for all vacant spaces (the latter are estimated on the basis of internal budget data). Klépierre measures these rates by using the notion of minimum guaranteed rent (MGR) for occupied properties and not the market rents used by the EPRA to calculate EPRA Vacancy rate.

	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	**Total[1]**
Financial occupancy rate	97.8%	97.0%	98.3%	89.9%	95.3%	96.5%
Implied vacancy rate	2.2%	3.0%	1.7%	10.1%	4.7%	3.5%

The 2 approaches are resulting in vacancy rates that are in line for all regions and on a total portfolio basis. Klepierre approach is slightly more conservative than the EPRA approach.

1.8.6. 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 administration expenses (excluding exceptional items) as a percentage of gross rental income.

		12/31/2013	12/31/2012
(i)	Administrative/operating expense line per IFRS income statement	-237	-223
(ii)	Net service charge costs/fees	-43	-44
(iii)	Management fees less actual/estimated profit element	78	90
(iv)	Other operating income/recharges intended to cover overhead expenses less any related profit	19	14
(v)	Share of Joint Ventures Expenses	0	–
	Exclude (if part of the above):		
(vi)	Invesment Property depreciation	–	–
(vii)	Ground rents costs	–	–
(viii)	Service charge costs recovered through rents but not separately invoiced	–	–
	EPRA Costs (including vacancy costs) (A)	-182	-163
(iX)	Direct vacancy costs	18	21
	EPRA Costs (excluding vacancy costs) (B)	-165	-142
(x)	Gross Rental Income less ground rents - per IFRS	1 001	985
(xi)	Less: service fee/cost component of Gross Rental Income	–	–
(xii)	Add: share of Joint ventures (Gross Rental Income less ground rents)	2	–
	Gross Rental Income (C)	**1 003**	**985**
	EPRA Cost Ratio (including direct vacancy costs) (A/C)	**18.2%**	**16.6%**
	EPRA Cost Ratio (excluding direct vacancy costs) (B/C)	**16.4%**	**14.5%**

The increase in the 2013 EPRA cost ratio vs. 2012 is partly attributable to non-recurring restructuring costs. Excluding these, the EPRA cost ratio would be 17.4% and 15.6% excluding vacancy costs. The additional negative impact mainly reflects the decrease in development fees, which were high in 2012 due to the delivery of significant projects.

1.9. FINANCIAL POLICY

1.9.1. Financial resources

1.9.1.1. Change in net debt

Consolidated net debt stood at 7 191 million euros on December 31, 2013, compared to 7 353 million euros on December 31, 2012 (-162 million euros).

The main financing needs during the year are related to:
- the 2012 dividend payment made in cash (293 million euros) in April and distributions to other minorities (110 million euros);
- 440 million euros worth of investments during 2013, including the buy-back of Klémurs' minority shares (32.2 million euros), and the acquisition of the remaining 50% stake in Odysseum and of an additional 17% of IGC minority shares, for a total consideration of 180 million.

These expenditures were more than offset by disposals (538.4 million euros) and free cash flow for the year. The forex effect on net debt was -159 million euros, due to the depreciation of Scandinavian currencies against the euro in 2013.

1.9.1.2. Available resources

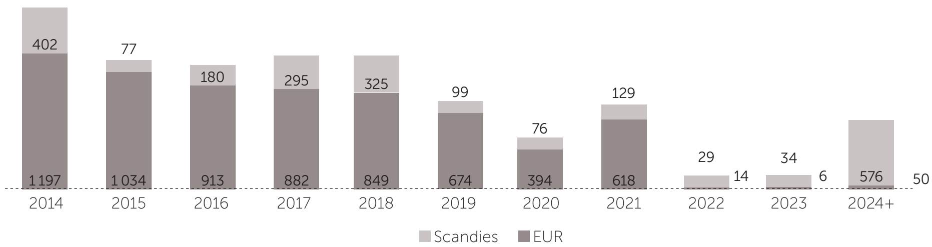
At year-end 2013, the Group's level of liquidity remains high at 1.9 billion euros, a total that includes 1.6 billion euros in unused committed credit lines. The quality of liquidity improved in 2013, thanks to the replacement of former bilateral revolving credit facilities with 1 050 million euros in new lines granted by several banks for a longer duration. In Scandinavia, the Group confirmed its footprint in the Norwegian bond market by issuing 690 million NOK in new bonds (average maturity over 3.5 years) either on a secured or on an unsecured basis.

As of December 31, 2013:

- the average remaining maturity of available credit lines is 3.5 years (versus 3 years at year-end 2012);
- the banking pool has been enlarged to 11 new banks and BNP Paribas now represents less than 22% of all authorized financing;
- the average duration on the Group's debt remains high (4.9 years).

In January 2014, Klépierre signed a term sheet for a 200 million euros revolving credit facility. Including this new financing the level of liquidity of the Group is over 2.0 billion euros. This strong liquidity position is expected to be reinforced by the proceeds from the Projected Transaction[14] (1.5 billion euros net proceeds). A significant portion of these funds is expected to be used to early repay most of the debt falling due in 2014 and 2015. Taking all these items into consideration, the Group more than covers all its financings needs over the next 2 fiscal years.

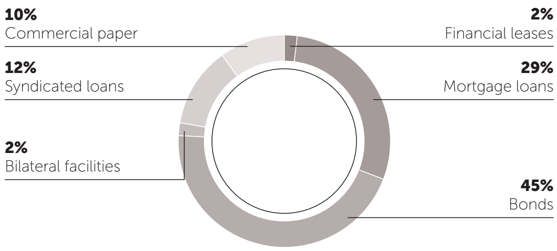
Klépierre Group's financing by due date
(Authorizations – in millions of euros)



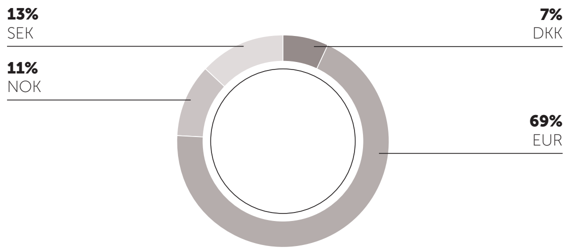
1.9.1.3. Debt structure and duration

The breakdown of funding by sources remains balanced, with a good degree of diversification between the capital markets (55%) and banking resources (45%).

Klépierre Group's financing breakdown by type of resource (Utilizations)



Klépierre Group's financing breakdown by currency (Utilizations)



The breakdown of financing resources by currency remains consistent with the geographic exposure of the Group's property portfolio. Proforma the Projected Transaction with Carrefour, the percentage of capital market resources will reach 66%, since most of the proceeds from the sale will be used to repay banking facilities.

(14) The Projected Transaction refers to the proposed disposal of 127 Carrefour-anchored retail galleries to a consortium of investors announced in December 2013 (cf. Klépierre press release dated December 16, 2013).

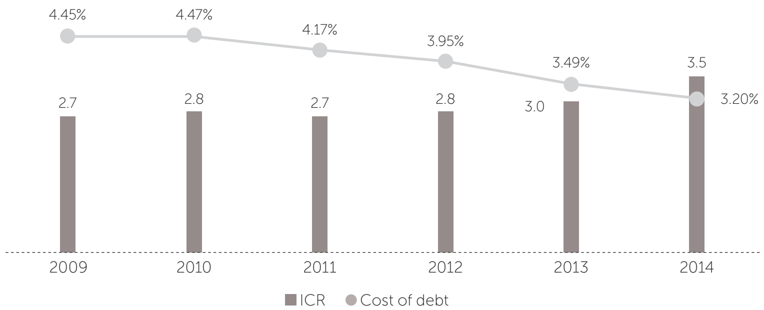
1.9.2. Interest rate hedging

The Group's hedging position was adjusted during 2013 to take into account both the issuance of new fixed-rate notes in 2012 and the completion of the disposal program. Klépierre unwound 700 million euros of medium-term payer swaps, benefiting from occasional sharp spikes in euro swap rates since the beginning of the period. At year end, the hedging ratio reached 69% at the Group level and the average duration of the fixed-rate position (3.8 years) remains compliant with the balance-sheet structure. Subsequently to the Projected Transaction with Carrefour, Klépierre intends to restructure its interest-rate hedging portfolio in euros by replacing part of its fixed payer swaps portfolio with caps while maintaining its target of 70% fixed at all times. The swaps related to the floating rate debt repaid (€1.3 Bn) due to the transaction will be terminated.
Based on the financing and hedging structure at year-end 2013, the Group's annual cash cost at risk is 9 million euros, i.e. the loss due to short-term interest rates moves would be less than 9 million euros 99% of the time.

1.9.3. Cost of debt

The average cost of debt over the period continued to fall, reaching 3.5%. This figure reflects the low level of short-term interest rates, the adjustment of the hedging ratio, and the impact of the most recent refinancing operations, which were carried out at a significantly lower cost. The low cost of debt in 2013 led to an improvement in the Interest Coverage Ratio to 3 x. Post the Projected Transaction with Carrefour, the cost of debt is expected to decrease by 30 bps thanks to the ongoing restructuring of the interest rate hedging portfolio. In the meantime, ICR is expected to improve to 3.5 times.

Historical ICR and Cost of debt



1.9.4. Financial ratios and rating

As of December 31, 2013, the Group's financing covenants remain in line with the commitments agreed to under its financing agreements.

The Loan-to-Value ratio stands at 43.9% at year-end 2013. After taking into account disposals completed and sale and purchase promissory agreements signed in January 2014, the Loan-to-Value ratio is reduced to 43.6%, unchanged compared with year-end 2012. Proforma the Projected Transaction with Carrefour, the Loan-to-Value is expected to be around 40%.

After the announcement of the Projected Transaction with Carrefour, Standard & Poor's placed Klépierre rating (BBB+) on credit watch positive in December 2013. Standard & Poor's stated it could raise the rating by one notch (from BBB+ to A-) if the transaction is completed within six months and allows Klépierre to significantly improves its credit metrics (ICR and debt to debt-and-equity).

Financing	Ratios/covenants	Limit[1]	**12/31/2013**	12/31/2012
Syndicated loans and bilateral loans Klépierre SA	Net debt/Portfolio value ("Loan to Value")	≤ 60%	43.9%	43.6%
	EBITDA/Net interest expenses	≥ 2.0[2]	3.0	2.6
	Secured debt/Portfolio value	≤ 20%	14.0%	15.7%
	Portfolio value, group share	≥ €10 Bn	€13.0 Bn	€13.1 Bn
	Ratio of financings of subsidiaries (excluding Steen & Strøm) over total gross financial debt	≤ 25%[2]	9.2%	3.6%
Bond issues Klépierre SA	Secured debt/Revalued Net Asset Value (excluding Steen & Strøm)	≤ 50%[2]	8.9%	9.0%

(1) Where applicable, the limit imposed by the most restrictive contract is adopted.
(2) Ratios are based on the revolving credit facility 2013.

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, 2013, this ratio was 36.1%.

1.10. OTHER INFORMATION

1.10.1. 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 2006 plan	2007 plan	2009 plan	2010 plan	2011 plan	Future stock options	Bonus shares	External growth	Total
POSITION AT 12/31/2012	**109 128**	**530 514**	**387 940**	**430 812**	**460 000**	**583 500**	**29 774**	**260 200**	**1 460 841**	**4 252 709**
Stock option allocation										0
Stock option plan adjustements[1]		1 550	-4 659	-5 500	-25 500	-31 500	68 459	252 150	-255 000	0
Options exercised during the year		-160 109		-166 650						-326 759
Purchases	1 290 397	0	0	0	0		0		0	1 290 397
Sales	-1 302 525	0	0	0	0		0			-1 302 525
POSITION AT 12/31/2013	**97 000**	**371 955**	**383 281**	**258 662**	**434 500**	**552 000**	**98 233**	**512 350**	**1 205 841**	**3 913 822**

(1) Updating of the number of beneficiaries to reflect employee turnover.

During 2013 as whole, 1 290 397 shares were bought back at an average price per share of 31.79 euros and 1 302 525 shares were sold at an average price per share of 31.87 euros. At December 31, 2013, Klépierre held 3 913 822 of its own shares (directly or indirectly) representing a total value of 93.50 millions d'euros based on book value and 5.48 millions at par value.

1.10.2. Financial summary for the past 5 fiscal years (data provided under the terms of article R. 225-102 of the French Commercial Code)

(in euros)	**12/31/2013**	12/31/2012	12/31/2011	12/31/2010	12/31/2009
Capital at year-end					
Share capital	279 258 476	279 258 476[1]	265 507 536	265 507 536[2]	254 761 022[3]
Number of existing ordinary shares	199 470 340	199 470 340[1]	189 648 240	189 648 240[2]	181 972 159[3]
Transaction and income for the fiscal years					
Pre-tax revenues	13 883 756	23 618 808	28 575 435	33 082 883	44 666 344
Earnings before tax, employee profit-sharing, amortization and provisions	151 277 480	552 229 958	187 635 663	259 470 314	446 756 018
Corporate income tax	598 278	491 187	301 213	229 379	1 774 181
Earnings after tax, employee profit-sharing, amortization and provisions	75 526 032	514 767 021	240 306 181	121 138 449	396 113 665
Dividends paid[4]	309 179 027	299 205 510	274 989 948	256 025 124	227 465 199
Earnings per share					
Earnings before tax, employee profit-sharing, amortization and provisions	0.76	2.77	0.99	1.37	2.46
Earnings after tax, employee profit-sharing, amortization and provisions	0.38	2.58	1.27	0.64	2.18
Net dividend per share	1.55[5]	1.50	1.45	1.35	1.25
Personnel					
Average labor force emplyed during the fiscal year, total payroll and employee benefits			Nil		

(1) Creation of 9 822 100 shares on May 21, 2012 following option to receive dividend payment in shares.
(2) Creation of 7 676 081 shares on May 14, 2010 following option to receive dividend payment in shares.
(3) Creation of 15 757 728 shares on Friday 15 May, 2009 following option to receive dividend payment in shares.
(4) Does not incorporate the cancellation of dividends on treasury stock on the pay date.
(5) Subject to the approval of the shareholders at their general meeting of shareholders on April 10, 2013.

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

Following the Simplified Public Tender Offer occurred from February 21 to March 8, and then a Simplified Squeeze-out procedure taking place from April 10 to 15, 2013, on the shares of Klémurs, Klépierre SA acquired all minority interests amounting to 15.89% of the share capital of Klémurs for a total of 32.2 million euros (excluding acquisition costs).

On November 29, 2013, SCI Kléber Odysseum acquired the 50% held by Icade in the Odysseum shopping center in Montpellier (SCI Odysseum Place de France). This company is 100% owned by Klépierre SA.

1.10.4. 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 30 days from the billing date. As at December 31, 2013, Klépierre's suppliers balances stand at 1 812 thousand euros to be paid no later than January 31, 2014.

1.11. EVENTS SUBSEQUENT TO THE ACCOUNTING CUT-OFF DATE

In January 2014, Klépierre cancelled 300 million euro fixed-rate-paying swaps and signed a 200 million euro revolving credit.

On January 20, the Group completed the sale of the offices of the shopping center Le Millénaire located at the gateway of Paris.

On January 24, the Group signed the binding agreement for the disposal of a portfolio of 127 Carrefour-anchored retail galleries in Europe. This agreement confirms the terms included in the memorandum of understanding signed on December 16, 2013. The transaction remains subject to approval of the competent regulatory authorities. This transaction is expected to close in the second quarter of 2014.

2

PROPERTY PORTFOLIO AS OF DECEMBER 31, 2013

2.1. SHOPPING CENTERS

FRANCE-BELGIUM

91 shopping centers* – 1 270 967 sq.m. of rentable floor area*

7.5 billion euros (47.2% of the value of the portfolio(1))
414.9 million euros in rents (41.5% of consolidated rents)

FRANCE

Region, city, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
ALSACE									
Strasbourg, La Vigie	67	1990	R 1996	1990	Conforama, 6 units	21 360	18 215	99.0%	40.9%
AQUITAINE									
Bègles, Rives d'Arcins	33	1995	2010, R/E 2013	1996	Carrefour, 155 unités	53 475	30 675	97.2%	52.0%
Bègles, Rives d'Arcins, Les Arches de l'Estey	*33*	*2010*			*Retail Park, 15 units*	*32 859*	*32 859*	*100.0%*	*52.0%*
Bordeaux, Saint-Christoly	33	1985	R 1999/2004	1995	Monoprix, 23 units	10 765	8 659	91.5%	100.0%
Libourne, Verdet	33	1973		2001	Carrefour, 44 units	20 945	2 648	100.0%	83.0%
AUVERGNE									
Riom	63			2012	Carrefour, 63 units	34 000	15 000	92.4%	100.0%
Clermont-Ferrand, Jaude et Carré Jaude	63	1980	R 1990, R/E 2008, R/E 2013	1990	Fnac, C&A, 134 units	40 855	40 855	93.7%	100.0%
BRITTANY									
Brest, Iroise	29	1969	R/E 2007	2001	Carrefour, 45 units	33 256	11 057	93.9%	83.0%
Lorient, K2	56	1981		2001	Carrefour, 26 units	19 840	5 109	100.0%	83.0%
Paimpol	22	1978		2001	Carrefour, 8 units	10 349	1 580	100.0%	83.0%
Quimper, Kerdrezec	29	1978		2002	Carrefour, 35 units	23 710	7 776	100.0%	83.0%
Rennes, Colombia	35	1986		2005	Monoprix, Fnac, H&M, 72 units	23 200	17 021	99.7%	100.0%
Langueux (Saint-Brieuc)	22	1973	R/E 1998	2001	Carrefour, 39 units	24 128	6 095	100.0%	83.0%
Vannes, Le Fourchêne	56	1969		2002	Carrefour, 50 units	26 000	8 460	99.1%	83.0%
BURGUNDY									
Marzy (Nevers)	58	1969	R 1999	2001	Carrefour, 37 units	24 172	9 943	97.5%	83.0%
CENTER									
Chartres, La Madeleine	28	1967		2001	Carrefour, 15 units	22 239	7 118	97.8%	83.0%
Châteauroux	36	1995		2001	Carrefour, 20 units	18 901	3 492	85.6%	83.0%
Saran (Orléans), Cap Saran	45	1971	R/E 2007	2001	Carrefour, 50 units	26 600	9 420	95.2%	83.0%
CHAMPAGNE-ARDENNE									
Charleville-Mézières, La Croisette	08	1985		2001	Carrefour, 21 units	14 325	2 490	91.8%	83.0%
Cernay (Reims)	51	1981		2001	Carrefour, 20 units	18 120	3 135	89.0%	83.0%
Tinqueux (Reims), Mont Saint-Pierre	51	1969		2004	Carrefour, 20 units	29 000	5 675	100.0%	83.0%
Saint-André-les-Vergers (Troyes)	10	1975		2001	Carrefour, 28 units	13 000	890	100.0%	83.0%
ILE-DE-FRANCE									
Athis-Mons	91	1971	R 1999	2001	Carrefour, 23 units	26 498	3 697	99.4%	83.0%
Aubervilliers, Le Millénaire	93	2011		2011	Carrefour, Boulanger, Toys'RUs, 130 units	60 000	57 790	87.3%	50.0%
Boulogne-Billancourt, Passages	92	2001	R 2013	2001	Inno, Fnac, 61 units	24 398	23 266	99.9%	50.0%
Champs-sur-Marne	77	1981		2001	Carrefour, 15 units	14 748	1 778	88.6%	83.0%
Claye-Souilly, Les Sentiers de Claye-Souilly	77	1992	E 2012	2001	Carrefour, H&M, Zara, 125 units	61 152	33 748	94.1%	55.0%
Créteil, Créteil Soleil	94	1974	R/E 2000	1991	Carrefour, 221 units	125 500	91 792	98.8%	80.0%
Drancy, Avenir	93	1995		2008	Carrefour, 56 units	27 386	11 333	83.6%	100.0%
Marne-la-Vallée-Serris, Val d'Europe	77	2008		2008	Auchan, 140 units	98 400	66 931	98.8%	55.0%
Montesson	78	1973	R/E 1985/1999/2005	2001	Carrefour, 55 units	40 276	10 794	100.0%	83.0%
Noisy-le-Grand, Arcades	93	1978	R 1992, E 2009	1995	Carrefour, 160 units	63 000	41 042	97.8%	53.6%
Pontault-Combault	77	1993	R/E 1993	2001	Carrefour, Go Sport, Darty, 71 units	38 774	30 957	97.3%	83.0%
St. Lazare Paris	75	2012		2012	Carrefour City, Esprit, 80 units	11 924	11 924	97.7%	100.0%
Sartrouville, Le Plateau	78	1976	E 1999	2001	Carrefour, 28 units	25 274	5 604	100.0%	83.0%

** See Glossary.*
(1) Appraised value (excluding duties, total share).

Region, city, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Sevran, Beau Sevran	93	1973		2003	Carrefour, 96 units	43 809	26 197	88.9%	83.0%
Stains	93	1972		2001	Carrefour, 23 units	20 120	1 946	95.5%	83.0%
Villejuif, Villejuif 7	94	1980	R/E 2008	2001	Carrefour, 30 units	13 871	3 092	96.7%	83.0%
Villiers-en-Bière	77	1990	R 2005	2001	Carrefour, Fnac, 88 units	65 849	30 529	99.6%	83.0%
LANGUEDOC-ROUSSILLON									
Lattes, Grand Sud	34	1986	R/E 1993	2002	Carrefour, 71 units	37 650	14 360	100.0%	83.0%
Montpellier, Odysseum	34	2009		2009	Géant Casino, 94 units + leisure area (22 units)	71 752	51 752	100.0%	100.0%
Montpellier, Saint-Jean-de-Védas	34	1986		2001	Carrefour, 28 units	16 240	2 331	100.0%	83.0%
Nîmes Sud, Portes de Camargue	30	1980		2002	Carrefour, 18 units	19 655	1 796	100.0%	83.0%
Perpignan, Salanca	66	1983	R/E 1997 R/E 2013	2002	Carrefour, 65 units	32 633	10 958	88.5%	83.0%
LORRAINE									
Épinal, Jeuxey	88	1983		2001	Carrefour, 11 units	21 417	1 918	100.0%	83.0%
LOWER NORMANDY									
Condé-sur-Sarthe (Alençon)	61	1972	R 1999	2001	Carrefour, 30 units	15 301	3 918	78.4%	83.0%
Hérouville, Saint-Clair	14	1976	R/E 1995	2001	Carrefour, 72 units	40 469	28 181	81.1%	83.0%
MIDI-PYRÉNÉES									
Portet-sur-Garonne, Grand Portet	31	1972	R/E 1990	2001	Carrefour, 118 units	60 600	24 656	95.4%	83.0%
Roques-sur-Garonne	31	1995	E/2008-2009	2011	E. Leclerc, Zara, H&M, New Yorker, 100 units	53 194	38 199	94.4%	100.0%
Toulouse, Blagnac	31	1993	E 2009	2004	E. Leclerc, 122 units	48 165	32 724	99.3%	54.0%
Toulouse, Purpan	31	1991		2006	Carrefour, 38 units	23 600	7 696	94.9%	83.0%
Toulouse, Saint-Orens	31	1991	R/E 2008	2004	E. Leclerc, 110 units	58 100	24 349	94.8%	53.6%
NORD – PAS-DE-CALAIS									
Auchy-les-Mines, Porte de Flandres	62	1993		2001	Carrefour, 24 units	11 650	2 599	90.2%	83.0%
Calais, Mivoix	62	1973		2001	Carrefour, 20 units	17 576	4 299	92.9%	83.0%
Denain, Jean Bart	59	1979		2003	Carrefour, 21 units	13 006	387	81.5%	83.0%
Fourmies	59	1985		2001	Carrefour, 16 units	11 000	1 842	100.0%	83.0%
Hazebrouck	59	1983		2001	Carrefour, 16 units	8 799	1 295	96.6%	83.0%
Saint-Martin-au-Laërt	62	1991		2001	Carrefour, 12 units	8 452	895	79.2%	83.0%
Valenciennes, Place d'Armes	59	2006		2006	Match, 53 units	16 200	15 864	99.0%	100.0%
PAYS DE LA LOIRE									
Angers St Serge	49	1969	E 2006	2001	Carrefour, 25 units	21 800	5 150	91.6%	83.0%
Cholet	49	1970		2001	Carrefour, 29 units	12 225	4 659	100.0%	83.0%
Nantes, La Beaujoire	44	1972		2001	Carrefour, 32 units	28 662	3 668	100.0%	83.0%
Nantes, Saint-Herblain	44	1969		2001	Carrefour, 9 units	15 067	666	94.2%	83.0%
PICARDY									
Amiens	80	1973		2001	Carrefour, 21 units	20 434	3 258	93.9%	83.0%
Château-Thierry	02	1972		2001	Carrefour, 35 units	16 920	644	100.0%	83.0%
Venette (Compiègne)	60	1974		2001	Carrefour, 34 units	28 476	5 152	100.0%	83.0%
Laon, Espace Romanette	02	1990	R/E 2008	2001	Carrefour, 36 units	16 920	4 745	100.0%	83.0%
POITOU-CHARENTES									
Angoulême, Galerie Champ de Mars	16	2007		2007	Monoprix, H&M, Zara, 44 units	16 122	16 122	89.9%	100.0%
Angoulins	17	1973		2002	Carrefour, 35 units	23 679	4 127	100.0%	83.0%
PROVENCE-ALPES-CÔTE D'AZUR									
Aix-les-Milles, La Pioline	13	1971	R 1997	2001	Carrefour, 30 units	32 617	4 726	100.0%	83.0%
Antibes	06	1973		2001	Carrefour, 33 units	29 880	4 170	100.0%	83.0%
Châteauneuf-les-Martigues	13	1973		2001	Carrefour, 17 units	20 831	12 646	92.5%	83.0%
Marseille Bourse	13	1977	R 1991/R 1997	1990	Galeries Lafayette, Fnac, 64 units	29 245	17 383	95.4%	50.0%
Marseille, Le Merlan	13	1976	R 2006	2003	Carrefour, 54 units	32 330	8 170	93.3%	100.0%
Nice Lingostiere	06	1978	R 1998	2001	Carrefour, 49 units	37 100	7 644	100.0%	83.0%
Orange	84	1986	R 1996	2001	Carrefour, 36 units	18 086	3 981	98.8%	83.0%
Trans-en-Provence (Draguignan)	83	1970	R 1993	2001	Carrefour, 29 units	15 330	3 684	100.0%	83.0%
Vitrolles, Grand Vitrolles	13	1970	R 2007	2001	Carrefour, 79 units	61 111	24 291	99.5%	83.0%

* *See Glossary.*

Region, city, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
RHÔNE-ALPES									
Annecy, Courier	74	2001		2001	Monoprix, H&M, 39 units	19 393	19 138	99.9%	58.0%
Bourg-en-Bresse, Site de Brou	01	1977		2003	Carrefour, 35 units	17 000	2 236	100.0%	83.0%
Bassens (Chambéry)	73	1969	E 1996	2001	Carrefour, 20 units	19 749	2 643	100.0%	83.0%
Écully, Grand Ouest	69	1972	R/E 1997	2001	Carrefour, 85 units	46 078	13 394	94.7%	83.0%
Givors, 2 Vallées	69	1976	R 1997	2001	Carrefour, Castorama, 37 units	32 528	19 565	100.0%	83.0%
Échirolles (Grenoble)	38	1969		2001	Carrefour, 31 units	58 945	4 738	100.0%	83.0%
Meylan (Grenoble)	38	1972		2001	Carrefour, 12 units	19 751	1 602	100.0%	83.0%
Saint-Égrève (Grenoble)	38	1986	R 2006	2001	Carrefour, 27 units	19 300	4 507	100.0%	83.0%
Valence, Victor Hugo	26	1994		2007	Fnac, H&M, Zara, 38 units	12 674	10 434	100.0%	100.0%
Vaulx-en-Velin, Les Sept chemins	69	1988	E 2009	2001	Carrefour, 45 units	36 000	6 048	100.0%	83.0%
Vénissieux	69	1966	R/E 2000-2002	2002	Carrefour, 24 units	35 913	3 161	100.0%	83.0%
UPPER NORMANDY									
Guichainville (Évreux)	27	1970		2001	Carrefour, 13 units	20 900	2 068	100.0%	83.0%
Le Havre, Espace Coty	76	1999		2000	Fnac, Monoprix, 81 units	27 000	20 249	98.0%	50.0%
TOTAL FRANCE						**2 729 603**	**1 215 283**	**97.8%**	

BELGIUM

Region, city, center	Dpt	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
BRABANT WALLON									
Louvain-la-Neuve, L'esplanade		2005		2005	Delhaize, Cinéscope, 132 units	55 684	55 684	97.8%	100.0%
TOTAL BELGIUM						**55 684**	**55 684**	**97.8%**	
TOTAL FRANCE-BELGIUM						**2 785 287**	**1 270 967**	**97.8%**	

MISCELLANEOUS ASSETS FRANCE

Region, city, center	Dpt	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
AQUITAINE						
Mérignac	33	Darty, Flunch, McDonald's	7 591	7 591	100.0%	83.0%
BRITTANY						
Vannes Le Fourchêne Pac 2	56	Fnac, Darty, Esprit	6 546	6 546	100.0%	100.0%
Vannes Nouvelle Coutume	56	Mim, Pimkie, MS Mode	1 325	1 325	100.0%	100.0%
FRANCHE-COMTÉ						
Besançon	25	Monoprix	4 604	876	100.0%	100.0%
ÎLE-DE-FRANCE						
Boissénart, Maisonément	77	Retail park, 35 units	45 227	45 227	93.9%	50%
LANGUEDOC-ROUSSILLON						
Carcassonne	11	Salvaza shopping center	11 563	4 963	99.7%	37.0%
Carcassonne	11	McDonald's	1 662	1 662	100.0%	37.0%
Sète Balaruc	34	Carrefour shopping center	16 620	3 901	100.0%	38.0%
PICARDY						
Creil (Beauvais)	60	Cora shopping center	23 235	4 067	100.0%	100.0%
Creil – Forum Rebecca	60	Boxes	67 452	64 689	94.8%	70.0%
UPPER NORMANDY						
Dieppe	76	Belvédère shopping center	5 729	5 729	100.0%	20.0%
Tourville-la-Rivière	76	Carrefour shopping center	27 480	7 858	98.6%	85.0%
MISCELLANEOUS ASSETS FRANCE			**219 034**	**154 433**		

* *See Glossary.*

SCANDINAVIA

25 shopping centers* – 820 592 sq.m. of rentable floor area*

3.8 billion euros (23.6% of the value of the portfolio[1])
234.2 million euros in rents (23.4% of consolidated rents)

NORWAY

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Ås, Vinterbro Senter	1996	1999, R 2013	2008	Coop, H&M, 131 units	53 565	34 383	99.3%	56.1%
Bergen, Åsane Storsenter	1985/1976	2007, 2009	2008	H&M, Meny, Clas Ohlson, Expert, 201 units	56 016	46 715	99.5%	28.0%
Drammen, Gulskogen Senter	1985	1986, 2000, 2008, 2009, 2010	2008	XXL, Meny, H&M, 159 units	41 436	38 861	99.4%	56.1%
Hamar, Hamar Storsenter	1933	1987, 1988, 1992, 2000, 2006	2008	Meny, H&M, Clas Ohlson, 95 unit	30 525	21 070	99.6%	56.1%
Haugesund, Amanda	1997		2008	H&M, KappAhl, Match, 127 unités	16 181	14 614	99.8%	56.1%
Larvik, Nordbyen	1991	1995, 1997, 2007, 2009	2008	Meny, H&M, Clas Ohlson, 86 units	18 059	15 842	100.0%	28.1%
Lørenskog, Metro Senter	1988	2007, 2008, 2009	2008	Coop, 141 units	59 524	51 587	91.4%	28.1%
Stavanger, Arkaden Torgterrassen	1993	2005, 2010	2008	H&M, Cubus, New Yorker, 108 units	27 592	19 415	99.4%	56.1%
Oslo, Økernsenteret	1969		2008	Bertel O. Steen, Bydel, 108 units	41 585	38 010	100.0%	28.1%
Skedsmo, Lillestrøm Torv	1985	1997, 2006	2008	H&M, 118 units	26 458	21 523	96.0%	56.1%
Tønsberg, Farmandstredet	1997	2002, 2006, 2008	2008	H&M, Meny, Clas Ohlson, 162 units	54 375	36 282	99.0%	56.1%
Tromsø, Nerstranda	1998		2008	H&M, KappAhl, 63 units	18 894	11 974	96.2%	56.1%
TOTAL NORWAY					**444 210**	**350 276**	**97.9%**	

SWEDEN

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Åstorp, Familia	2006		2008	H&M, Intersport, Kappahl 52 units	19 669	15 769	87.3%	56.1%
Borlänge, Kupolen	1989	1995, 2005	2008	Willy's, ICA, Jula, 118 units	52 277	49 417	97.7%	56.1%
Karlstad, Mitt i City	2006		2008	Intersport, Team Sportia, 54 units	20 082	15 998	92.6%	56.1%
Malmö, Emporia	2012		2012	ICA, Willys, Hollister, 210 units	68 282	66 845	93.7%	56.1%
Norrköping, Mirum	1966	2000, 2010	2008	ICA, Willys, Intersport, 94 units	63 138	38 506	91.2%	56.1%
Örebro, Marieberg	1991	2009	2008	Intersport, H&M, Jula, 124 units	44 307	32 555	99.4%	56.1%
Partille, Allum	2006		2008	ICA, Willys, 116 units	61 705	54 491	96.5%	56.1%
Sollentuna, Sollentuna centrum	1975	1993, 1999, 2010	2008	ICA, SATS, H&M, 135 units	50 000	34 878	92.4%	56.1%
Trollhåttan, Etage	2004		2008	Harald Nyborg, Expert, Intersport, Cervera, 56 units	20 996	16 681	92.3%	56.1%
Uddevalla, Torp	1991	1998, 2000, 2001	2008	H&M, El Giganten, 72 units	37 433	31 364	96.2%	56.1%
TOTAL SWEDEN					**437 889**	**356 504**	**96.7%**	

** See Glossary.*
(1) Appraised value (excluding duties, total share).

DENMARK

City, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Ahrus, Bruun's Galleri	2003		2008	Kvikly, Cinemaxx, H&M, Stadium, Bahne, 105 units	36 675	32 632	99.1%	56.1%
Copenhagen, Field's	2004		2008	Bilka, Magasin, H&M, 152 units	91 342	62 846	95.5%	56.1%
Viejle, Bryggen	2008		2008	Kvikly, H&M, 75 units	25 613	18 334	89.4%	56.1%
TOTAL DENMARK					**153 630**	**113 812**	**95.7%**	
TOTAL SCANDINAVIA					**1 035 729**	**820 592**	**97.0%**	

ITALY

35 shopping centers* – 421 149 sq.m. of rentable floor area*

1.7 billion euros (10.8% of the value of the portfolio(1))
124.2 million euros in rents (12.4% of consolidated rents)

ITALY

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
ABRUZZO								
Citta S. Angelo, Pescara Nord	1995	R/E 2010	2002	IPER, 74 units	34 125	19 430	99.3%	83.0%
Colonnella (Teramo), Val Vibrata	2000	R/E 2007	2002	IPER, 56 units	29 076	15 743	95.1%	88.0%
APULIA								
Bari, Viale Pasteur	1997	E 2002/E 2007-2008	2003	Ipercoop, 24 units	18 562	4 875	73.2%	100.0%
Lecce, Cavallino	2001		2005	Conad Leclerc, 27 units	18 826	5 792	94.8%	100.0%
BASILICATA								
Matera	1999		2003	Ipercoop, 7 units	10 093	1 572	96.6%	100.0%
CAMPANIA								
Capodrise (Caserta), I Giardini Del Sole	1992		2002	Despar, 25 units	18 997	5 987	65.9%	83.0%
EMILIA-ROMAGNA								
Savignano s. Rubicone (Rimini), Romagna Center	1992		2002	IPER, 53 units	30 306	12 624	100.0%	88.0%
Savignano s. Rubicone (Rimini), Parco Romagna	*2004*		*2011*	*Retail park, 17 units*	*30 814*	*30 814*	*84.5%*	*88.0%*
LAZIO								
Rome, La Romanina	1992	R/E 2009	2002	Carrefour, 120 units	31 969	18 815	94.1%	83.0%
Rome, Tor Vergata	2004		2005	Carrefour, 63 units	25 740	11 608	100.0%	100.0%
LOMBARDY								
Assago (Milan), Milanofiori	1988	E 2004/2005	2005	Carrefour, 100 units	47 485	24 921	100.0%	100.0%
Bergamo, Brembate	1977	R 2002	2002	IPER, 23 units	13 022	2 205	95.8%	88.0%
Bergamo, Seriate, Alle Valli	1990	R/E 2001 & 2008	2002	IPER, 55 units	33 106	10 635	100.0%	88.0%
Como, Grandate	1999		2002	IPER, 16 units	13 732	2 219	99.7%	88.0%
Cremona (Gadesco), Cremona Due	1985		2002	IPER, 62 units	19 448	6 216	100.0%	88.0%
Gran Giussano (Milan)	1997	E 2006	2002	Carrefour, 45 units	19 087	8 224	100.0%	83.0%
Lonato, Il Leone di Lonato	2007		2008	IPER, 119 units	45 959	30 194	99.1%	50.0%
Novate Milanese, Metropoli	1999	R 2011/2012	1999	Ipercoop, 87 units	30 737	16 555	100.0%	95.0%
Paderno Dugnano (Milan), Brianza	1975	R/E 1995, R 2006	2002	Carrefour, 69 units	36 248	14 670	97.9%	83.0%
Pavia, Montebello della Battaglia, Montebello	1974	E 2005	2002	IPER, 59 units	33 349	15 985	100.0%	88.0%
Pavia, Montebello della Battaglia, Parco Montebello			*2011*	*Retail park, 13 units*	*27 183*	*27 182*	*95.2%*	*88.0%*
Roncadelle (Brescia), Le Rondinelle	1996		1998	Auchan, 79 units	36 880	13 656	99.3%	95.0%
Settimo Milanese, Settimo	1995	2003	1999	Coop, 30 units	9 730	9 730	96.2%	95.0%
Solbiate Olona, Le Betulle	2002	R 2006	2005	IPER, 26 units	17 406	4 350	100.0%	100.0%
Varese, Belforte	1988	E 2006, E 2012	2002	IPER, 47 units	26 980	10 034	100.0%	88.0%

** See Glossary.*
(1) Appraised value (excluding duties, total share).

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Vignate (Milan), Acquario center	2002		2003	Ipercoop, 62 units	40 753	20 046	98.3%	95.0%
Vittuone, Il Destriero	2009		2009	IPER, 65 units	32 500	15 738	100.0%	50.0%
MARCHE								
Pesaro, Rossini Center	2000	R 2008	2002	IPER, 37 units	19 807	8 595	98.1%	88.0%
PIEDMONT								
Burolo (Turin)	1995		2002	Carrefour, 12 units	10 581	941	92.4%	83.0%
Collegno (Turin), La Certosa	2003		2003	Carrefour, 40 units	19 982	6 197	93.4%	100%
Moncalieri (Turin)	1998	R/E 2000, R 2009	2002	Carrefour, 29 units	12 758	5 804	91.8%	83.0%
Montecucco (Turin)	1989		2002	Carrefour, 11 units	9 670	1 137	96.4%	83.0%
Serravalle Scrivia, Serravalle	2003		2004	IPER, 31 units	20 976	7 994	94.4%	100.0%
Vercelli	1987		2002	Carrefour, 21 units	12 528	1 652	97.2%	83.0%
TUSCANY								
Massa Carrara, Mare e Monti	1995	R 2007	2002	Carrefour, 41 units	17 572	7 069	100.0%	83.0%
VENETO								
Thiene (Vicenza)	1993		2002	Carrefour, 38 units	20 855	5 595	93.6%	83.0%
Verona, Le Corti Venete	2006		2008	IPER, 74 units	31 558	16 345	98.8%	50.0%
TOTAL ITALY					**908 400**	**421 149**	**98.3%**	

IBERIA

76 shopping centers* – 455 209 sq.m. of rentable floor area*

1.1 billion euros (6.8% of the value of the portfolio[1])
88.7 million euros in rents (8.9% of consolidated rents)

SPAIN

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
ANDALUSIA								
Almería	1987	R 2011	2000	Carrefour, 25 units	16 030	986	90.6%	83.0%
Córdoba, Córdoba-Zahira	1977	R 2011	2000	Carrefour, 17 units	19 839	923	77.7%	83.0%
Granada	1990	R 2011	2000	Carrefour, 32 units	20 203	2 076	78.6%	83.0%
Jerez de la Frontera-Cádiz, Jerez Norte	1997	R 2011	2000	Carrefour, 41 units	22 867	6 952	82.7%	83.0%
Jerez de la Frontera-Cádiz, Jerez Sur	1989		2000	Carrefour, 35 units	24 110	3 319	64.7%	83.0%
La Línea de la Concepción, (North Gibraltar)-Cádiz, Gran Sur	1991	R/E 2007-2012	2000	Carrefour, Zara, 44 units	27 964	7 450	87.8%	83.0%
Los Barrios (West Gibraltar)-Cádiz, Algeciras I	1980		2000	Carrefour, 25 units	20 169	1 750	100.0%	83.0%
Lucena	2002		2003	Carrefour, 12 units	12 053	783	84.8%	83.0%
Málaga, Los Patios	1975	R 2004-2011	2000	Carrefour, C&A, 56 units	28 216	4 348	84.0%	83.0%
Málaga, Málaga I-Alameda	1987		2000	Carrefour, McFIT, 35 units	25 521	7 354	90.9%	83.0%
Sevilla, Sevilla I-San Pablo	1979	R 2011	2000	Carrefour, 29 units	22 887	2 406	97.3%	83.0%
Sevilla, Sevilla II-San Juan de Aznalfarache	1985	R 2011	2001	Carrefour, 45 units	27 210	4 225	78.9%	83.0%
Sevilla, Sevilla III-Macarena	1992		2000	Carrefour, 23 units	18 154	1 881	85.4%	83.0%
Sevilla, Sevilla IV-Dos Hermanas	1993		2000	Carrefour, 19 units	16 190	1 469	86.6%	83.0%
Sevilla, Sevilla V-Montequinto	1999		2003	Carrefour, 14 units	18 743	877	59.9%	83.0%
ARAGON								
Zaragoza, Actur	1990		2000	Carrefour, 33 units	18 273	5 085	65.9%	83.0%
Zaragoza, Augusta	1995		2000	Carrefour, H&M, AKI, Tien 21, 111 units	62 447	24 337	85.0%	83.0%
ASTURIAS								
Lugones, Azabache	1977	R 2011	2003	Carrefour, Decathlon, Toys'RUs, Kiabi, 42 units	28 644	4 304	90.9%	83.0%
Oviedo, Los Prados	2002		2003	Carrefour, Saturn, 84 units	35 627	24 699	87.8%	83.0%

** See Glossary.*
(1) Appraised value (excluding duties, total share).

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
BALEARIC ISLANDS								
Palma de Mallorca, General Riera	1977		2000	Carrefour, 25 units	16 132	594	99.3%	83.0%
BASQUE COUNTRY								
Bilbao II – Sestao	1994	R 2012	2000	Carrefour, 24 units	17 136	1 327	82.4%	83.0%
Oyarzun – San Sebastian	1979	R 2011	2000	Carrefour, 26 units	17 250	745	97.2%	83.0%
CANARY ISLANDS								
Santa Cruz de Tenerife, Meridiano	2003		2003	Carrefour, Inditex, C&A, Yelmo Cineplex, Primark, 100 units	44 650	27 250	88.1%	83.0%
CANTABRIA								
Santander, El Alisal	2004		2004	Carrefour, Worten, AKI, Forum Sport, 39 units	25 338	14 461	98.4%	83.0%
Santander, Peñacastillo	1982	R 2011	2001	Carrefour, 55 units	28 491	10 205	98.0%	83.0%
Torrelavega	1996		2000	Carrefour, 18 units	16 200	901	93.1%	83.0%
CASTILLE LA MANCHA								
Albacete, Los Llanos	1990		2003	Carrefour, C&A, 40 units	19 930	5 497	39.9%	83.0%
CASTILLA-Y-LÉON								
León	1990	R 2011	2003	Carrefour, 27 units	20 279	2 470	58.5%	83.0%
Salamanca	1989		2000	Carrefour, 15 units	16 962	794	82.0%	83.0%
Valladolid I, Parquesol	1981	R 2011	2000	Carrefour, C&A, 42 units	29 311	3 223	74.8%	83.0%
Valladolid II	1995		2000	Carrefour, McFIT, 24 units	23 609	3 571	82.2%	83.0%
CATALONIA								
Cabrera del Mar (North Barcelona), Cabrera	1980	R 2011	2000	Carrefour, AKI, 28 units	33 455	5 915	87.7%	83.0%
Lérida	1986		2000	Carrefour, 14 units	17 479	524	86.2%	83.0%
Reus (East Tarragona)	1991	R 2004	2000	Carrefour, 24 units	23 350	2 936	76.4%	83.0%
Tarragona	1975	R 2011	2000	Carrefour, 18 units	24 952	1 203	91.3%	83.0%
ETREMADURA								
Badajoz, Granadilla	1990		2000	Carrefour, 21 units	20 677	884	90.1%	83.0%
Badajoz, Valverde	1996		2000	Carrefour, 31 units	19 698	2 099	88.0%	83.0%
Cáceres	1993		2000	Carrefour, 16 units	15 851	1 432	72.6%	83.0%
Mérida	1992		2000	Carrefour, 20 units	17 068	1 048	87.2%	83.0%
Plasencia	1998		2000	Carrefour, 14 units	10 905	817	97.0%	83.0%
Villanueva de la Serena	1995		2000	Carrefour, 15 units	10 755	647	97.2%	83.0%
GALICIA								
Lugo	1993		2000	Carrefour, 25 units	17 312	1 412	59.2%	83.0%
Orense	1995	R 2011	2003	Carrefour, 26 units	18 618	1 032	98.5%	83.0%
Pontevedra	1998	R 2011	2003	Carrefour, 23 units	14 282	1 101	96.1%	83.0%
MADRID								
Alcalá de Henares	2001		2001	Carrefour, 27 units	10 285	1 671	89.1%	83.0%
Alcobendas (North Madrid)	1982	R 2011-2012	2000	Carrefour, McDonald's, 53 units	21 958	3 572	89.3%	83.0%
El Pinar de Las Rozas (North-West Madrid)	1981	R 2010	2000	Carrefour, 39 units	29 725	2 175	95.1%	83.0%
Los Angeles (South Madrid)	1992	R 2010	2004	Carrefour, 50 units	17 782	6 972	97.3%	83.0%
Móstoles	1992	R 2010	2000	Carrefour, 35 units	23 481	2 602	79.8%	83.0%
Pozuelo, Ciudad de la Imagen	1995	R 2010	2000	Carrefour, 28 units	21 537	1 934	75.0%	83.0%
Rivas Vaciamadrid, Parque Rivas	1999		2002	Carrefour, 57 units	37 005	1 520	91.8%	83.0%
San Sebastian de Los Reyes	2001		2001	Carrefour, IKEA, Leroy Merlin, Mediamarkt, Plaza Norte 2, 220 units	51 557	1 459	98.3%	83.0%
Vallecas, La Gavia	2008		2008	Carrefour, IKEA, Primark, Inditex, H&M, Fnac, Cinesa, 165 units	82 793	51 103	94.5%	100.0%
MURCIA								
Cartagena, Alfonso XIII	1988		2000	Carrefour, 17 units	20 331	1 135	49.5%	83.0%
Molina de Segura, Vega Plaza	2005		2006	Oportunidades Corte Inglés, 70 units	16 237	10 428	100.0%	100%
Murcia, Zaraiche	1985	R 2005	2000	Carrefour, Burger King, 24 units	24 992	1 865	90.6%	83.0%

* *See Glossary.*

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
VALENCIA								
Alicante, Puerta de Alicante	2002		2002	Carrefour, Yelmo Cineplex, Cortefield, 74 units	34 500	20 810	81.6%	83.0%
Alzira (South Valencia)	1991		2000	Carrefour, 26 units	25 098	1 035	83.4%	83.0%
Benidorm	1989	R 2012	2000	Carrefour, 22 units	22 855	1 631	95.8%	83.0%
Castellón	1985		2000	Carrefour, 21 units	16 913	820	77.3%	83.0%
Elche	1983		2000	Carrefour, Decathlon, Kiabi, 27 units, boxes	25 368	9 355	64.3%	83.0%
Elda-Petrer	1989	R 2006	2001	Carrefour, 32 units	23 078	3 431	89.8%	83.0%
Gandía	1994		2000	Carrefour, 20 units	19 072	1 464	98.7%	83.0%
Sagunto	1989		2000	Carrefour, 11 units	14 124	985	95.6%	83.0%
Torrevieja	1994	R 2011	2000	Carrefour, 16 units	17 244	1 094	100.0%	83.0%
Valencia I, Alfafar	1976	R 2011	2000	Carrefour, Conforama, 37 units	32 696	6 982	89.0%	83.0%
Valencia II, Campanar	1987	R 2005-2011	2000	Carrefour, 32 units	24 729	2 504	99.2%	83.0%
Valencia III, Paterna	1979	R 2011	2002	Carrefour, 18 units	22 525	1 036	98.6%	83.0%
Villarreal (West Castellon de la Plana)	1995		2000	Carrefour, 13 units	15 004	907	97.2%	83.0%
Vinaroz	2003		2003	Carrefour, 23 units	22 350	870	100.0%	83.0%
TOTAL SPAIN					**1 658 076**	**336 671**	**89.5%**	

PORTUGAL

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
LISBON								
Lisbon, Telheiras	1990		2003	Continente, Worten, Aki, 33 units	31 398	15 699	98.2%	100.0%
Loures, Loures	2002		2002	Continente, AKI, Decathlon, 75 units	39 277	17 370	85.9%	100.0%
NORTH								
Braga, Minho Center	1997	R 2011	2006	Continente, Worten, Sport Zone, Toys'RUs, 68 units	21 603	9 602	85.3%	100.0%
Gondomar (Porto), Parque Nascente	2003		2003	Jumbo, Leroy Merlin, Mediamarkt, Primark, 152 units	63 500	47 071	95.7%	100.0%
Vila Nova de Gaia (Porto), Gaia Jardim	1990	R 2011	2003	Continente, Worten, Espaço Casa, Fabio Lucci, 36 units	22 112	5 179	81.0%	100.0%
SOUTH								
Portimão, Aqua Portimão	2011		2011	Jumbo, Primark, H&M, Inditex, 118 units	35 499	23 617	87.9%	50.0%
TOTAL PORTUGAL					**213 389**	**118 538**	**91.6%**	
TOTAL IBERIA					**1 871 465**	**455 209**	**89.9%**	

* *See Glossary.*

CENTRAL EUROPE

23 shopping centers* – 457 529 sq.m. of rentable floor area*

1.1 billion euros (6.8% of the value of the portfolio[1])
78.8 million euros in rents (7.9% of consolidated rents)

HUNGARY

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Budapest, Corvin	2010		2009	CBA, Alexandra, H&M, 147 units	34 488	34 488	93.0%	100.0%
Budapest, Csepel Plaza	1997		2004	CBA, Háda, Fitness Csepel, 68 units	13 684	13 684	80.9%	100.0%
Budapest, Duna Plaza	1996	R 2002	2004	Cinema City, Media Saturn, CBA, H&M, 241 units	48 714	48 714	84.5%	100.0%
Debrecen, Debrecen Plaza	1999	R 2007	2004	Cinema City, CBA, Bowling Club, 81 units	14 625	14 625	95.7%	100.0%
Györ, Györ Plaza	1998	R 2008	2004	Cinema City, CBA, Euronics, 78 units	15 195	15 195	90.9%	100.0%
Kaposvár, Kaposvár Plaza	2000	E 2008	2004	Hervis, H&M, Cinema City, 44 units	10 079	10 079	84.5%	100.0%
Miskolc, Miskolc Plaza	2000		2004	Cinema City, C&A, H&M, 104 units	14 807	14 807	99.5%	100.0%
Nagykanizsa, Kanizsa Plaza	2000		2004	CBA, Cinema, Jysk, 38 units	7 549	7 549	64.2%	100.0%
Nyíregyháza, Nyír Plaza	2000		2004	Cinema City, H&M, 73 units	13 887	13 887	86.7%	100.0%
Szeged, Szeged Plaza	2000		2004	Cinema City, CBA, H&M, 79 units	16 432	16 432	91.4%	100.0%
Székesfehérvar, Alba Plaza	1999		2004	Cinema City, C&A, Hervis, 78 units	15 082	15 082	99.7%	100.0%
Szolnok, Szolnok Plaza	2001		2004	Spar, Hervis, Cinema City, 39 units	6 984	6 984	93.0%	100.0%
Zalaegerszeg, Zala Plaza	2001		2004	CBA, Cinema City, 43 units	7 207	7 207	92.3%	100.0%
TOTAL HUNGARY					**218 734**	**218 734**	**91.1%**	

POLAND

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Kraków, Kraków Plaza	2001	R 2008	2005	Carrefour, Cinema City, KappAhl, Zara, Smyk, Royal Collection, Reserved, 120 units	29 692	29 260	94.2%	100.0%
Lublin, Lublin Plaza	2007		2007	Stokrotka, Cinema City, H&M, Reserved, Carry, Smyk, Pure, 117 units	25 875	25 543	95.0%	100.0%
Poznań, Poznań Plaza	2005		2005	Piotr i Pawel, Cinema City, Zara, H&M, Reserved, Smyk, 137 units	29 504	29 325	96.1%	100.0%
Rudą Ślaska, Rudą Ślaska Plaza	2001	R 2008	2005	Carrefour, Cinema City, KappAhl, 56 units	14 618	14 491	94.3%	100.0%
Rybnik, Rybnik Plaza	2007		2007	Cinema City, H&M, EURO AGD, Reserved, Delima, 73 units	18 197	18 076	94.5%	100.0%
Sosnowiec, Sosnowiec Plaza	2007		2007	Stokrotka, Cinema City, C&A, 70 units	13 494	13 271	97.4%	100.0%
Warsaw, Sadyba Best Mall	2000		2005	Carrefour, Cinema City, RTV EURO AGD, Smyk, 116 units	23 165	23 165	99.5%	100.0%
TOTAL POLAND					**154 544**	**153 131**	**96.3%**	

CZECH REPUBLIC

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Plzeň, Plzeň Plaza	2007		2008	Cinema City, H&M, Bowling Plaza, Supermarket Albert, Hervis, 105 units	20 270	20 270	94.4%	100.0%
Prague, Novodvorská Plaza	2006		2006	Tesco, Datart, Lindex, Sportisimo, H&M, 121 units	26 929	26 929	94.2%	100.0%
Prague, Nový Smíchov	2001	R 2011	2001	Tesco, C&A, Cinema City, H&M, Zara, M&S, 162 units	57 192	38 464	100.0%	100.0%
TOTAL CZECH REPUBLIC					**104 391**	**85 664**	**98.2%**	

TOTAL CENTRAL EUROPE					**477 669**	**457 529**	**95.3%**	

** See Glossary.*
(1) Appraised value (excluding duties, total share).

OTHER COUNTRIES

6 shopping centers* – 48 489 sq.m. of rentable floor area*

0.05 billion euros (0.3% of the value of the portfolio[1])
4.4 million euros in rents (0.4% of consolidated rents)

GREECE

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rate*	Klépierre equity interest
Athens, Athinon	2002		2003	Carrefour, 9 units	12 466	1 588	54.7%	83.0%
Larissa	1994	E 2002	2007	Carrefour, 24 units	25 857	12 560	73.2%	100.0%
Patras	2002		2003	Carrefour, Kotsovolos, Intersport, 25 units	16 797	8 039	98.8%	83.0%
Thessalonica, Efkarpia	1995		2003	Carrefour, 14 units	20 664	802	95.8%	83.0%
Thessalonica, Makedonia	2000	R 2005	2001	Carrefour, Ster Century cinema, bowling, 37 units	33 161	13 348	92.3%	83.0%
TOTAL GREECE					**108 945**	**36 337**	**91.6%**	

SLOVAKIA

Region, city, center	Opening	Renovation/ Extension	Acquired by Klépierre	Composition	Gross leasable area*	Rentable floor area*	Financial occupancy rat*	Klépierre equity interest
Bratislava, Danubia	2000		2000	Carrefour, Nay, McDonald's, 44 units	25 953	12 153	94.6%	100.0%
TOTAL SLOVAKIA					**25 953**	**12 153**	**94.6%**	
TOTAL OTHER COUNTRIES					**134 898**	**48 489**	**–**	

2.2. RETAIL PROPERTIES

0.6 billion euros (3.6% of the value of the portfolio[1])
41.6 million euros (4.2% of consolidated risks)

Portfolio	Region/City	Composition	GLA*
Buffalo Grill	Throughout France	**157 restaurant premisses**	88 726
Vivarte	Throughout France	**95 store premisses including:** ■ 82 store premisses operated by Défi Mode ■ 4 store premisses operated by La Halle ■ 9 store premisses operated by La Halle aux Chaussures	94 589
King Jouet	Throughout France	**28 store premisses including:** ■ 27 operated by King Jouet ■ 1 operated by Joupi	23 803
Mondial Moquette	Throughout France	**6 store premisses operated by Mondial Moquette, 2 operated by Saint Maclou and 1 operated by Kalico**	9 084
Sephora	Metz	**1 store premisse operated by Sephora**	717
Delbard	Throughout France	**4 store premisses operated by Delbard and 1 store operated by Tablapizza**	1 374[2]
Diversified assets	Throughout France	**32 store premisses including:** ■ 2 store premisses operated by Animalis ■ 2 store premisses operated by Chauss Expo ■ 5 store premisses operated by Chaussea ■ 3 store premisses operated by Feu Vert ■ 2 store premisses operated by Gémo ■ 2 store premisses operated by Générale d'Optique ■ 2 store premisses operated by Heytens ■ 3 Leader Price supermarkets ■ 11 stores operated by diverses	31 545
Others	Throughout France	**5 store premisses**	2 495
TOTAL	**THROUGHOUT FRANCE**	**332 ASSETS**	**261 333**

** See Glossary.*
(1) Appraised value (excluding duties, total share).
(2) Including Aubière land leasehold.

2.3. OFFICE PROPERTIES

0.1 billion euros (0.8% of the value of the portfolio[1])
13.0 million euros (1.3% of consolidated rents)

City	Location	Description	Surface area* (sq.m)
PARIS [15e]	141, rue de Javel	Complex comprised of two buildings of seven and five stories, respectively, plus 2 floors below ground. Completed in 1993.	5 969
PARIS [15e]	43, quai de Grenelle	Built in 1969 and renovated in 1995. Fully air-conditioned.	12 433
AUBERVILLIERS (93)	19-21-25, rue Madeleine Vionnet	Delivered in 2011, the Bureaux du Canal (50% owned by Klépierre), adjoining the shopping center Le Millénaire, two buildings over 7 floors, linked by a footbridge. Designed in line with the principles of sustainable development, these buildings are HQE services certified	13 291
TOTAL		**3 ASSETS**	**31 693**

(1) (1) Appraised value (excluding duties, total share).

RISK FACTORS

3.1. RISKS RELATED TO KLEPIERRE 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 centers, which would have a negative effect on Group lease income and operating income as a direct result of the loss of lease income and the increase in non-billable 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 because of the cyclical nature of the real estate sector. 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 the Company'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 funding, and therefore on the business itself. In particular:

- the Company plans to cover part of its funding needs by selling existing real estate assets. In unfavorable market conditions, these assets could take longer to sell and achieve lower prices than would otherwise be the case, which could limit the flexibility of Klépierre in the way it implements its development strategy;
- the Company is bound by certain covenants related to asset values contained in the 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, 2013, the loan-to-value ratio referred to in the loan agreements stood at 43.9%, giving the group substantial room for manoeuvre 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 27% to reach the limit set in the loan agreements.

By way of illustration, note that in 2013 the independent experts who valued Klépierre's real estate assets were of the opinion that the yields used for these appraisals should be increased slightly, given the downturn in certain markets in which the Group is present. Accordingly, the value of Klépierre's holdings decreased by 0.4% over one year, with the positive impact of 0.6 points from income growth offset by a negative impact of 1 point from higher yields. At December 31, 2013, an increase of 1% in the value of its real estate assets would trigger an improvement of 0.4 points in this ratio, all other factors remaining unchanged.
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 income 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 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 feasibility 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 may not be able to attract sufficient 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, which could have an unfavorable effect on Klépierre revenue, operating income and profitability (see Business of the year, section 1.3 Rental business).

3.1.6. Risks related to the marketing of developments

Klépierre meets the cost of 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 impact unfavorably 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 detailed in Business of the year (1.8 Net asset value); the valuation method is described in Note 11.1, (Disclosures about the fair value model) of the Notes to the consolidated financial statements.
The value of the Company's real estate assets is sensitive to the main appraiser assumptions (detailed in Note 11.1 (Disclosures about the fair value model) of the Notes to the consolidated financial statements.

3.1.9. Risks related to the international business profile of Klépierre

Klépierre owns and operates shopping centers in 13 Continental European countries. 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 a negative impact on the operating income and financial position of Klépierre. The distribution of the Group's business and performance by country are detailed in Business of the year (1.3 Rental business).

3.1.10. Risks related to partners' agreements

Klépierre owns a significant proportion of its shopping centers* in France, Spain and, to a lesser degree, Italy and Greece, under the terms of a series of partnership agreements signed with CNP Assurances and Écureuil Vie. These partnership agreements provide the usual protections for minority partners: pre-emption right, joint exit right and the decision-making process applying to investment or divestment. The principal clauses of the partnership agreement are shown in Note 9.3. of the Notes to the consolidated financial statements.

If the minority partners 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). In the event of a significant shortfall, the obligation to make the corresponding payments in compensation could have a negative 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 the Klépierre growth strategy. This policy poses the following significant risks:

- Klépierre could overestimate the expected yield from these assets, and therefore acquire them at too high a price compared with the funding put in place to facilitate such acquisitions, or be unable to acquire them under satisfactory conditions, especially where the acquisitions are made via a tender offer 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 referred to above is also beneficial in this respect;
- Klépierre could also encounter difficulties in incorporating a new acquisition as a result of its impact on the Company's internal organizational structure (IT, human resources). However, the possible impacts of any acquisition on these aspects are systematically evaluated as part of the acquisition decision-making process whenever necessary.

3.2. RISKS RELATED TO KLEPIERRE'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 of the Notes to the consolidated financial statements, and in the report of the Chairman of the Supervisory Board.

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 arise 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 serviced. 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 5.15 and 8).

Risks related to the covenants and other commitments contained in certain loan agreements

In addition to the usual covenants and commitments, the loan agreements entered into by Klépierre also contain covenants obliging the Company to comply with specific financial ratios, as detailed in Business over the year (section 1.10 Financial policy). If Klépierre were to default on one of its financial commitments and be unable to remedy that failure within the time allowed in the loan agreement, 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 a negative 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.

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, its long-term debt was rated "BBB+, on credit watch with positive implications" 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.
Any downgrading of the Klépierre debt rating could impact negatively the ability of the Group to fund its acquisitions or develop its projects under acceptable conditions and could also increase the cost of refinancing its existing loans. 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 is 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 serviced. If such a shortfall were to occur, the result could be a faster rate of repayment or early repayment and the calling in of any security, with the possibility of the assets concerned being seized.
Klépierre's significant debt also exposes it to risks due to interest rate variations:

- the interest charges paid by Klépierre on its variable- rate borrowings could therefore rise significantly;
- a significant rise 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 rentals 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, is reflected in the Klépierre balance sheet, and may also impact on its income statement if hedging relationships are not sufficiently justified by documentation or if the existing hedges are only partly efficient.

The use made by Klépierre of interest rate hedge contracts could expose the Company to additional risks, and particularly the risk of failure of the counterparties to such contracts, which could in turn result in payment delays or defaults that would impact negatively on the results of Klépierre.
Quantified illustrations of the effects of interest rate fluctuations before and after hedging are given in Note 8.1 of the Notes to the consolidated financial statements.

3.2.3. Currency risk

Klépierre conducts business activities in certain countries that have not joined the Eurozone (currently Czech Republic, Denmark, Hungary, Norway, Poland and Sweden). In these countries, Klépierre's exposure to exchange rate 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 on 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 income (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) 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 of the Notes to the consolidated financial statements.

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 of the Notes to the consolidated financial statements.

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 the regulations in force in all of its operating countries. 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 a negative effect on its business, results and financial position, as well as the value of the Klépierre asset portfolio.

The specific risk posed by legal or regulatory provisions applying to leases

In certain of Klépierre's operating countries, and especially France, the contractual conditions applying to lease periods, lease voidance, lease renewal and rent indexation may 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.

Risks relating to the SIIC tax regime

Since the Company has 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 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 intelligence

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

3.4.1. Risks related to the shareholding structure of Steen & Strøm

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 shareholder agreement between the two shareholders, gives ABP Pension Fund significant influence in certain areas of strategic decision-making, such as major investment and disinvestment 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 right of veto over these decisions. For certain Steen & Strøm growth 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 (i.e. within Europe), 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, particularly in terms of epidemics (especially in the Shopping center segment).
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 cover contracted to cover the risk of accidental pollution, Klépierre also has special insurance policies to cover the assets that include classified facilities subject to authorization. These policies insure against the liability of Klépierre in respect of physical injury, damage to property, and consequential loss arising as a result of gradual pollution. In terms of personal safety, the Group's civil liability policies cover third parties against any prejudice suffered. 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 trading 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. Property damage insurance addresses this type of accidental damage.
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 on section 9 of this registration document).

3.6. INSURANCE RISKS

Klépierre and its subsidiaries are covered by Group-wide international insurance programs underwritten by prime insurers:

- providing 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;
- covering 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 of cover 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 in which third parties have arranged insurance that is insufficient to cover losses or even no insurance in certain cases.

4

CORPORATE GOVERNANCE

4.1. MANAGEMENT AND SUPERVISORY BODIES

4.1.1. The Executive Board

4.1.1.1. Executive Board appointments, operation and powers

The Company is managed by an Executive Board. The Supervisory Board elects the members of the Executive Board and determines their number within the limits of the law. The Board is appointed for three years.
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 Supervisory Board may assign the same power of representation to one or more members of the Executive Board who will then bear the title of Chief Executive Officer.
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.

The Executive Board draws up rules of procedure governing the ways in which it exercises its powers and grants delegations.

4.1.1.2. List of mandates and positions of Executive Board members

Information on the professional experience of Executive Board members is provided on page 8 of this registration document.

LAURENT MOREL – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS[1]
Chairman of the Executive Board
Date of first appointment as Chairman of the Executive Board: January 1, 2009[2]
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
Nationality: French
Number of shares: 4 177

(1) In accordance with Commission Regulation (EC) no. 809/2004 of April 29, 2004, this does not include all 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.
(2) Appointment on December 19, 2008 with effect on January 1, 2009.

JEAN-MICHEL GAULT – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS[1]
Member of the Executive Board
Date of first appointment: June 1, 2005
Period of appointment: June 22, 2013 – June 21, 2016
Nationality: French
Number of shares: 1 975

(1) In accordance with Commission Regulation (EC) no. 809/2004 of April 29, 2004, this does not include all 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: 21, AVENUE KLÉBER – 75116 PARIS[1]

Member of the Executive Board

Date of first appointment: October 18, 2012[2]

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

Nationality: French

Number of shares: –

Appointments 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

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 to «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. (former 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)

Managing partner:
- Rodamco Česká republika s.r.o. (today 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)
- 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)

(1) In accordance with Commission Regulation (EC) no. 809/2004 of April 29, 2004, this does not include all 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.
(2) Appointment on October 9, 2012 with effect on October 18, 2012.

4.1.2. The Supervisory Board

4.1.2.1. Supervisory Board appointments, operation and powers

The Supervisory Board is composed of a minimum of 3 and a maximum of 12 members who are elected by the ordinary general meeting of shareholders.
Each member of the Supervisory Board must hold at least 60 shares throughout their term of office.
The term of office as member of the Board shall be three years.
The duties of a Supervisory Board member terminate at the close of the ordinary general meeting of shareholders called to approve the financial statements in the year during which the relevant Board member's term of office expires.
The Supervisory Board elects a Chairman and a Vice Chairman amongst its members.
The Supervisory Board meets as often as the interests of the Company require, 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.
A quorum of at least half the members of the Supervisory Board is required in order to conduct business.
Resolutions are adopted on the basis of a majority vote of those members present or represented.
The Supervisory Board is responsible for the permanent oversight of the Executive Board's management of the Company. For this purpose, it may conduct any verifications or checks as it sees fit at any time of the year, and may request any and all documents it deems useful to the accomplishment of its mission.
The Supervisory Board may decide to set up committees to investigate issues submitted for review by itself or by its Chairman.
The Supervisory Board draws up rules of procedure governing the ways in which it exercises its powers and grants authorizations to its Chairman.
All other information relating to the Supervisory Board is recorded in the report prepared by the Chairman of the Supervisory Board in accordance with article L. 225-68 of the French Commercial Code (p. 292).

4.1.2.2. List of mandates and positions of Supervisory Board members

DAVID SIMON – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 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).

52 years old – B.S. 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 12, 20122 – 2015 AGM

Chairman of the Investment Committee

Number of shares: 62

Current appointments as per December 31, 2013

Director, Chairman of the Board and Chief Executive Officer:
- Simon Property Group, Inc.
- 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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VIVIEN LÉVY-GARBOUA – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
Vivien Lévy-Garboua began his professional career in the Research Department at the Banque de France, and then joined BNP Paribas in 1980. He occupied a number of different executive positions before being appointed Senior Adviser in September 2008.
66 years old – Graduate of the École polytechnique and engineer from the corps des Mines, he also has a PhD in economics from Harvard University – French nationality

Main position outside the Company: Senior Advisor to BNP Paribas
Main position within the Company: Vice Chairman of the Supervisory Board

Date of first appointment: April 12, 2000
Period of appointment: April 11, 2013 – 2016 AGM

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

Number of shares: 1 800

Current appointments as per December 31, 2013

Vice Chairman of Linedata Supervisory Board
Member of the Supervisory Board of BNP Paribas Immobilier

Director:
- Société Sicovam Holding
- Société Coe-Rexecode
- Bank of the West
- Euroclear SA
- LCH Clearnet

Appointments expired during the last five years

Compliance and Internal Control Manager at BNP Paribas
Member of the Executive Board of BNP Paribas
Vice Chairman of the Supervisory Board of Presses Universitaires de France
Member of the Board of SFEF (Société de Financement de l'Économie Française)

Director:
- BNP Paribas Luxembourg
- BNP Paribas SA (Suisse)
- BNP Paribas (GB)
- BGL BNP Paribas (Luxembourg)

DOMINIQUE AUBERNON – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
Dominique Aubernon held a number of different positions within BNP Paribas, particularly in the areas of fixed income and structured finance, before being appointed in March 2008 to serve on the Strategic Board, in charge of defining and implementing the financial policy of BNP Paribas.
57 years old – Post-graduate degree in financial management and diploma in corporate management and business strategy from the Université Paris-Dauphine – French nationality

Main position outside the Company: Strategic Advisory manager, BNP Paribas
Main position within the Company: Member of the Supervisory Board

Date of first appointment: March 31, 2010
Period of appointment: April 7, 2011 – April 10, 2014[1]

Member of the Investment Committee

Number of shares: 60

Current appointments as per December 31, 2013

Director of BNP Paribas New Zealand LTD

Appointments expired during the last five years

Director:
- BNP Paribas Lease Group SA
- Parilease SAS

(1) Proposed for reappointment at the Ordinary General Meeting of shareholders on April 10, 2014.

BERTRAND DE FEYDEAU – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 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.
65 years old – Master of law degree and graduate of 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 director(1)

Date of first appointment: July 21, 1998
Period of appointment: April 11, 2013 – 2016 AGM

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

Number of shares: 939

Current appointments as per December 31, 2013

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

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 Société Immobilières et Foncières (FSIF)
- Director of the Club de l'Immobilier

Appointments expired during the last five years

Head of Economic Affairs – Archdiocese of Paris
Chairman and CEO of AXA Immobilier SAS
Member of the Supervisory Board of SCA Klémurs

Director:
- AXA Aedificandi
- Gécina
- SITC SAS

(1) While Mr. Bertrand de Feydeau has held his office for more than 12 years, the Supervisory Board considers that Mr. Bertrand de Feydeau has always shown complete independence in his contribution to the Board's work. Because he is at an advanced stage in his career, there is no risk that Mr. Bertrand de Feydeau's independence will be reduced in the future and he cannot be deemed to have developed any close ties with the Company or its executive management that would be liable to compromise his independence in the future (AFEP-MEDEF corporate Governance Code - Section 9).

STEVEN FIVEL – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 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 transactions 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.
53 years old – B.S. degree in Accounting 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 Corporate 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 12, 2012 – 2015 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, 2013

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.

Director, 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: 21, AVENUE KLÉBER – 75116 PARIS

Career
Chairman and CEO of Associés en Finance, Vice Chairman of the Cercle des Économistes, and professor 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.
69 years old - Graduate of HEC, Institut d'études politiques de Paris, Harvard MBA, a doctorate in economics and financial management from the Université Paris-Dauphine, and a law degree – French nationality

Main position outside the Company: Emeritus Professor of Universities at Sciences Po Paris
Main position within the Company: Member of the Supervisory Board – Independent director(1)

Date of first appointment: April 12, 2001
Period of appointment: April 12, 2012 – 2015 AGM

Chairman of the Audit Committee

Number of shares: 1 000

Current appointments as per December 31, 2013

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

Appointments expired during the last five years

–

(1) This member meets all the criteria of the (AFEP-MEDEF corporate Governance Code - Section 9).

FRANCOIS KAYAT – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
After having begun his career at Kleinwort Benson, François Kayat joins Credit Suisse First Boston and became Managing Director, Co-head of French Investment Banking then Chairman Mergers & Acquisitions Europe. From 2006 to 2009 he was World Head of Mergers & Acquisitions and Investment Banking at Calyon. Since 2010 he is Associate and Managing Partner at Lazard Frères.
51 years old – graduate of ESCP Europe – French nationality

Main position outside the Company: Associate and Managing partner at Lazard Frères bank
Main position within the Company: Member of the Supervisory Board

Date of first appointment: March 14, 2012
Period of appointment: April 12, 2012 – 2015 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, 2013

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Appointments expired during the last five years

Member of the Supervisory Board of SCA Klémurs

CATHERINE SIMONI – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 PARIS

Career
Catherine Simoni joined Carlyle Group 12 years ago in Real-Estate. Catherine Simoni 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 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.
49 years old – Engineering degree from the university of Nice (France) – French nationality

Main position outside the Company: Managing Director France/The Carlyle Group
Main position within the Company: Member of the Supervisory Board – Independent director(1)

Date of first appointment: December 20, 2012
Period of appointment: December 20, 2012 – April 10, 2014(2)

Member of the Investment Committee
Member of the Sustainable Development Committee

Number of shares: 60

Current appointments as per December 31, 2013

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Appointments expired during the last five years

–

(1) This member meets all the criteria of the (AFEP-MEDEF corporate Governance Code - Section 9).
(2) Proposed for reappointment at the Ordinary General Meeting of shareholders on April 10, 2014.

ROSE-MARIE VAN LERBERGHE – BUSINESS ADDRESS: 21, AVENUE KLÉBER – 75116 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 General Director of Human Resources, notably. In 1996 she became Executive Director in charge of employment and professional training at the French Ministry of Labor and Solidarity. Then she became Executive Director of APHP (Public Assistance of Hospitals of Paris). From 2006 to 2011 she was Chairman of the Executive Board of Korian.
67 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 director[(1)]

Date of first appointment: April 12, 2012
Period of appointment: April 12, 2012 - 2015 AGM

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

Number of shares: 100

Current appointments as per December 31, 2013

Director:
- Société Air France
- Casino Guichard-Perrachon
- Bouygues
- CNP Assurances
- Fondation Hôpital Saint-Joseph
- Fondation Institut Pasteur

Appointments expired during the last five years

Chairman of the Executive Board of the Korian group

(1) This member meets all the criteria of the (AFEP-MEDEF corporate Governance Code - Section 9).

4.2. COMPENSATION AND BENEFITS

4.2.1. Compensation of executive corporate officers, stock options and performance shares

The purpose of Klépierre's policy on compensation, stock options and performance shares is to attract, retain and motivate high-performing managers.
In compliance with the AFEP-MEDEF code, compensation is based on work done, results achieved and also on scope of responsibility.
The market is not the sole benchmark for compensation but regular comparisons are made with leading French and European real estate companies among Klépierre's competitors.
The compensation and performance shares policy is reviewed each year by the Nomination and Compensation Committee, which then makes recommendations to the Supervisory Board.
It should also be remembered that the employment contract of Laurent Morel, Chairman of the Executive Board, with Klépierre Management was suspended with effect from November 30, 2011. Since then, Laurent Morel has received compensation set by the Klépierre Supervisory Board and continues to exercise his functions as manager of Klépierre Management free of charge. Jean-Michel Gault (Deputy CEO) and Jean-Marc Jestin (COO) are compensated in line with their employment contracts with Klépierre Management.

Fixed compensation

Any increase in compensation to members of the Executive Board is linked to events affecting the company and also takes into account performance-related pay from other components of compensation.

Variable compensation

Variable compensation rewards the performance of each corporate officer and the Company's progress over the period.
The rules used to set this compensation are consistent with the annual performance assessment of each executive corporate officer and with the Company's strategy.
The payment of variable compensation depends on the achievement of precise preset objectives *(see below)*.
The amount is determined at the end of each year based on how successfully these objectives have been achieved and paid at the start of the following year. The methods used to determine variable compensation are reviewed annually for the coming year.
Variable compensation is set at a comparable order of magnitude to fixed compensation. It consists of a percentage of fixed compensation, tailored to the Company's business and set in advance by the Supervisory Board.
Only in very particular circumstances can exceptional variable compensation be paid.
Variable compensation is not paid only to the executive corporate officers. Thus, in 2013, on the whole Group, 978 employees received a variable compensation.
Variable compensation comprises a quantitative component and a qualitative component.

Quantitative component

The quantitative component of variable compensation is calculated as a percentage of fixed annual compensation of up to between 50% and 80% of fixed annual compensation. This percentage is determined by a scale based on the achievement of a target for net current cash-flow per share. This scale is designed to smooth out threshold effects.
Net current cash-flow per share is a simple, relevant, objective and measurable criterion appropriate to the Company's strategy.
Its relevance is reviewed regularly and care is taken to avoid any *ad hoc* revisions.
The different bands for achieving the net current cash-flow per share target are precisely defined but not disclosed for reasons of confidentiality.
Accordingly, as net current cash-flow per share for 2013 was 2.07 euros, the quantitative component of variable compensation for members of the Executive Board is 70% of annual fixed remuneration.

Qualitative component

In addition to the company performance criteria there are individual criteria tailored to the objectives and specific responsibilities of each Executive Board member's role. These, if met, may trigger an additional variable compensation payment. As regards the qualitative part of variable compensation to be paid to members of the Executive Board in 2015 in respect of 2014 and future years, this additional variable compensation will be capped at 60% of fixed compensation.
The relevance of the criteria applied is reviewed regularly and care is taken to avoid any ad hoc revisions.
The qualitative component of variable compensation to be paid to members of the Executive Board in respect of 2013 was based, among other criteria, on the achievement of the following pre-set criteria for the managers:

- completion of the disposal program for the years 2012-2013 in accordance with the objectives;
- completion of a major disposal: the sale to Carrefour of assets in France, Spain and Italy;
- the roll-out of SAP in all countries where Klépierre operates.

These objectives and the personal objectives that derive from them, which were pre-set but not disclosed for confidentiality reasons, were all met in 2013.

Performance shares

Since 2012, Klépierre has prioritized the award of free shares as a means to promote loyalty among its executive corporate officers and a limited number of employees and also to encourage them to act for the long term, so aligning their interests with those of the Company and its shareholders.
The award of such shares has replaced the stock option programs in place until 2011. All awards of bonus shares are linked to both internal and external performance criteria.
The award of performance shares forms part of a policy of tying managers into the Company's capital and its associated risks. The performance criteria set by Klépierre are therefore evaluated over a three year period.
In compliance with the recommendations of the AFEP-MEDEF Code (small share of capital and allowance for dilution effects), at Klépierre's general meeting of April 12, 2012 shareholders capped the number of shares that can be awarded at 0.5% of the share capital for a period of 38 months. Within this limit, the Supervisory Board set a maximum percentage of performance shares that can be awarded to members of the Executive Board.
Following the entry into force of the revised AFEP-MEDEF Code in June 2013, shareholders at the general meeting of April 10, 2014 and future years will be asked to vote on this maximum percentage. Accordingly, at the general meeting to be held on April 10, 2014 the proposal will be put to shareholders to limit to 0.2% of share capital the number of shares that can be awarded to members of the Executive Board, during a period of 38 months.
Shares are awarded each year, at the same time of year, except for 2012 due to the change in share ownership (entry of Simon Property Group) and to associated modifications in the composition of the Supervisory Board.
Performance shares are valued according to IFRS. The Supervisory Board ensures that they do not make up a disproportionate share of the overall compensation of members of the Executive Board.
Employees who do not receive performance shares can benefit from other programs linked to the Company's performance (including incentive and mandatory profit-sharing schemes).

Klépierre's Executive Board, acting on the authorization granted at the general meeting of April 12, 2012, put in place in 2013 a bonus share allotment plan with performance conditions that associates 51 employees with the Company's performance.
This led to the award in 2013 of 255 000 performance shares, equivalent to 0.13% of the share capital.
The Supervisory Board reviewed the award of performance shares to executive corporate officers under all parts of their compensation and set a limit of 95 000 shares, equivalent to 0.05% of the share capital, as follows:
Laurent Morel: 35 000 shares
Jean-Michel Gault: 30 000 shares
Jean-Marc Jestin: 30 000 shares
As these were existing shares, the award had no dilutive effect.
The features of the plan are modeled on current practice at French and foreign international groups (notably Simon Property Group) and guided by the legal and tax regimes governing these products.
Two performance conditions, one internal (or absolute) and the other external (or relative), are measured at the end of a 3-year period. First, the absolute performance of the Klépierre share taking account of dividend yield (total shareholder return or TSR). Second, the relative performance of the Klépierre share against the FTSE EPRA EURO ZONE index.

The methods used to calculate each of these performance conditions are set out in more detail on page 310.

The performance conditions are weighted as follows: absolute performance 30%/relative performance 70%.

In application of 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. Members of the Executive Board are thus forced to retain a substantial and growing number of shares, which should represent at mid term at least two years of fixed compensation.

In accordance with the revised AFEP-MEDEF Code of June 2013, this amount will be reviewed and fixed by the Supervisory Board in light of the situation of each executive corporate officer periodically and, as a minimum, 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 Regulations governing Klépierre performance shares do not allow beneficiaries to hedge their risk during the vesting period and, to the best of Klépierre's knowledge, no hedging instruments have been arranged.
In accordance with the revised AFEP-MEDEF Code of June 2013, executive corporate officers will formally commit under the next allotment plan not to engage in any transactions that would hedge the risk of their performance shares until the end of the retention period fixed by the Supervisory Board.

Supplementary pension schemes

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. The maximum amount of this retirement pension is 9 767 euros for Laurent Morel and 6 643 euros for Jean-Michel Gault. This plan is closed to new entrants and can no longer be altered.
Jean-Marc Jestin has no supplementary pension scheme.
Aside from the above-mentioned compagnie Bancaire scheme, the members of the Executive Board belong to the same retirement scheme as the Group's senior executives.

Other

Benefits in kind consist solely of a Company car and associated expenses such as fuel and insurance.
Each year, members of the Executive Board also receive directors' fees for any seats they hold on the boards of various Group companies, which make up a minimal part of their compensation. They receive no other compensation from Group companies.

4.2.2. Say on pay submitted to shareholders' vote

Elements of compensation due or awarded to Laurent Morel, Chairman of the Executive Board, for the year ended December 31, 2013 (seventh resolution submitted to shareholder's vote on April 10, 2014)

		Laurent Morel	
Fixed compensation		287 945	Including increase of 58 338 euros
Annual variable compensation		305 000	**Quantitative component** The quantitative component of variable compensation is calculated as a percentage of fixed annual compensation and can represent between 50% and 80% thereof. The applicable percentage is determined according to a table based on the achievement of the target for net current cash flow per share. The quantitative part of variable compensation is only paid in the event that a minimum target is achieved. The expected levels of achievement of this target for net current cash flow per share have been precisely laid down but are not made public for reasons of confidentiality. The quantitative component of Laurent Morel's variable compensation for the year 2013 amounted to 70% of his fixed annual remuneration. **Qualitative component** The qualitative component of variable compensation is calculated as a percentage of fixed annual compensation and is based on individual performance criteria adjusted according to the specific targets and responsibilities associated with Laurent Morel's functions. For the year 2013, the qualitative component of Laurent Morel's variable compensation was assessed, in particular, on the basis of achievement of the following targets, set in advance: – completion of the disposals program for the years 2012-2013 in accordance with the targets set; – negotiation of a significant disposal project with Carrefour encompassing assets in France, Spain and Italy; – deployment of SAP in all countries in which Klépierre operates. These targets and the personal targets derived therefrom, which were laid down and defined precisely in advance but which were not made public for reasons of confidentiality, were all achieved.
Deferred variable compensation		0	No deferred variable compensation
Long-term variable compensation		0	No long-term variable compensation
Exceptional compensation		0	No exceptional compensation
Performance shares	Bonus shares	496 650	Plan No. 2 for the award of bonus shares subject to performance conditions, set up by a decision of the Executive Board on February 25, 2013 pursuant to the delegated powers granted by the eleventh resolution of the General Meeting dated April 12, 2012 Performance conditions assessed according to 2 criteria: – rate of profitability of Klépierre shares ("Total Shareholder Return" or "TSR"); – relative performance of Klépierre shares assessed by reference to the FTSE EPRA Eurozone Index. Award of 35 000 bonus shares to Laurent Morel, representing 0.018% of the Company's capital stock.
	Stock options	0	No allocation of stock options
Directors' fees		25 000	Fixed share in his capacity as Chairman of the Board of Directors of Klépierre Management Italia
Value of benefits		4 560	Provision of a company car
Severance package: severance pay/non-compete benefit		0	No severance pay, no non-compete benefit
Supplementary pension plan		9 767	Laurent Morel has the benefit of the supplementary defined benefits pension plan for management executives of the former bank company, which may result in the payment of an additional pension of 9 767 euros per year. This plan has been closed since 12/31/2000.
Others		24 529	Compensation in the absence of employees savings scheme.

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, 2013 (eigth resolution submitted to shareholder's vote on April 10, 2014)

		Jean-Michel Gault	Jean-Marc Jestin	
Fixed compensation		201 341	215 000	
Annual variable compensation		275 000	275 000	**Quantitative component** The quantitative component of variable compensation is calculated as a percentage of fixed annual compensation and can represent between 50% and 80% thereof. The applicable percentage is determined according to a table based on the achievement of the target for net current cash flow per share. The quantitative part of variable compensation is only paid in the event that a minimum target is achieved. The expected levels of achievement of this target for net current cash flow per share have been precisely laid down but are not made public for reasons of confidentiality. The quantitative component of Jean-Michel Gault's variable remuneration for the year 2013 and the quantitative component of Jean-Marc Jestin's variable compensation for the year 2013 amounted to 70% of their fixed annual compensation. **Qualitative component** The qualitative component of variable compensation is calculated as a percentage of fixed annual compensation and is based on individual performance criteria adjusted according to the specific targets and responsibilities associated with Jean-Michel Gault's functions and with Jean-Marc Jestin's functions. For the year 2013, the qualitative component of Jean-Michel Gault's and of Jean-Marc Jestin's variable compensation was assessed, in particular, on the basis of achievement of the following targets, set in advance: – completion of the disposals program for the years 2012-2013 in accordance with the targets set; – negotiation of a significant disposal project with Carrefour encompassing assets in France, Spain and Italy; – deployment of SAP in all countries in which Klépierre operates. These targets and the personal targets derived therefrom, which were laid down and defined precisely in advance but which were not made public for reasons of confidentiality, were all achieved.
Deferred variable compensation		0	0	No deferred variable compensation
Long-term variable compensation		0	0	No long-term variable compensation
Exceptional compensation		0	0	No exceptional compensation
Performance shares	Bonus shares	425 700	425 700	Plan No. 2 for the award of bonus shares subject to performance conditions, set up by a decision of the Executive Board on February 25, 2013 pursuant to the delegated powers granted by the eleventh resolution of the General Meeting dated April 12, 2012 Performance conditions assessed according to 2 criteria: – rate of profitability of Klépierre shares ("Total Shareholder Return" or "TSR"); – relative performance of Klépierre shares assessed by reference to the FTSE EPRA Eurozone Index. Award of 30,000 bonus shares to Jean-Michel Gault, representing 0.015% of the Company's capital stock. Award of 30,000 bonus shares to Jean-Marc Jestin, representing 0.015% of the Company's capital stock.
	Stock options	0	0	No allocation of stock options
Directors' fees		15 000	15 000	Fixed share in their capacity as members of the Board of Directors of Klépierre Management Italia
Value of benefits		5 453	5 248	Provision of a company car to Jean-Michel Gault and Jean-Marc Jestin
Severance package: severance pay/non-compete benefit		0	0	No severance pay, no non-compete benefit
Supplementary pension plan		6 643	0	Jean-Michel Gault has the benefit of the supplementary defined benefits pension plan for management executives of the former Compagnie bancaire, which may result in the payment of an additional pension of €6 643 per year. This plan has been closed since 31/12/2000. Jean-Marc Jestin does not have the benefit of a supplementary pension plan.
Others		13 469	13 469	Employees saving scheme under company agreements

4.2.3. Executive Board members' compensation and benefits

Table summarizing compensation, stock options and shares awarded to each corporate executive officer (Table No. 1 – AMF recommendations – AFEP/MEDEF Code)

	Laurent Morel Chairman of the Executive Board Member of the Executive Board		Jean-Michel Gault Deputy CEO Member of the Executive Board		Jean-Marc Jestin Chief Operating Officer Member of the Executive Board	
(in euros)	2012	**2013**	2012	**2013**	2012	**2013**
Compensation due for the fiscal year (itemized in Table 2)	576 085	647 034	481 407	510 263	283 656	523 717
Value of options granted during the fiscal year	–	–	–	–	–	–
Value of performance shares granted during the fiscal year (itemized in Table 6)	465 850	496 650	399 300	425 700	1 103 500	425 700
TOTAL	**1 041 935**	**1 143 684**	**880 707**	**935 963**	**1 387 156**	**949 417**

Table summarizing compensation (before tax and social charges) of each corporate executive officer (Table No. 2 – AMF recommendations – AFEP/MEDEF Code)

	Laurent Morel Chairman of the Executive Board Member of the Executive Board				Jean-Michel Gault Deputy CEO Member of the Executive Board				Jean-Marc Jestin Chief Operating Officer Member of the Executive Board			
	2012		**2013**		2012		**2013**		2012		**2013**	
(in euros)	Amount due	Amount paid	**Amount due**	**Amount paid**	Amount due	Amount paid	**Amount due**	**Amount paid**	Amount due	Amount paid	**Amount due**	**Amount paid**
Fixed compensation	229 607	229 607	287 945	287 945	201 341	201 341	201 341	201 341	43 656	43 656	215 000	215 000
Variable compensation[1]	275 000	224 650	305 000	275 000	240 000	200 000	275 000	240 000	90 000		275 000	90 000
Exceptional	20 032[3]	20 032[3]	–	–	–	–	–	–	150 000[4]	150 000[4]		
Directors' fees	25 000	25 000	25 000	25 000	21 334	20 000	15 000	21 334	–	–	15 000	15 000
Benefits in kind[2]	4 560	4 560	4 560	4 560	4 560	4 560	5 453	5 453	–	–	5 248	5 248
Other	21 886	21 886	24 529	–	14 172	14 172	13 469	13 469	–	–	13 469	0[6]
TOTAL	**576 085**	**525 735**	**647 034**	**592 505**	**481 407**	**440 073**	**510 263**	**481 597**	**283 656**	**193 656**	**523 717**	**325 248**

(1) See paragraph 4.2.1.
(2) Benefits in kind consist solely of a Company car and associated expenses such as fuel and insurance.
(3) Laurent Morel received a long service award in August 2012.
(4) Signing bonus paid to Jean-Marc Jestin when he joined the Company from an external company.
(5) Employee saving 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.
(6) Given the arrival date of Jean-Marc Jestin in the Company, no sum is paid from the employee saving scheme.

Options to subscribe for new shares or to purchase existing shares granted during the year to each corporate executive officer by the issuer or by any group company (Table No. 4 AMF recommendations – AFEP/MEDEF Code)

No options to subscribe to new shares or purchase existing shares were granted to the Executive Board members during fiscal year 2013.

Options to subscribe for new shares or to purchase existing shares exercised during the year by each corporate executive officer (Table No. 5 AMF recommendations – AFEP/MEDEF Code)

Options exercised by Executive Board members	Plan no. and date	Number of options exercised during the fiscal year	Exercise price
Laurent Morel Chairman of the Executive Board Member of the Executive Board	Plan No. 1 – May 30, 2006 Without performance conditions	22 000	€29.49
Jean-Michel Gault Deputy CEO Member of the Executive Board	Plan No. 1 – May 30, 2006 Without performance conditions	5 000	€29.49

Performance shares granted during the year to each corporate executive officer by the issuer or by any Group company (Table No. 6 AMF recommendations – AFEP/MEDEF Code)

Performance shares awarded during the fiscal year to each corporate officer by the issuer or any Group company	Plan No. and date(1)	Number of shares granted during the fiscal year	Value of shares based on method used in the consolidated financial statements *(in euros)*	End of vesting p eriod	End of holding period	Performance conditions
Laurent Morel Chairman of the Executive Board Member of the Executive Board	Plan No. 2 Date: February 25, 2013	35 000(2)	496 650	02/25/2016	02/25/2018	Performance conditions assessed based on 2 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 Deputy CEO Member of the Executive Board	Plan No. 2 Date: February 25, 2013	30 000(3)	425 700	02/25/2016	02/25/2018	Performance conditions assessed based on 2 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 Chief Operating Officer Member of the Executive Board	Plan No. 2 Date: February 25, 2013	30 000(3)	425 700	02/25/2016	02/25/2018	Performance conditions assessed based on 2 criteria: - Total Shareholder Return (TSR) on the Klépierre shares; - Performance of the Klépierre shares relative to the FTSE EPRA EURO ZONE index.

(1) The general meeting of the shareholders on April 12, 2012 authorized the Executive Board for a period of 38 months to award, at its discretion, bonus shares in the form of existing shares in the Company acquired through share buybacks, or of newly issued shares (excluding any preferred stock).
The number of bonus shares may not entitle beneficiaries to a total number of shares exceeding 0.5% of the capital stock on the date of the Executive Board's decision, it being stipulated that the total number of bonus shares awarded pursuant to this authorization applies against the ceiling of 1% of the capital stock as provided by the twelfth resolution adopted by the general meeting on April 12, 2012 on the award of stock purchase options.
Pursuant to this authorization, 260 200 existing bonus shares were awarded on October 23, 2012 (Plan No. 1) and 255 000 existing bonus shares were awarded on February 25, 2013 (Plan No. 2) based on the par value of the shares at those dates.
The shares awarded to members of the Executive Board are subject to a requirement to hold the shares in registered form, for as long as they remain in office, in respect of 50% of the gain realized on the acquisition, net of taxes and charges, calculated upon delivery of the shares.
(2) The number of the bonus shares awarded pursuant to the Plan No. 2 represents 0.018% of the total number of shares comprising the capital stock.
(3) The number of the bonus shares awarded pursuant to the Plan No. 2 represents 0.015% of the total number of shares comprising the capital stock.

More information is available on page 237 of this registration document.

Performance shares which became available to each corporate officer (Table No. 7 AMF recommendations – AFEP/MEDEF Code)

No performance shares became available to the Executive Board members during current or previous fiscal years.

Other disclosures (Table No. 11 AMF recommendations – Table No. 1 AFEP/MEDEF Code)

Corporate executive officer	Employment agreement		Supplementary pension scheme[6]		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[1] Member of the Executive Board Start of term[2]: 06/22/2013 End of term[3]: 06/21/2016		X[5]	X			X		X
Jean-Michel Gault Deputy CEO Member of the Executive Board Start of term[2]: 06/22/2013 End of term[3]: 06/21/2016	X		X			X		X
Jean-Marc Jestin Chief Operating Officer Member of the Executive Board Start of term[4] : 06/22/2013 End of term[3]: 06/21/2016	X			X		X		X

(1) Date first appointed as Chairman of the Executive Board: 12/19/2008 effective on 01/01/2009.
(2) Date first appointed as Member of the Executive Board: 06/01/2005.
(3) As Member of the Executive Board.
(4) Date first appointed as Member of the Executive Board: 10/09/2012 effective on 10/18/2012.
(5) 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.
(6) 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 9 767 euros and 6 643 euros, respectively. Jean-Marc Jestin is not eligible for any supplemental pension plan.

4.2.4. Information on stock purchase options

Overview of stock purchase options granted in previous years – Information on stock purchase options (Table No. 8 AMF recommendations – AFEP/MEDEF Code)

	Plan No. 1	Plan No. 2
General Meeting date	April 7, 2006	April 7, 2006
Executive Board meeting date	May 30, 2006	May 15, 2007
Total number of shares that may be subscribed or purchased	603 593[1]	443 146[1]
o/w shares that may be subscribed or purchased by corporate officers	*62 042*	*52 476*
Laurent Morel *– Chairman of the Executive Board, member of the Executive Board*	*31 021*	*27 924*
Jean-Michel Gault *– Deputy CEO, member of the Executive Board*	*31 021*	*24 822*
Jean-Marc Jestin *– Chief Operatinf Officer, member of the Executive Board*	–	–
Start date for exercising options	May 31, 2010	May 16, 2011
Expiration date	May 30, 2014	May 15, 2015
Subscription or purchase price[2]	29.49 euros[1]	46.38 euros[1]
Exercise conditions[4]	See below	See below
Number of shares subscribed at December 31, 2013	160 109	–
Total number of options cancelled or lapsed	71 529	59 865
Options outstanding at year-end	371 955[5]	383 281[5]

(1) Adjusted to reflect the 3-for-1 stock split in 2007 and after additional adjustment to reflect the discount granted as part of the preferential subscription rights capital increase of December 2008.
(2) The purchase price corresponds to the round off average of the first prices rated at the twenty trading days preceding the date of allotment.
(3) 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.
(4) 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.
(5) After taking into account the 3-for-1 stock split in 2007 and impact of the discount granted as part of the preferential subscription rights capital increase of December 2008 and departures.
(6) After taking into account departures.

Plans Nos. 1, 2 and 3:

On April 7, 2006, the General Meeting authorized the Executive Board, for a period of thirty-eight months, to grant options to buy shares in the Company, on one or more occasions, to corporate officers and salaried staff, subject to a maximum of 1.1% of the capital stock. The Executive Board was authorized to set the purchase price of the shares within the limits and according to the terms and conditions provided by law, and excluding any discount. The General Meeting set the maximum period for the exercise of the options at ten years from the date of their allotment. Allotments of stock options to members of the Executive Board must be submitted to the prior approval of the Supervisory Board. Shares purchased by the Executive Board members pursuant to Plans Nos. 1 and 2 are freely transferable. In the case of Plan No. 3, shares purchased are subject to an obligation on the part of members of the Executive Board to retain them in registered form, for as long as they remain in office, in an amount equal to at least 50% of the net capital gain realized on their purchase.

Plans Nos. 4 and 5:

On April 9, 2009, the General Meeting authorized the Executive Board, for a period of thirty-eight months, to grant options to buy shares in the Company to corporate officers and salaried staff, subject to a maximum of 1% of the capital stock.
The Executive Board was authorized to set the purchase price of the shares within the limits and according to the terms and conditions provided by law, and excluding any discount. The General Meeting set the maximum period for the exercise of the options at ten years from the date of their allotment. Allotments of stock options to members of the Executive Board must be submitted to the prior approval of the Supervisory Board. Shares purchased by exercising the options are subject to an obligation on the part of members of the Executive Board to retain them in registered form, for as long as they remain in office, in an amount equal to at least 50% of the net capital gain realized on their purchase.

On April 12, 2012, the General Meeting authorized the Executive Board, for a period of thirty-eight months, to grant options to buy shares in the Company, on one or more occasions, subject to a maximum of 1% of the capital stock, on the understanding that the total number of bonus shares allotted pursuant to the authorization granted to the Executive Board by the eleventh resolution of that General Meeting would be charged to that upper limit of 1%.

The Executive Board did not made use of this authorization to grant options during the financial years 2012 and 2013.

Plan No. 3		Plan No. 4		Plan No. 5	
Without performance conditions	With performance conditions	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
April 7, 2006	April 7, 2006	April 9, 2009	April 9, 2009	April 9, 2009	April 9, 2009
April 6, 2009	April 6, 2009	June 21, 2010	June 21, 2010	May 27, 2011	May 27, 2011
377 750	103 250	403 000	90 000	492 000	114 000
–	*65 000*	–	*65 000*	–	*78 000*
–	*35 000*	–	*35 000*	–	*42 000*
–	*30 000*	–	*30 000*	–	*36 000*
–	–	–	–	–	–
April 6, 2013	April 6, 2013	June 21, 2014	June 21, 2014	May 27, 2015	May 27, 2015
April 5, 2017	April 5, 2017	June 20, 2018	June 20, 2018	May 26, 2019	May 26, 2019
22.60 euros	between 22.60 and 27.12 euros(3)	22.31 euros	between 22.31 and 26.77 euros(3)	27.94 euros	between 27.94 and 33.53 euro(3)
See below		See below		See below	
158 650	12 688	–	–	–	–
43 500	7 500	58 500	–	54 000	–
175 600(6)	83 062(6)	344 500(6)	90 000(6)	438 000(6)	114 000(6)

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 (Table 9 – AMF recommendations)

	Total number of shares granted/ Total number of shares bought	Weighted average price	Plan No. 1	Plan No. 3
Options granted during the financial year to the 10 employees granted the highest number of options	–	–	–	–
Options granted during the financial year to the 10 employees granted the highest number of options	138 309	25.05	77 559	60 750

Information on performance shares (Table No. 10 AMF recommendations – Table No. 9 AFEP/MEDEF Code)

	Plan No. 1	Plan No. 2
General Meeting date	April 12, 2012	April 12, 2012
Executive Board meeting date	October 23, 2012	February 25, 2013
Total number of shares awarded	260 200	255 000
o/w number of performance shares awarded to corporate officers		
Laurent Morel Chairman of the Executive Board Member of the Executive Board	35 000	35 000
Jean-Michel Gault Deputy CEO Member of the Executive Board	30 000	30 000
Jean-Marc Jestin Chief Operating Officer Member of the Executive Board	50 000(1)	30 000
Vesting date	10/23/2015	02/25/2016
End of holding period	10/23/2017	02/25/2018
Performance conditions	Performance conditions assessed based on 2 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 2 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 12/31/2013	0	0
Total number of shares cancelled or lapsed	850	2 000
Performance shares remaining at end of fiscal year	259 350	253 000

(1) Of which 40 000 shares not subject to performance conditions granted when Jean-Marc Jestin joined the Company from an external company.

Plans Nos. 1 and 2:

On April 12, 2012, the General Meeting authorized the Executive Board, for a period of thirty-eight months, to award, on one or more occasions, bonus shares of the Company, whether existing or to be issued, to corporate officers and salaried staff, subject to a maximum of 0.5% of the capital stock, on the understanding that this upper limit would be charged to the total number of stock options allotted pursuant to the authorization granted to the Executive Board by the twelfth resolution of the said General Meeting, namely 1% of the capital stock. The Executive Board was authorized to fix the date on which the shares would be definitively acquired by the beneficiaries, namely upon the expiry of an acquisition period of a minimum of four years, or upon the expiry of an acquisition period of a minimum of two years. The shares must be subject to a retention obligation of a minimum of two years from the end of the acquisition period. However, this retention obligation can be removed in the case of shares in respect of which the acquisition period has been set at a minimum of four years. The shares awarded are subject to an obligation on the part of members of the Executive Board to retain them in registered form in an amount equal to at least 50% of the gain realized on their acquisition, net of taxes and charges, calculated at the time of their delivery.

4.2.5. Compensation and benefits received by Supervisory Board members

Table on directors' fees and other compensation paid to non-executive corporate officers (table no. 3 AMF recommendations – AFEP/MEDEF Code)

(in euros)	Amounts paid during 2012 fiscal[1]	**Amounts paid during 2013 fiscal[1]**
David Simon	–	44 316
Vivien Lévy-Garboua	33 851	39 733
Dominique Aubernon	18 833	19 705
Bertrand de Feydeau[2]	48 903	51 973
Steven Fivel[2]	–	29 860
Bertrand Jacquillat	30 948	33 872
François Kayat[2]	–	39 031
Catherine Simoni	–	262
Rose-Marie Van Lerberghe	–	13 625
Michel Clair[3][5]	53 322	9 180
Jérôme Bédier[4]	35 593	12 419
Dominique Hoenn[2][5]	37 147	10 879
Bertrand Letamendia[6]	33 252	10 615
Philippe Thel[5]	21 736	3 752
TOTAL[7]	**313 585**	**319 222**

(1) Compensation accruing to non-executive corporate officers consists solely of directors' fees paid by Klépierre and its subsidiaries Klémurs and Klépierre Management.
(2) Director's fees in relation to Klépierre and Klémurs Supervisory Board membership.
(3) Directors' fees in relation to Klépierre, Klémurs and Klépierre Management Supervisory Board membership.
(4) Resigning with effect from May 9, 2012.
(5) Resigning with effect from March 14, 2012.
(6) End of position : April 12, 2012.
(7) Of which 270 000 euros paid by Klépierre.

4.3. OTHER DISCLOSURES

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

None.

4.3.2. Conflicts of interest – Convictions for fraud

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 Chief Executive Officer 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 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;
- there is no potential conflict of interest between the exercise of the duties relating to the issuing company and the private interests and/or other duties of any Executive Board or Supervisory Board member.

4.3.3. Insiders

Supervisory Board and Executive Board members, individuals with close personal ties to executives and other management personnel (as defined by current regulations), 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 respect of each quarter of the calendar year: during the period from the first day of the quarter and the day on which the Klépierre consolidated revenue figures are published for the quarter considered;
- in respect of each six-month period of the calendar year: between the first day of the six-month period and the day on which the Klépierre annual or interim consolidated financial statements are published for the half-year considered;
- 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 updated on a regular basis by the Business Ethics Department of the Klépierre Group.

4.3.4. Implementation of AFEP/MEDEF Code recommendations – Section 25.1 of AFEP/MEDEF Code

AFEP/MEDEF Code recommendation	Implementation
Section 9 – Independent directors Independent directors should account for half the members of the Board in widely held corporations without controlling shareholders.	Independent members hold 44.44% of the seats on the Supervisory Board. The departure from this recommendation is justified by the change in the composition of the Supervisory Board in 2012 following the disposal by BNP Paribas Group of 28.7% of Klépierre to Simon Property Group. To approach this threshold, two additional independent members were appointed: Catherine Simoni and Rose-Marie Van Lerberghe. The Company will continue to move in the direction of compliance as soon as the number Supervisory Board members whose term of office comes up for renewal allows for making this change without significantly altering the number of representatives of major shareholders on the Board.
Section 10 – Evaluation of the Supervisory Board The evaluation should measure each administrator's effective contribution to the Board via his/her skills and active involvement in discussions.	The Supervisory Board decided at its meeting on January 30, 2014, in advance of the annual board appraisal provided for in the AFEP-MEDEF Code of Corporate Governance, to ask each of its members to complete an evaluation questionnaire. The results of this questionnaire will be reviewed at a forthcoming meeting. This evaluation questionnaire, which covers the organization and functioning of the Board and its committees, the competence and independence of its members, the Board's and its committees' main fields of activity, as well as the effective contribution of each Board member, consists of 45 questions on a rating scale. Members of the Supervisory Board are welcome to suggest possible improvements to any of the chosen topics. Following an examination of the results of the evaluation questionnaire, the Board will define improvement points and outline the work to be done in order to match the organization of the Board with shareholder expectations.
Section 14 – Duration of directors' terms of office Terms should be staggered so as to avoid replacement of the entire body and to favor smooth replacement of directors.	The Combined General Meeting on April 12, 2012 adopted a resolution to remove from the Articles of Association the provision on renewing the terms of part of the Supervisory Board members each year. This change was necessary to arrange for inclusion of representative of Simon Property Group on the Supervisory Board. Because of the dates on which the Supervisory Board members were appointed, their terms of office are in fact staggered.
Section 16 – Audit Committee The proportion of independent directors on the audit committee (excluding directors representing employee shareholders and directors representing employees, who are not taken into account) should be at least equal to two-thirds, and the committee should not include any executive directors. and **Section 18 – Committee in charge of compensation** The committee should not include any executive officers, and should have a majority of independent directors. It should be chaired by an independent director. It is advised that an employee director be a member of this committee.	The proportion of independent members on both the Audit Committee and Nomination and Compensation Committee is 50%. The departure from these recommendations is justified by the change in the composition of the Supervisory Board in 2012 following the disposal by BNP Paribas Group of 28.7% of Klépierre to Simon Property Group. Even so, since 2012, the Supervisory Board has ensured that 2 independent members hold seats on the Audit Committee (Bertrand Jacquillat [Chairman] and Rose-Marie Van Lerberghe) and on the Nomination and Compensation Committee (Bertrand de Feydeau [Chairman] et Rose-Marie Van Lerberghe). It will continue to move in the direction of compliance as soon as the number Supervisory Board members whose term of office comes up for renewal allows for making such change.
Section 22 – Termination of employment contract in case of appointment as executive officer When an employee is appointed as executive 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.	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. The decision to suspend Laurent Morel's employment agreement took into account the pre-existence of the said contract at the date on which Laurent Morel was appointed Chairman of the Executive Board and his long seniority as an employee of the Group.
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 which, in the medium term, should represent at least two years of fixed compensation.

ENVIRONMENTAL, SOCIETAL AND SOCIAL INFORMATION

5.1. COMPREHENSIVE APPROACH

5.1.1. Strategy – deeply embedded in operations

5.1.1.1. Our vision

We are convinced that the value of Klépierre as a company is partly dependent on its environmental, societal and social performance.
A better environmental performance, particularly in terms of energy use, is our permanent ambition and testimony to our operational excellence.
Shopping centers which are well-established in their territories, which are respectful to their stakeholders and which have a positive local impact are more attractive to our customers.
Klépierre is a responsible company with a real prevention and risk management culture.
And because our staff bears witness to these dynamics and ensures collective performance, Klépierre pays particular attention to developing the talents and skills of all.
The information below gives a better idea of the Group's commitments and responsibility towards its stakeholders across all areas where it is active. They are presented transparently and honestly.
In this way, Klépierre reasserts its support for the principles of the United Nations Global Compact and the ten universal principles it promotes on human rights, standards, work, the environment and the fight against corruption.

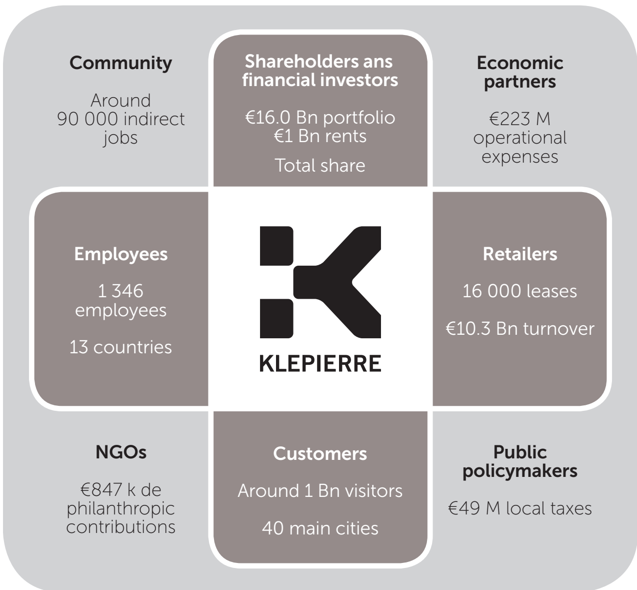
5.1.1.2. The value we create

A major commercial real estate player in continental Europe, Klépierre operates in 40 cities and 13 countries, and has 1 346 employees. Its holdings amounted to 16 billion euros (excluding duties) at 12/31/2013.
The Group, which is an expert in development, rental management and asset management, gives prominent brands a unique platform of 256 shopping centers, which attract several hundred million visitors every year.

Area	Number of centers	Number of employees
France-Belgium	91	537
Scandinavia	25	366
Italy	40	125
Iberia	76	137
Central Europe	24	181
TOTAL	**256**	**1 346**

Shopping centers are catalysts for their urban surroundings

Shopping centers form an integral part of their urban surroundings, and serve as a catalyst for deeper change and renewed dynamism. They are genuine atriums for cities, places to meet friends, as well as sources of employment. The assets designed and managed by Klépierre incorporate today's environmental and societal considerations into a continuous improvement approach.
Klépierre's determination to constantly improve the value of its assets brings enhanced positive impacts for all its stakeholders and a deeper integration into the local economic and social fabric.



5.1.2. Materiality – clear focus on what matters most

To prepare for future challenges and the evolutions linked to its activities, Klépierre has focused on recentralizing its sustainable development strategies on the most material elements.

This review was conducted during the first semester of 2013, and, was very informative. It identified the key lines for progress and determined the paths of action to take. It represents a necessary step, following the recommendations of the new G4 guidelines of the Global Reporting Initiative (GRI).

5.1.2.1. Cover relevant aspects

Twenty themes have been identified. These themes aim to cover all major relevant aspects of Klépierre's corporate responsibility. They truly reflect the long-term performance of the Group.

5.1.2.2. Meet stakeholders' expectations

The strategic and economic success of the Group is inseparably linked to its duty to develop and manage commercial assets which meet the expectations of stakeholders.

All 20 sustainability aspects have been examined with consideration of their impacts on the Group as well as its stakeholders.

The **key stakes for Klépierre** have been defined according to the following questions:

- Do these issues lead to direct or indirect financial impacts?
- Do they present opportunities or risks for the business?
- Do they reinforce the values and the business model?
- What degree of influence does the company have on those issues?
- What is the present and future regulatory context?

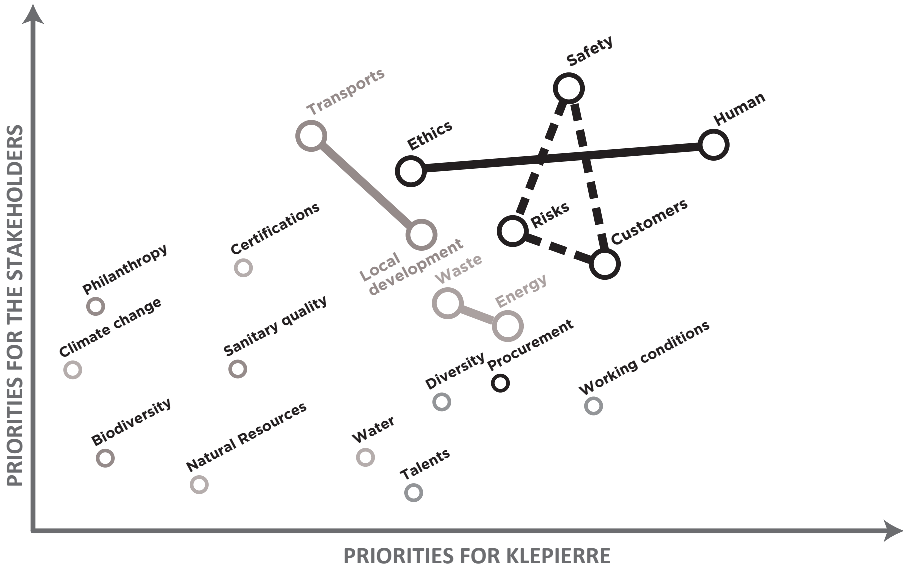
We have identified the **key stakes for our stakeholders** based on continuous relationships and exchanges.

Over time, Klépierre has forged close relationships with its stakeholders. The Group involves the stakeholders at every step in the development of its centers – from the design phase through to day-to-day management. We interact with them and stay informed of their opinions through various methods: public consultations, surveys targeting retailers and customers, meetings, shopping center tours, etc. The following examples of this dialog show the longevity and effectiveness of our relationships with our 8 different stakeholders.

Stakeholder	Main matters dealt with
Shareholders and financial partners	Financial performance Stability and continuity of the Group's business Communication and transparency
Retailers	Quality of relationships Support for new concept creators Environmental dialogue
Center customers	Customer experience Health and safety Innovative, distinctive services
Employees	Social rights, working conditions and health Recruitment, compensation and career progression Diversity and the fight against discrimination
Economic partners	Quality of service Promotion of innovative and honest partners
Public authorities	Economic development Contribution to urban planning Social integration and cultural promotion
Community organizations	The Group's cultural and societal commitment Shopping centers as a place for expression
Commercial real estate players	Circulation of best practices and promotion of sector-based initiatives Benchmarking using clear indicators and guidelines

5.1.2.3. Outline what matters most

The review, which was renewed in 2013 and which integrates internal and external input, allows the Group to **prioritize the environmental, social and societal stakes** involved in its activity.



4 priorities have been identified:

- flawless conduct: Human Rights & Ethics;
- secure and lasting environment: Risks, Safety & Customers;
- efficient buildings: Energy & Waste;
- positive local footprint: Local Development & Transports.

5.1.2.4. How we address our commitments

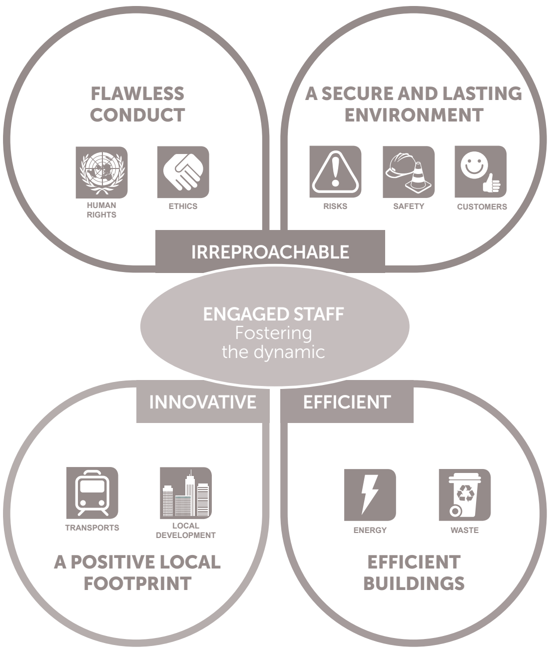
However, Klépierre chose to give the matrix approach a more dynamic undertone. This approach forms the backbone for the Group's actions and its sustainable development goals. It is used to structure our methods and to more specifically define our action plans. 3 commitments have been identified.

For Klépierre, developing in a sustainable manner is combining **irreproachability, efficiency** and **innovation.**

Klépierre must always focus on being:

- **irreproachable:** adopt honest and loyal conduct towards all stakeholders and ensure an exemplary level of security and comfort to its tenants and visitors;
- **efficient:** set ambitious goals that are quantifiable and detailed, aiming to deliver optimal daily operational management of its centers;
- **innovative:** pay constant attention to best practices and take full advantage of its presence across Europe, its competencies and the innovative capacity of its teams that are present in the most dynamic regions of Europe.

The implementation of these commitments is supported by a commitment to full transparency and **engaging staff** in these priorities.



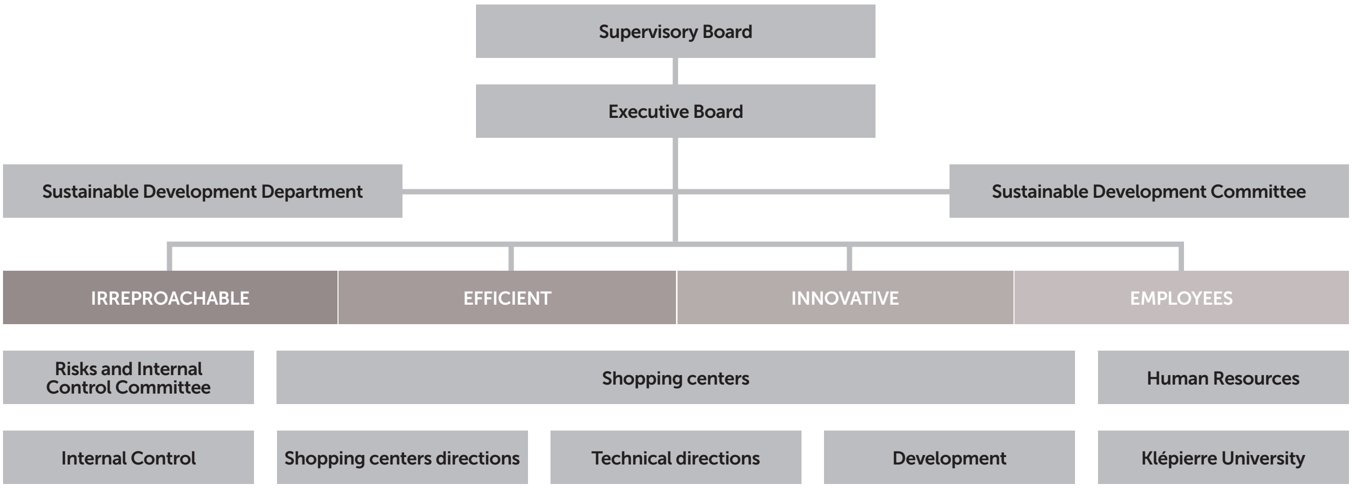
5.1.3. Engagement – joint effort both internally and externally

Klépierre's ambitions in the field of corporate responsibility must be addressed through engagement that is both strong internally and externally. The objectives are shared by all employees, and the different initiatives that Klépierre endorses help to provide the proper framework for action.

5.1.3.1. Organization

To ensure that its environmental, social and societal concerns are shared by all functions and responsibilities across Europe, Klépierre has set up an organization that is supported by dedicated structures, including:

- the **Sustainable Development Committee,** which operates under the auspices of the **Supervisory Board,** and is chaired by Steven Fivel, Assistant General Counsel and Assistant Secretary of Simon Property Group;
- the **Executive-level Sustainable Development Committee** that meets six times a year with the Executive Board members and selected employees directly involved in the topics under consideration;
- a **network of 30 employees** that covers all of the Group's operations, tasked with spearheading the local action plan. Their scope spreads across all countries and across major support functions;
- the **Sustainable Development Department,** which is attached to the Chief Operating Officer, sets and develops the Group's environmental policy. It also circulates it and ensures it is implemented successfully all over Europe.



All correspondents were involved in the makeover of the Group's sustainable development policy, in reviewing the materiality of the challenges and the objectives and actions from it. Specific meetings and travel, involving the Sustainable Development (Department), Management and the Operations and Technical Departments of each country took place throughout the year. Specific training on energy accounting was also provided in 2013 as part of progressive deployment of the remote metering of energy consumption.
Finally, several times during the year, management always strongly shared the Group's policy and ambitions for Sustainable Development in communications to all of the Group's employees.

5.1.3.2. Participation to various initiatives and charters

The commitment to sustainable and responsible development is also expressed externally through the different associations and initiatives in which Klépierre takes part.
Klépierre is an active member of the following national and international industry associations that it considers as strategic for its business. For each of them, it holds a position on the governance body and/or participates in projects or committees, including notably those that are sustainability-related:

- **French Council of Shopping Centers (CNCC):** French trade organization federating all actors involved in the promotion and the development of shopping centers. In 2013, in the field of corporate responsibility, Klépierre took an active part in the preparation and publication of the first guide of reporting principles on sustainability issues for shopping center owners;
- **French Property Real Estate Association (FSIF):** Klépierre holds a position on the board of the FSIF, whose mission is to examine, promote and represent the combined business interests of French real estate investment companies;
- **European Public Real Estate Association (EPRA):** 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 and extra-financial reporting disclosures of publicly-traded real estate companies are more standardized and more detailed;
- **International Council of Shopping Centers (ICSC):** Global trade association of the shopping center industry, with more than 60 000 members in over 90 countries. Its purpose is to advance the industry and to promote its role in the commercial distribution of consumer goods and services.

Moreover, Klépierre endorses other significant economic, environmental societal and social charters or initiatives. These endorsements reflect the priorities the Group wishes to address:

- **Global Compact:** This United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, stating ten principles in the areas of human rights, labor, the environment and anti-corruption, and to report on their implementation.
- **Global Real Estate Sustainability Benchmark (GRESB) User Group:** GRESB is a non-profit organization whose primary purpose is to assess the environmental and social performance of companies specializing in the real estate sector. As an acknowledgement of its Green Star status, Klépierre is a member of the User Group.
- **French Charter for energy efficiency of public and private tertiary buildings:** This Charter, drawn up at the end of 2013, provides French actors in the building sectors a framework for implementing energy efficiency in their portfolios and for anticipating future regulatory obligations for improving tertiary buildings' energy performance.
- **French Charter for Diversity:** An initiative undertaken in late 2004, this document expresses the will of signatories to ban discrimination in the workplace and to promote a better reflection of the diversity of the population in their workforce. The Group signed it on July 31, 2010.
- **French Charter for Parenthood:** Initiative of the French Monitoring Agency for Parenthood in the Workplace, this charter sets 3 main principles that signatories are committed with: contribute to the positive evolution of parenthood representations in the workplace, create a favorable environment for parents-employees, and respect the principle of non-discrimination in professional advancement for parents-employees. The Group signed it on April 29, 2009.
- **The Palladio Foundation:** The Palladio Foundation, under the aegis of the *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 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 invite them to debate. It supports the builders of tomorrow, whether they be students, researchers or young professionals. Klépierre is a founding member of the Palladio Foundation and Laurent Morel, CEO of Klépierre is an active member of its its Board of Directors.

For all of the associations, charters or initiatives it endorses, Klépierre does not provide any substantive funding beyond regular membership dues.

5.1.3.3. External ratings

Klépierre fosters ongoing relationships with the extra-financial rating agencies, as well as with SRI (Socially Responsible Investment) analysts and investors, as part of its commitment to regular assessment of its sustainable development performance.
The indexes in which Klépierre is included demonstrate both the extent of its efforts to achieve greater transparency and the relevance of the measures it has adopted.
The increases in its leading ratings in 2013 in the field of corporate responsibility reflect its commitment to greater transparency.

Main ratings	Score 2013/100	Increase vs. latest rating	Distinction
RobecoSAM	74/100	+17%	DJSI World & Europe
Vigeo	57/100	+30%	Euronext Vigeo – France 20 – Eurozone 120 – Europe 120 – World 120
GRESB	67/100	+16%	Green Star
Carbon Disclosure Project	72/100 - B	+26%	–

In addition, Klépierre won a **Gold Award** as part of the **EPRA Sustainability Awards** for the 2nd year in a row. It recognizes Klépierre's achievement in the application of best extra-financial rating reporting practices as defined by EPRA.

5.1.4. Ambition – continuous progress, more ambitious targets

IRREPROACHABLE

FLAWLESS CONDUCT

HUMAN RIGHTS

Ensure ethical and exemplary behavior among employees and the value chain

100%	of employees in "free" countries
100%	of key suppliers in "free" countries

A SECURE AND LASTING ENVIRONMENT

CUSTOMERS

Improve the monitoring of customer satisfaction

85.2%	average satisfaction score in France in 2013
40 295	customers surveyed in 2013

PROCUREMENT

Promote responsible service providers

76%	of main service providers certified, at the end of 2013	**80%**	TARGET 2017

EFFICIENT

IMPROVE BUILDING PERFORMANCE

ENERGY

Improve energy efficiency

-0.9%	in kWh/visit vs 2012	**-25%**	TARGET 2020

7.6 M kWh less, constant scope basis
€8.3 M total saved since 2009

CLIMATE CHANGE

Improve carbon efficiency

-2.1%	in kWh/visit vs 2012	**-30%**	TARGET 2020

Stronger performance in countries with the highest emission factors

WASTE

Increase recycling and enhancement of waste

40%	of waste recycled	**50%**	TARGET 2016

Up to 30 different types of waste are sorted at the top shopping centers

70%	of waste diverted from landfills	**75%**	TARGET 2016

99% in Scandinavia

CERTIFICATIONS

Increase environmental certification across assets

38%	of assets certified	**50%**	TARGET 2015

37 centers at the end of 2013

INNOVATIVE

A POSITIVE LOCAL FOOTPRINT

LOCAL DEVELOPMENT

Demonstrate the contribution of shopping centers to the local economy

90 000	jobs created in shopping centers			
€49 M	local taxes across Europe			

TRANSPORTS

Develop accessibility and connectivity of shopping centers

38%	of the customers arrive via public or greener transportation methods			
94%	of the centers are equipped with proper bicycle facilities	▶	100%	TARGET 2017
35%	of the parking garages owned have charging stations for electric cars	▶	100%	TARGET 2017

BIODIVERSITY

Improve the knowledge and control of our impact on biodiversity

56%	of the portfolio studied to determine their impact on biodiversity			
56%	having undertaken actions for biodiversity			

EMPLOYEES

FOSTERING THE DYNAMICS

WORKING CONDITIONS

Maintain a quality working environment

2.1%	absenteeism rate			

TALENTS

Support individual development as a lever for collective performance

7%	rate of internal mobility			
11.9%	rate of turnover			
24	hours of training on average per trained employee	▶	25	TARGET 2015

DIVERSITY

Support gender equality in the workplace

32%	Proportion of women in management positions	▶	40%	TARGET 2015

5.2. OPERATIONAL EXCELLENCE

5.2.1. Irreproachable – exemplary and ethical behavior

HUMAN RIGHTS

5.2.1.1. Human Rights

A European presence, guarantee of a high level of respect of fundamental rights

Klépierre is one of the major European pure players of shopping centers, with a presence in the most economically developed and dynamic European regions.
This geographic location is a strategic choice and a key pillar of our identity.
It helps guarantee, a strict application of the directing principles which relate to the respect of human rights in the company through a comprehensive body of national and international regulations as well as internal procedures within the company.
100% of our assets and employees are located in countries considered "free" by the Freedom in the World[1] index and that are signatory of the 8 ILO fundamental conventions.
This responsibility is also extended to our value chain since this situation concerns 100% of our key suppliers and subcontractors.
The Group's commitment has been reaffirmed with the signature of the Global Compact.

ETHICS

5.2.1.2. Ethics

Updated procedures, new Code of Professional Conduct

At the end of 2012, the Internal Control Department has been reorganized. Under the direct supervision of the Chief Executive officer, it now combines the functions of Risk Management, Periodic and Permanent Control, and Ethics and Compliance.
The role of the latter is to ensure that the principles of transparency and good governance set forth by Klépierre (mentioned earlier) are fully respected.

Comprehensive set of procedures

A comprehensive set of internal rules and specifically devised procedures define the rules of conduct to ensure respect for the law and local customs and priority of customers' interests. It also defines the framework to limit and prevent risk situation. It covers the following themes:

- 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 signatures;
- gifts and invitations, received by employees and offered to customers and third parties;
- protection and utilisation of Company assets;
- adherence to procedures applicable to invitations to tender and procurement;
- whistleblowing;
- health, hygiene and safety;
- prevention of acts of discrimination and harassment, respect for privacy;
- environmental responsibility.

Code of Professional Conduct

One of the major projects of the newly reorganized Internal Control Department was to review these procedures and gather them in a more user-friendly Code of Professional Conduct in order to gain better visibility across Europe.
This document has been approved internally by all countries and staff representatives, and is now being submitted to the French Labor Inspection Authority before final disclosure.
The launch of this code in early 2014 will be a perfect opportunity to once again raise awareness on all of these topics. Targeted functions and newcomers will have priority access to training sessions.

Review of the whistleblowing procedure

Simultaneously, the whistleblowing procedure is being reviewed for better adaptation across Europe, and to respect national regulatory particularities. Some countries for example offer total anonymity while, in others, addressing specific topics requires personal identification. This exhaustive review, which began in 2013 in the 13 countries where the Group does business, will offer better protection for all employees, thus guaranteeing a better implementation of all ethics-related issues.

(1) Freedom in the World 2013, Freedom House.

RISKS

5.2.1.3. Risks

A real culture of risk prevention and management

The Group is extremely attentive to the importance of implementing a consistent and global policy on risk management. Its policy is reviewed on an ongoing basis in order to guarantee its efficiency at all levels throughout Europe.

At the Group level, the efficiency of the entire risk management system has been reinforced via a strengthened organization. It combines the Risks and Internal Control Committee, the Internal Control Department and the identification of a network of around 50 coordinators across all functions and countries.

The main issues addressed by this organization in 2013 are:

- **upgraded risk management tool:** The risk mapping system aims to identify all risk inherent to our activities, and to evaluate their likelihood and potential impacts. It is made up of 42 risks gathered into 10 families. In 2013, the Group has opted for an upgraded risk mapping management tool which aims to boost our ability to monitor those risks, deploy a reliable, relevant and permanent reporting system, centralize and structure all data concerning risks and incidents through information that is immediately accessible and homogenous, and optimize our permanent and periodic controls;

10 families of risks

Risks concerning personal safety	Risks related to financial activities
Investment and disposal risks	Legal, tax and regulatory risks
Commercial risks	Reputation risks
Construction and asset management risk	Corporate strategy and governance risks
Risk of shortages of resources (technical, physical or logical)	Social, societal and environmental risks

- **updated Business Continuity Plan of the French headquarters:** full-scale test of the new back-up site. Anticipation of the consequences of the future relocation of the headquarters;
- **assessment of professional risks in France:** establishing the assessment system (procedure, professional risks committee) and launch of an outsourced audit process on shopping centers (50 reviewed in 2013).

SAFETY

5.2.1.4. Safety

Ensuring a safe environment to our hundreds of millions of visitors

At the building level, risks are also 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 tools and organization devoted to preventing and reducing risks have been reinforced in recent years. A review of all environmental risks and resources allocated to their prevention was carried out, and new resources and warning systems that were implemented supply the regular data needed to correct issues when identified, according to the following steps:

- identification of roles and responsibilities in each country;
- review of all procedures, documents and operational modes;
- identification of all possible emergency situations;
- test planning.

Control procedures follow a 2-step process and give priority to integrating assets under operational management. Internal dashboards track these controls at all levels and an Annual Report is made to the Executive Board:

- **permanent control:** 1st level by shopping center management, 2nd level by operational departments;
- **periodic control:** by internal audit functions and teams in charge of operational supervision at the Corporate level.

Mappings at the building level include the following risks, among other types of risk:

- **safety risks:** buildings' **structure and safety risks** threatening the customer experience;
- **natural risks:** extreme climate patterns (drought, snowfall, heat waves and cold spells, storms), earthquakes, sea flooding, river flooding, fire, 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.**

Special training is provided in identifying, understanding and reacting appropriately to such situations. All shopping center managers and teams at the national and regional operational levels have received it.
A high level of safety is also provided everyday by having dedicated teams and security guards permanently on site. New parking facilities all incorporate better design in terms of traffic management and specific spaces for the disabled and for families. Toilets and rest areas are also arranged to meet the expectations of customers with specific needs. Centers and cooling equipment in particular are also continuously monitored for legionella contaminations and bacterial and/or viral propagation.

In 2013, the main projects required deploying more efficient reporting systems, and testing the team's responsiveness through a crisis simulation exercise:

- **deployment of a new web-based version of an incident reporting system** in all shopping centers in France. From 2014, it will be progressively deployed across Europe;
- **implementation of a crisis management exercise** in Scandinavian shopping centers. Different scenarios have been tested: fire incidents, terrorist attacks, building collapse with serious injuries and deaths. These exercises were also the opportunity to test employees' behavior in crisis situations including their reactions towards media.

Thanks to this thorough system of safeguards, the Group has neither been involved in nor responsible for any breaches of environmental regulations, nor has it made any provisions or guarantees for environmental risks in the last three years.

Number of breaches of environmental regulations and provisions and guarantees for environmental risks

	2013	2012	2011
Value of significant fines *(in euros)*	0	0	0
Number of non-monetary sanctions	0	0	0
Provisions and guarantees for environmental risks fines *(in euros)*	0	0	0

CUSTOMERS

5.2.1.5. Customers

Customer satisfaction as the main concern

Customer satisfaction constitutes a major stake for the attractiveness of a center and is the principal element of attracting a client and differentiating the center in the eyes of the customer.
Klépierre would like to offer each customer a shopping center experience that is suited to his or her needs. Convenience, accessibility, retail mix and conviviality are key concepts in meeting the expectations of an ever-changing public, and they are drivers for centers to become a destination of choice for customers.
Customer satisfaction surveys are indispensable tools for ensuring that the right policies have been put in place. Satisfaction surveys were carried out in 137 shopping centers over the last three years. In 2013, 40 295 responded to these surveys in Europe.

Number of customers surveyed annually

	2013	2012	2011
GROUP	**40 295**	**47 189**	**48 917**

In France, the overall score rose from 8.2 in 2010 to 8.52 in 2013. Klépierre intends to homogenize the methodology of satisfaction surveys across Europe in order to reinforce benchmarking possibilities and reinforce rating criteria for improved granularity.

Examples of results of the customer satisfaction survey (France and Sweden)

	2013	2012	2011	2010
France (results/10)	8.52	8.46	8.51	8.20
Sweden (results/10)	8.00	7.50	7.80	NA

PROCUREMENT

5.2.1.6. Procurement

Local service providers present daily in our centers

The group's relationships with its service providers and suppliers are governed by the same concern for probity and integrity. Klépierre strives to extend its scope of responsibility to its value chain, as it plays an essential role in the safety, services and shopping experience offered to customers.

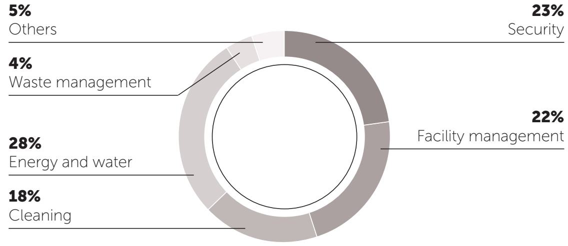
A ratler limited amount of procurement

The Group's purchases amount globally to around 223 million euros[2] for the operational management of its shopping centers owned and managed around Europe.
Moreover, these figures do not impact the Group's turnover, as the vast majority of the procurement made at the shopping center level is reinvoiced to the lessees as part of the operational rental expenses. This responsibility makes it even more crucial for us to be transparent and relevant in managing our budgets.
The risks posed, if any, are to be found in the atomization of procurement processes at the local level among the entire portfolio of shopping centers, and the identification of key suppliers that can have an effect on the continuity of activity of one building. These issues are addressed notably through a reinforced selection and listing of service providers at national levels, a promotion of responsible practices and a continuous monitoring on site.

Local service providers rather than multi-tier supply chain

100% of our key suppliers are present in the countries where the Group operates, are members of the European Union (except Norway), and all are signatories of ILO conventions on fundamental labor rights.
Around Europe, 95% of our operating budgets consist in utilities (water and energy), waste, cleaning, Facility management and security services. The 3 latter are services operated by teams present daily in our shopping centers. This characteristic is fundamental to understand the impacts and challenges of our procurement policy.

Average breakdown of operating budgets and identification of main service provided



Listing and selection of suppliers and service providers

Economic partners are selected through a competitive bidding process for each shopping center with a minimum of three competitors. Contracts are signed for three-year duration only without automatic renewal.
Accreditation of service providers has been gradually reinforced in the Group's main countries of operation. The smaller the number of service providers, the better control we have. In France for example, 59 suppliers in the centers we own and manage make up for 80% of our operating budgets.
A particular effort also was made in France and Italy to ensure a complete review of the service providers accredited to handle security for the shopping centers with respect to social criteria.
The selection for each contract among the companies accredited now progressively incorporates more stringent sustainability criteria. These criteria have different weightings depending on the kind of service.
For cleaning services in Scandinavia for example, close attention is paid for environmental criteria to the use of machines without chemicals (electrolysis) and eco-certified cleaning products, to noise pollution, the use of electric vehicles, waste sorting methods, etc.

Promotion of responsible practices

Sustainability clauses consistent with the Klépierre environmental and social commitments have been progressively incorporated into the contracts signed with our suppliers. These clauses include the following items:

- **economy:** financial position, turnover contracted with Klépierre (< to 25%), business ethics, etc.;
- **environment:** use of environmentally-sound products and materials, energy efficiency, waste, establishment of innovative processes, etc.;

(2) *Excluding marketing budgets, property taxes and fees.*

- **social:** prevention of hidden work, forced or child labor, working hours, etc.

Service providers with a certification are favored, as we consider it guarantees the implementation of responsible practices. At the Group level, 76% of key service providers have at least one certification, mostly ISO 9001 and ISO 14001, and the Group targets 80% by 2017.

% of key service providers certified by type of service

	Total	Cleaning	Security	Facility management
GROUP	76%	82%	68%	77%

Monitoring of suppliers and service providers

A majority of suppliers and service providers such as cleaning services, security guards and maintenance workers have their teams present daily in our shopping centers. These services represent more than 63% of our operating budgets in Europe (see graph above). This makes monitoring and control mechanisms easier.

If we add in utilities, businesses that are strictly regulated in Europe, more than 91% of our operating budgets can be considered to be under a high level of control. Klépierre considers it a distinctive feature and an advantage of its business sector since its supply chain is mostly based on service providers present on its assets.

Teams on site and national operating departments are first in line for controlling and auditing the quality of the service provided. Procedures at Group level frame these controls for economic, environmental and social issues. Internal audit departments also carry out controls on suppliers regarding respect of their contractual obligations and monitor as well the efficiency and quality of controls by teams on site.

Payment mechanisms

The internal functions that select and list the suppliers and the functions that proceed to payment are independent. This strict task allocation has been reinforced since the implementation of the SAP. Only the economic partners that were previously listed are to be paid. This business management software solution, deployed since 2008, is now operational in all territories since Jan. 1st 2014 following the integration of Scandinavia.

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5.2.2. Efficient – improving buildings' performance

5.2.2.1. Energy

ENERGY

Essential to attain operational excellence

Energy efficiency is a strategic priority and a main indicator of the quality of our operational management.

There are 2 factors behind its improvement: environmental and economic. By optimizing consumption and making better energy choices, Klépierre is able to limit the effects of energy price volatility and the increasing rarity of hydrocarbons.

Our energy efficiency has increased 7.7% over five years on a like-for-like basis thanks to actions in 4 areas:

- **energy saving:**
  - constant attention to operating hours: night visits to shopping centers to check equipment programming;
  - adjustment of set point temperatures: better adjustment to outside temperatures;
  - rollout of a real-time counting system, use by use: on over 48% of centers at the end of 2013 and major rollout scheduled over the coming months;
  - increasing awareness of good practices, etc ;
- **improvement of technical equipment:**
  - replacement of equipment with the highest energy use: cooling towers, mechanical linkages, ventilation pumps etc. ;
  - relamping: LED wherever possible, lower-wattage bulbs, national directories of quality product suppliers ;
- **construction investments:**
  - as part of the development operations: attention to building insulation and its compactness to improve thermal inertia ;
  - during the operational phase renovation work: overhaul thermal exchanges and recoup calories or frigories, etc. ;
- **environmental dialogue with lessees:**
  - identify the overall consumption of the buildings, including lessees, at over 47 centers ;
  - implement awareness-raising and cooperation initiatives ;
  - work around a usage benchmark for lessees in the center itself, and for the same retailer in several locations.

A cut in energy use of 7.7% over 5 years, a new target of -25% in kWh/visit by 2020
These initiatives are paying off. Energy use by the Group's shopping centers (public areas and shared equipment) amounts to 400 million kWh in 2013 on a current basis.
The reduction reaches 1.9% on a like-for-like basis in a difficult climatic context.

Energy efficiency of the public areas and shared equipment for heating and climate control in kWh/m² and /visit on a like-for-like basis (without climatic correction)

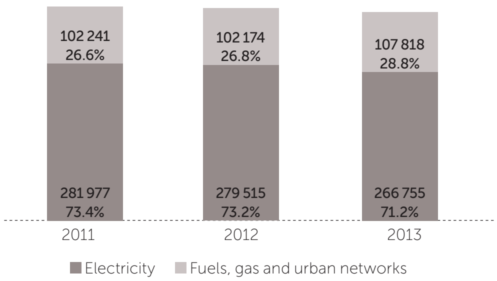
Combined energy use by public areas and shared equipment for heating and climate control in kWh of final energy/combined areas climate controlled by shared equipment in sq.m. or number of visits. (Managed portfolio, on a like-for-like basis).

	kWh/m²/year			kWh/visit		kWh/m²/year		kWh/visit
	2013	2012	2011	**2013**	2012	2013/12	2013/09	2013/2012
France-Belgium	136	134	140	0.40	0.40	1.0%	-11.3%	0.4%
Scandinavia	111	105	103	1.07	1.00	6.0%	0.6%	6.7%
Italy	154	165	155	0.73	0.74	-6.6%	0.6%	-1.7%
Iberia	142	167	173	0.49	0.56	-14.4%	-24.9%	-12.3%
Central Europe	151	162	166	0.84	0.88	-5.70%	-11.2%	-4.3%
GROUP	**133**	**136**	**137**	**0.68**	**0.68**	**-1.9%**	**-7.7%**	**-0.9%**
Coverage rate	*80.4%*			*77.5%*		*83.1%*	*72.4%*	*77.5%*

A 4.6% decrease in electricity use, the proportion of fuels, gas and urban networks most sensitive to climatic conditions.
The Group's electricity use on a like-for-like basis fell by 4.6% from 2012 to 2013, i.e. 12.8 million kWhs saved in a year. This substantial reduction shows the real efficiency of the Group's energy performance.

Breakdown of energy use on a like-for-like basis by energy type in MWh

Electricity use and consumption of fuels and urban networks (natural gas, fuel oil, bio-fuel oil, heating and cooling networks) of the shared parts and equipment for heating and climate control in MWh of final energy. (Managed portfolio, on a like-for-like basis).



Energy use from fuel, gas and urban networks, and thus only for heating and climate control in the buildings, represents 28.8% of the Group's total energy consumption. It was very heavily penalized in 2013 by a climatically difficult winter and spring. The increase of 5.5% is part of a context of increases in heating degree days (HDDs) of 15 to 20% on average in Scandinavia and in the northern half of France.

Change 2013/2012 in HDDs (< 15°C) in the Group's main cities(3)

Paris	Copenhagen	Oslo	Prague	Madrid	Milan
+20.3%	+15.9%	+17.4%	+12.0%	- 1.5%	+0.2%

The Group does not intend to correct the energy performances of its holdings for a meteorological factor which would be too complex or too heterogeneous regarding its geographical location. However, this breakdown between electricity use and energy used for heating and climate control, and the changes in cold degree days allows us to better understand the Group's real operational performance and the efforts of on-site teams.
By presenting non-corrected results, Klépierre also gives a better understanding of the economic benefits of its energy saving policy.

(3) Change in numbers of degree days (DJU) <15 °C in the main airports of the capitals between 2012 and 2013, source: Weather Undergound.

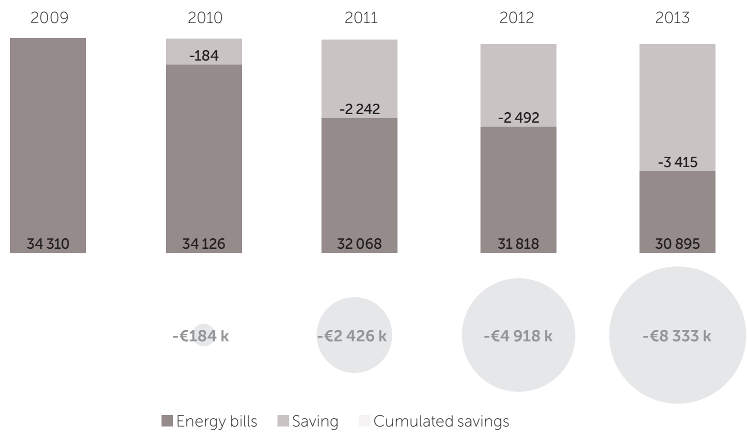
Major economic benefits: 8.3 million euros saved cumulatively since 2009

The overall energy bill in 2013 was 38.6 million euros.

Like-for-like, since 2009, energy saving efforts have made it possible to cumulatively save close to 8.3 million euros in the last five years.

Financial savings from reducing energy use

(in thousands of euros excluding VAT, Managed portfolio, on a like-for-like basis).



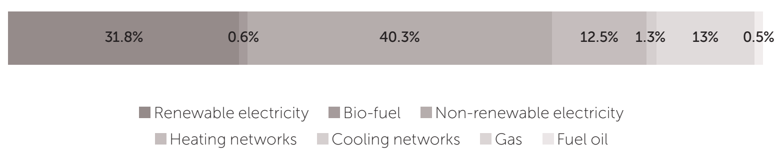
An energy mix which relies heavily on renewable energies: 44.1% of our electricity

32.4% of our end energy is from renewable sources. This represents over 44% of our electricity use.

The Group is gradually moving toward less carbon-oriented energy. The rare fuel oil boilers still in use in Italy and France are gradually being replaced with natural gas systems. Also with this equipment, Norway is now using biofuel at a rate of over 82%.

Breakdown of energy use by energy type

Total energy consumption of public areas and shared equipment for heating and climate control by energy type. (Managed portfolio, on a like-for-like basis).



The change in the energy mix year on year reflects the Group's energy choices and the intensity of weather changes. The portion of electricity in this mix fell in 2013 to 72% (compared to 74% in 2012) illustrating the increased use of energy for heating.

Beyond the green lease: the overall performance of our buildings, including lessees, known at 47 centers

The green lease is now attached to the new leases all over Europe. It opens the way to further cooperation with retailers on environmental and energy matters in particular. However, it will take some time to obtain signatures from the entire lessee pool. Klépierre wants to anticipate this process. The Group already has access to all energy use data, including lessees, over 47 centers (around 1 000 leases and one third of the portfolio in value), in the majority of Central Europe and Scandinavia.

Overall energy efficiency of the shopping centers, including lessees in kWh/m² and /visit, on a like-for-like basis

Combined energy use by public areas and shared equipment for heating and climate control and lessee consumption in kWhs of final energy/combined total areas of buildings in sq.m. or number of visits.
(Managed portfolio, on a like-for-like basis).

	kWh/m²/year			kWh/m²/year		kWh/visit
	2013	2012	2011	**2013/12**	2013/11	2013/2012
Scandinavia	190	186	187	2.0%	1.4%	2.6%
Central Europe	322	342	346	-5.8%	-6.9%	-4.2%
Coverage rate	*31.7%*			*31.7%*		*30.0%*

Environmental dialogue is already well underway in these areas. Although awareness-raising and cooperation may take different forms, a good understanding of technical and business specificities of each retailer is required.
A pan-European tool for **benchmarking lessee energy use** per kW/m²/operational hour is being produced. Already accounting for over 1 000 leases, it will allow in fine a comparison to be made between sectors in the same center, or between different locations of the same retailer in the Group's holdings.

CLIMATE CHANGE

5.2.2.2. Climate change

A continually decreasing CO_2 impact, a limited adaptation to the consequences of climate change

Energy (Scopes 1 and 2): a bigger effort in countries where kWh are the most reliant on fossil fuels
The quantification of CO_2 emissions provides a clear picture of the Group's dependence on fossil energies. The Group's energy use included in 2013 the emission of 90 269 tons of CO_2e.
These emissions from scopes 1 and 2 have fallen by 13.1% on a like-for-like basis for five years, i.e. a reduction of 11 751 tons of CO_2e.
Reductions in energy use were more marked in Central Europe, which includes countries where Klépierre operates where emissions from electricity production are the greatest (46 times higher in Poland than in Norway for example).

Carbon intensity from energy used by public areas and shared equipment for heating and cooling in kgCO_2e/m² and /visit on a like-for-like basis

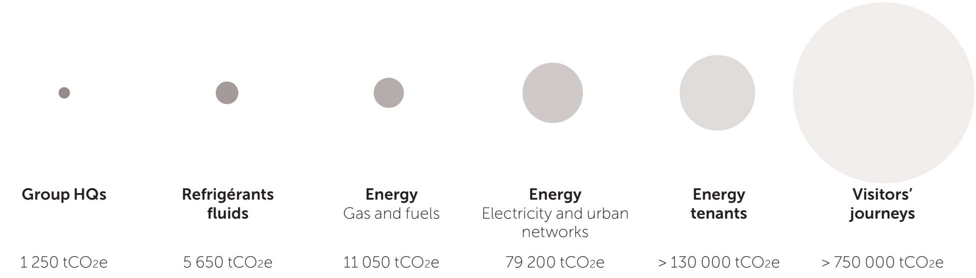
Combined energy use by public areas and shared equipment for heating and climate control in kWh of end energy multiplied by the corresponding emissions factors/combined areas climate controlled by shared equipment in sq.m. or number of visits.
(Managed portfolio, on a like-for-like basis).

	kgCO_2e/m²/year			kgCO_2e/visit		kgCO_2e/m²/year		kgCO_2e/visit
	2013	2012	2011	**2013**	2012	2013/12	2013/09	2013/2012
France-Belgium	16	15	16	0.04	0.04	4.1%	-9.9%	1.3%
Scandinavia	11	10	11	0.11	0.10	9.1%	-4.6%	9.6%
Italy	54	57	55	0.26	0.26	-6.5%	-1.8%	-1.3%
Iberia	34	40	41	0.12	0.13	-14.5%	-41.0%	-12.2%
Central Europe	65	68	70	0.36	0.37	-4.5%	-14.8%	-2.6%
GROUP	**31**	**32**	**33**	**0.16**	**0.16**	**-3.2%**	**-13.3%**	**-2.1%**
Coverage rate	*80.4%*			*77.5%*		*83.1%*	*72.4%*	*77.5%*

Details: Klépierre does not believe that electricity from renewable sources (although it accounts for 44.1% of total electricity use) can be counted with an emission factor of zero, and in this matter respects the recommendations of the GHG Protocol and the Ademe (French Environment and Energy Management Agency). The fall in CO_2 emissions reflects the real efforts to save energy, and is not artificially inflated following the effects of the purchase of "green" electricity.

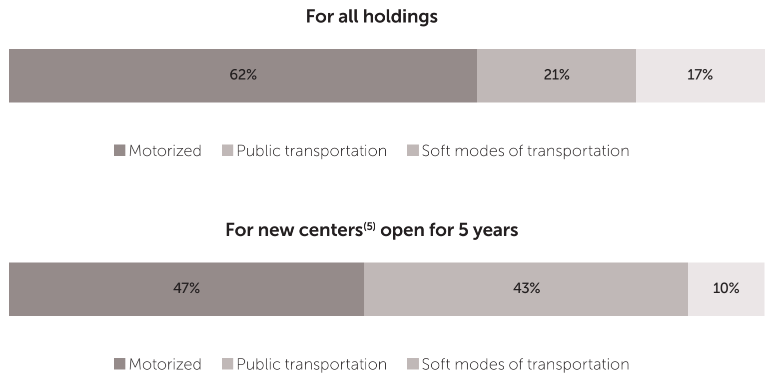
Scope 3: Raise awareness of the wider carbon footprint

The impact of the shopping centers 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 wider carbon footprint[4].



Klépierre is taking specific steps to limit the impacts relating to Scope 3. (*cf. Energy and Transports chapters)*.
Therefore, 97% of our shopping centers in Europe can be accessed by public transport.
In 2013, 38% of visitors went to centers of the holdings by public transport or by "soft" modes of transport (on foot, by bicycle, etc.).
The Group's recent developments (Paris Saint-Lazare, Clermont-Ferrand Jaude) show the Group's desire to position itself on highly integrated urban environments. In the four most recently opened centers, the proportion of visitors using public transport or "soft" modes of transport is 53%, illustrating the Group's new strategy in terms of accessibility. With the inclusion of St.Lazare Paris, this figure rises to 87%.

Breakdown of visit by transportation method



Adaptation to the effects of climate change, a limited issue

Adapting to the effects of climate change presents some challenges to the Group.
Reducing our dependence on fossil fuels is the main one. The actions mentioned above will all limit the impacts.
The physical impacts are more limited, as our assets are implanted in 40 major cities in continental Europe. Anticipating them involves dynamic risk management *(cf. Risks chapter)*. Structural audits are performed to warn of the impacts of extreme climatic 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 climate control requirements. Finally, the Group's holdings are not affected by drought *(cf. Water chapter)*.
The main regulatory changes as regards the fight against climate change are mainly examined within the dedicated working groups within the professional organizations to which the Group belongs.

(4) Journeys by buyers were estimated using an average distance of 10 km for a round trip journey applying an emission factor specific to each mode of transport according to the breakdown of visits for each asset. Emissions from buyer energy use were estimated by extrapolating the CO_2 impacts of energy use in Central Europe and Scandinavia to all holdings.
(5) Shopping centers under operational management open for five years: Emporia, Aqua Portimão, Le Millénaire and Corvin.

WASTE

5.2.2.3. Waste

Sort waste to increase the amount of waste recycled and recovered

Effective waste management in the Group's assets involves offering relevant sorting solutions in advance to its tenants and visitors, and then ensuring with the service providers responsible for removing and processing the waste that it reaches the correct destination.
Around 45 000 tons of waste were generated in 2013. 99.8% of this waste was non-dangerous.

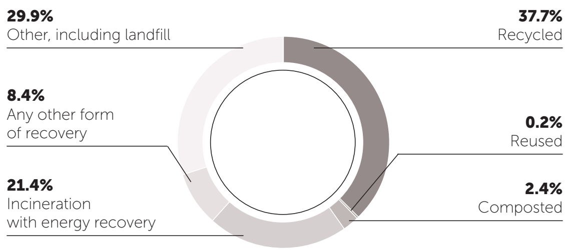
Increase the number of sorting solutions

The Group constantly strives to increase the amount of waste sorted. These actions, in collaboration with the retailers, highlight the environmental and economic benefits: sorted waste repurchased (up to nearly one hundred euros for a ton of cardboard) could offset the costs of removing or processing non-sorted waste.
Over 12 500 metric tons of cardboard, 1 150 metric tons of food waste, and 670 metric tons of fat were salvaged in 2013. In total, almost 19 000 metric tons have been sorted on site.
In the highest-performing centers, over 30 different kinds of waste are sorted. This success is due to increased awareness among the personnel of the retailers, a clearer waste procedure, and precise information on the destination of each type of waste.

Over 40% of waste recycled and 70% recovered – a remarkable performance

In 2013, the proportion of waste recycled, reused or composted was 40.3%, up 6% compared to 2012.
If all the other forms of recovery are included (incineration with energy recovery or burying with anaerobic digestion, this figure climbs to 70.1%, up 5%.
It is the Group's ambition by 2016 to recycle at least 50% of the waste generated by the shopping centers, and recover over 75% of it.

Breakdown of waste by destination in percentage



The Group continues to improve its relations with service providers who collect and process waste to look at ways of improving on these results.
However, the local authorities retain responsibility for waste collection at a significant number of sites, notably in France and Italy. These sites are not included in the reporting, as the Group has no control over the final destination of the waste, which explains the hedging rate of 83.5%.
Finally, the Group also wants to raise awareness among visitors to the centers about sorting, and is rolling out bins with multiple compartments in the public areas.

WATER

5.2.2.4. Water

Economical management of a scarce resource

Very low risk of water stress
99% of our holdings in value are hardly exposed to water stress(6). None of the France-Belgium, Scandinavia and Central Europe areas are affected by this risk. 99.6% of the water we consume comes from public networks.

3 main uses
Most water in the shopping centers is used in these 3 areas:
- toilets;
- climate control equipment, in particular cooling towers;
- cleaning.

Major efforts have been made in recent years to introduce many individual meters to have a more precise analysis of consumption per store and per usage. The Group is thus better equipped to detect any abnormal leaks or consumption, in the public and private areas.
The use of energy-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.

0.65 m³/m², down 8.6% over three years, and 4.3 liters per visit
The overall use of the holdings, lessees included, is 2.74 million m³, down 148,000 m³ on a current basis *vs* 2012.
In liters/visit, the drop is 4% in one year, as part of the Group's commitment to improve this ratio by 20% by 2020 compared to 2012.

Intensity of water consumption in m³/m²/year and l/visit on a like-for-like basis

	m³/m²/year			l/visit		m³/m²/year		l/visit
	2013	2012	2011	**2013**	2012	2013/12	2013/11	2013/2012
France-Belgium	0.88	0.92	0.93	4.06	4.25	5.5%	-5.2%	-4.4%
Scandinavia	0.31	0.30	0.32	4.64	4.75	0.1%	-3.7%	-2.3%
Italy	0.74	0.84	1.03	4.66	5.45	-18.1%	-27.8%	-14.6%
Iberia	0.92	1.06	1.06	5.82	6.11	10.9%	-13.2%	-4.8%
Central Europe	0.84	0.87	0.86	4.64	4.75	-2.3%	-1.6%	-2.3%
GROUP	**0.65**	**0.68**	**0.71**	**4.32**	**4.50**	**0.0%**	**-8.6%**	**-4.0%**
Coverage rate	*72.6%*			*69.7%*		*83.7%*	*72.6%*	*69.7%*

Monitor the quality of waste water
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 of pollution, in order to limit soil waterproofing.

NATURAL RESOURCES

5.2.2.5. Natural resources

A strict and limited use

The Group is taking specific measures to limit the use of natural resources, besides fossil fuels. The Group's main impact in this area concerns the building development phase.
The Group works in close collaboration with real estate developers on a recognized environmental approach:

- paying special attention to "green building site" policies implemented by these developers;
- encouraging them to implement strict environmental impact monitoring in the construction phase;
- systematically consider the use of environmentally-friendly materials;
- examine the origin of the raw materials used. Companies must prove that the wood used is legally sourced and Klépierre favors certification under the PEFC or FSC schemes. On new projects, in line with the criteria set by BREEAM for the materials target, traceability according to one of its 2 programs is assured for over 80% of the wood used.

During the building operation phase, the teams are made aware of the products and materials used. These criteria are used when selecting suppliers.
- 82% of cleaning suppliers are environmentally approved, 43% according to ISO 14001 in particular.

(6) Source: Mean Annual Relative Water Stress Index, Global Wateer Tool, WBCSD.

CERTIFICATIONS

5.2.2.6. Certifications

37 centers certified at the end of 2013

The environmental certifications favored by Klépierre are benchmarks in the real estate sector. They testify to the validity of the environmental choices made both during the development phase and the operational phase.

2 complementary approaches: BREEAM and ISO 14001

The Group currently favors 2 standards: BREEAM and ISO. They give the Group a real complementary approach.

	Group-level benchmark	Additional national benchmarks
Development	BREEAM	HQE®
Operation	BREEAM In-Use ISO 14001	ISO 50001 Eco-Lighthouse (Norway), Key2Green (Denmark)

Each basis of preparation has its own specificities, which makes it possible to stick more closely to team needs and national specificities.

The ISO 14001 and ISO 50001 standards have the advantage of really structuring the environmental approach implemented on each asset. They push the teams to become part of a continuing improvement process, to monitor the progress made, and to implement action plans to reach the announced objectives.

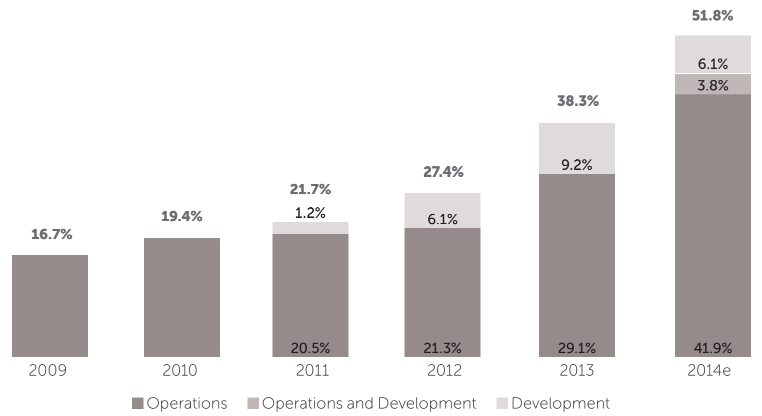
The BREEAM (Development or In-Use) framework have the advantage of exhaustively mapping the environmental performances of a building (in development or in operation).

37 centers, i.e. 38% of the holdings in value

37 centers were certified at the end of 2013, in 6 Group countries. They represent 38% of the holdings in value. This proportion has grown considerably in 2013. For example, 5 French centers including Val d'Europe and Toulouse Blagnac, representing close to ¼ of the French assets in value, were certified BREEAM In-Use as Very Good at the end of 2013.

The number of centers is expected to grow considerably again in 2014 and will help exceed, from the middle of the year, the target announced for 2015 to have over 50% of holdings certified. All of the Scandinavian holdings, representing 25 centers, will be ISO 14001 certified in a few weeks' time.

Portion of the holdings certified in value by type of certification



5.2.3. Innovative – continuous search for cutting-edge practices

LOCAL DEVELOPMENT

5.2.3.1. Local development

Improving the dynamism of the local economy

As an integral part of the urban fabric, shopping centers fully contribute to the development of their local areas. There are many economic and societal impacts. These can be identified through in-depth knowledge of the local environment and the stakeholders.

A major local impact with around 90 000 jobs created

- Around **90 000 jobs** created: Klépierre directly employs 1 346 people in Europe. But its shopping centers also generate around 90 000 jobs[7], mostly with the retailers which operate within its centers or the service providers selected by the Group. The development of our shopping centers thus provides major opportunities to create jobs that cannot be off-shored. The development teams are fostering close relations with recruitment agencies to promote local recruitment. These relationships keep on going once the center is opened and take various forms such as job forums;
- **223 million euros** in operational budgets across Europe: funds mostly redistributed locally to service providers at our centers responsible for cleaning, safety, and maintenance;
- **49 million euros** in local taxes in 2013. For example, our biggest asset in France, which celebrates its 40th anniversary in 2014, has contributed 2.6 million euros to local public finances this year.

Valuing and accounting for these external elements

Economic and local impacts can be directly felt and experienced every day at our centers. The Group also aims to assess them at the European level.
The Group wants to develop a method of accounting for these external features. Via this project, which was initiated in 2013, the Group aims to better identify the economic flows in place locally at the centers, and include these external features in the perception of value creation within the Group.

TRANSPORTS

5.2.3.2. Transports

Improving the accessibility and connectivity of our shopping centers

The proximity and accessibility of modes of transport to its shopping centers are essential parts of Klépierre's strategy. Location, urban density, and transport offerings are main criteria in selecting an investment. The retail space at the Saint-Lazare railway station in Paris illustrates perhaps more than any other the Group's determination in this regard, with almost 97% of the 450 000 daily visitors coming by public transport or on foot.

Making it easier to access our centers using different modes of transport

Klépierre wants to increase and diversify the transport solutions used to visit our centers. This can be seen in the initial design stages, and continues with the operation of the building.
97% of our centers in value are easily accessible by public transport, with a stop located less than 500 meters from an entrance, with services less than every 20 minutes.
Likewise, 94% of our centers in value are adapted for cyclists. The Group wants to equip all of its remaining sites by 2017.

Innovative modes of transport are also being examined. Electric cars are the main area of interest. 35% of our parking lots are already equipped to receive and charge electric vehicles, i.e. 153 terminals all over Europe. Norway, where the use of electric cars is undergoing exponential growth, provides an interesting case study. Several of our centers in the Greater Paris area can also be accessed via the Autolib' electric car sharing scheme.
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 guiding systems. Over 20 000 spaces in Europe had these systems at the end of 2013.
38% of our visitors come to our shopping centers on foot or by public transport. This percentage is up to 53% for new centers open for five years (excluding Saint-Lazare, which stands at 87%).

BIODIVERSITY

5.2.3.3. Biodiversity

Defining our aims and developing innovative approaches

100% of new projects studied from the biodiversity angle

The appraisal of an ecologist is systematically sought for development projects for new assets or when extending existing buildings. The ecologist's diagnosis initially gives us a greater understanding of the surrounding natural environment and allows us to better identify and preserve local flora and fauna. They then advise architects and developers to help them take into account existing ecosystems and select the most appropriate plant species.
Taking these aspects into account is part of the BREEAM Development certification, especially the credits granted towards the "Land Use and Ecology" target.
Recent projects bear witness to this concern for the environment. Emporia in Malmö has a planted roof of over 27 000 m^2. 11 500 m^2 of new green spaces were created during the extension to Bègles Rives d'Arcins. The Group, when creating these green areas, as with all other new projects, favors local species, and the use of invasive species is prohibited.

(7) Estimated number of jobs by extrapolating the employment intensity per m^2 by type of business.
Source: Panorama tradedimension, guide 2014 de la distribution, *September 2013.*

56% of shopping centers in operation are undergoing ecosystem sensitivity studies
Klépierre wanted also to assess the proximity and sensitivity of its existing centers to their surrounding natural environments. Over 56% of centers in value were audited according to the following criteria:

- proximity to a natural or semi-natural area, a regulated and/or sensitive area, humid areas: Natura 2000 or ZNIEFF[7] for example;
- ecological connectivity;
- presence of sensitive species or habitats: in line with the UICN red list[8] in particular.

This testing was done by the specialized company Gaïadomo, and it identified the centers most sensitive to biodiversity matters, where the Group intends to focus its efforts to protect flora and fauna species.

Sensitivity *vis-à-vis* biodiversity at shopping centers

Low sensitivity	Average sensitivity	**Low sensitivity or average**	High sensitivity
39.2%	45.4%	84.6%	15.4%

Special attention is paid to centers highly sensitive to biodiversity. Bègles Rives d'Arcins, right along the Garonne banks in France, has the highest sensitivity of all our holdings. Specific steps were taken during the extension-refurbishment operation to include this ecological criterion *(cf. page 157)*.
Finally, as part of the BREEAM In-Use certification, these centers are subject to a specific biodiversity initiative.

Specific initiatives focusing on the majority of centers
On the Group scale, 98 centers undertook at least one biodiversity initiative.
94% of centers identified as being highly sensitive in this regard have developed different initiatives. These can take several forms:
- **planting up the building:** on the roof or via a green wall at over 20 centers;
- **installation of shelters for local wildlife:** at 7 shopping centers, i.e. several dozen beehives and nesting boxes;
- **sensitive management of green spaces:** 73 shopping centers have chosen to promote local plant species and use more environmentally-friendly phytosanitary products.

SANITARY QUALITY

5.2.3.4. Health quality

Providing a healthy environment for all our stakeholders
The Group's shopping centers are visited every year by several hundred million of customers and several tens of thousands of people work there daily. Therefore, the health quality in these areas must be optimum. This is a major component of the healthy and safe environment we offer to our customers. We distinguish three main components of health quality:
- **general hygiene:** the specifications for each service, especially cleaning, include a list of products favored for their health quality. 82% of cleaning service providers are certified, most of them ISO 14001;
- **the quality of the materials, surfaces, and facades of the furniture:** the Group strives to use healthy materials with low emissions of volatile organic compounds, and with low content of harmful substances. Asbestos and technical facilities are also of course covered by our risk management policy;
- **air and water health quality:** by ensuring that air inlets are free of major sources of pollution, and that a suitable amount of new air constantly comes in. The risk of legionnaire's disease is controlled via regular tests on the technical equipment of the Group's assets.

PHILANTHROPY

5.2.3.5. Philanthropy

Partners committed to local public life
As places for shopping, meeting, and leisure, shopping centers have become real public spaces, and are open to all partners involved in developing public life.
The Group's centers host many events organized and supported by social organizations all over Europe.
Almost 94% of the centers have hosted one or more of these philanthropy initiatives. The amount allocated to these contributions represented 847 thousands of euros in 2013.

(8) Natural area of ecological, wildlife and plant interest.
(9) International Union for Conservation of Nature.

Amount allocated to philanthropy initiatives by type of contribution

Total contributions	Monetary contributions	Employee time	Contribution in kind	Internal organization cost
€847 222	59%	8%	28%	5%

WORKING CONDITIONS

5.2.4. Employees – the key to our development

5.2.4.1. Working conditions

Improving our organizational efficiency to better meet new strategic challenges

This year saw the organizations adapting to a strategic repositioning
Like 2012, 2013 was a year of major strategic and operational changes for Klépierre. The change in the structure of the shareholder base and the strategy to refocus on leading shopping centers in areas of Europe with strong growth potential led to a reorientation of social/HR policies.
In response to changes in the structure of the holdings, to become more agile and to optimize the allocation of skills essential to our key activity, **the operational and organizational diagrams were overhauled.** This involved workforce management to streamline costs and partly anticipate the consequences of the agreement protocol signed at the end of 2013 on the sale of 127 shopping malls to a consortium led by Carrefour.

Total workforce

	2013		2012	
Total	1 346		1 467	
Open-ended contract	1 281	95.2%	1 382	94.2%
Fixed-term contract	65	4.8%	85	5.8%

Klépierre has paid special attention to its HR processes to prevent and limit the impacts of these organizational changes. Almost 60% of new recruits were hired on open-ended contracts in 2013, 26% of whom were transferred from short-term contracts (fixed-term, interim or external), reflecting the Group's will to continue supporting permanent employment.

To ensure the optimum allocation of key skills, **internal mobility processes were favored.** Thus, the mobility rate was 7% for the whole Group in 2013, and has reached 20% in some countries. This mobility is monitored via a specialized training session whenever necessary.

Depending on local contexts, additional measures have also been rolled out to support these evolutions: working hours reduction (RTT), regular communication (with managers, personnel representatives, employees), specific training sessions, etc.

Departures, when unavoidable, have been subject to **compensatory measures adapted according to the situations,** including financial compensation over and above the legal minimums and individual support initiatives (coaching, outplacement, training, etc.).

A rich social dialog to bring new outlooks
This dynamic to improve organizational efficiency has been rolled out with the involvement of managers and personnel representatives in the entities where they are present. The quality and frequency of these exchanges help make organizational transformation more fluid and maintain a favorable social climate.

In Norway for example, elected health and safety personnel representatives were the favored contacts for Management during organizational transformation (4 formal meetings, regular exchanges).
Social dialog has also been rich and constructive in France: **the Works Council met 13 times in 2013, with organizational changes being discussed at 8 sessions.** The Executive Committee and Top management take part regularly to present the company's general strategies (10 times in 2013).
In France, the year also saw the renewal of the mandates of the elected members of the Works Council and Personnel Delegates. Thanks to the candidates' sustained communication in the presence of and under the leadership of the HR department during these elections, the participation rate was 67%.

To facilitate the circulation of strategic messages, a specific tool was rolled out in 2013: close to 150 managers and key employees met with Management to ask questions and discuss company life. These question-answer sessions in the form of 2-hour breakfasts brought together ten employees, a member of the Executive Board and a member of the Executive Committee.

Special measures to support transformation and prevent stress at work

Various initiatives were launched during 2013 to support change and prevent stress at work: time management training offered to staff, increasing manager awareness, etc.

Klépierre University has also made a major contribution to this approach by rolling out a specific program: **40% of employees in France, i.e. 215 people,** took part in these half-day sessions on preventing stress at work. Additional modules on change and stress management were also launched at the end of the year in response to the challenges identified. In total, **over 1 000 hours of training** on these issues were delivered at the Group level.

Absenteeism limited and stable over time

Although the year saw major organizational changes in most countries, absenteeism remained stable at the Group level, demonstrating no damage to the working climate.

	2013	2012
RATE OF ABSENTEEISM	2.11%	2.16%

Klépierre strives to protect the safety of its employees at work, both at head office and in the shopping centers. **76% of employees are represented on mixed occupational health and safety committees.** Training sessions on these matters are held regularly (first aid, fire, defibrillators, etc.) over 190 staff from central functions received training during the year, as did personnel from the centers. The number of workplace accidents remained stable at Group level, and the number of days of absence due to workplace accidents fell 38%.

5.2.4.2. Talents

TALENTS

Redynamizing the workforce to drive collective performance

Intellectual and human capital must be considered in its individual dimension as an asset in itself, which brings real added value and ensures collective performance.

Becoming a preferred employer on the market

Although Klépierre is committed to carefully managing its employees, the life of the company involves regular recruitment drives, either to replace outgoing staff or to strengthen teams essential to its core business (asset management, marketing, shopping center managers, etc.).

	2013	2012
NUMBER OF NEW STAFF	129	181

Klépierre's attractiveness to profiles specializing in real estate was improved by the organizational transformation and reaffirmation of operational excellence requirements. Also, employment market conditions as well as the professional development measures Klépierre has rolled out have boosted its **image as a favored employer among junior profiles.**

To ensure that applications (either spontaneous or in response to advertisements) are properly processed and to optimize the management of profile databanks, an online recruitment tool was implemented at the end of 2013.

The agreement on the hiring of senior workers was monitored by employee representatives. During the year 2013, the Group began negotiations with employee representatives to maintain provisions for promoting senior workers as part of the generation agreement.

Improving working methods while enhancing environmental performance

In September 2013, the Klépierre Executive Board made official its plan to **bring together** the head office teams, currently spread over four different buildings.
One of the key search criteria: location. It was deemed essential to remain **in Paris, and in an attractive area in the heart of retail** to continue attracting and winning the loyalty of the best talent. This plan also involves improving communication between teams for **a better overall performance.** The Executive Board thus opted for the Edouard VII business center, ideally located between l'Opéra and la Madeleine, **which is BREEAM In-Use certified.**
This building has excellent public transport connections. A study of the impact of travel by staff using public transportation was also conducted. It concluded that the environmental impacts were stable and a slight drop in the average travel time.
Employee involvement in the project preparation phase is essential to encourage full involvement. Some sixty employees were asked to take part in brainstorming sessions, and internal working groups were set up on different matters, to reflect on new working methods to be implemented. The team move is planned for September 2014.

Acknowledging and optimizing individual performance as part of continuing professional development
Professional evaluation is an essential part of Klépierre's HR development policy. The annual meeting between employees and their managers is a time to look back on the Group's achievements from the last year, identify priorities, professional development targets and training needs. The skills and performances evaluation system **identifies key positions and situations which may require special monitoring.**

In response, training is an individual talent and skill development priority. It is even more important in company transformation phases which may require specific support to teams. 2013 saw a refocusing on short training sessions and a fall in training needs following the implementation of SAP on a Group scale.

Access to training

	2013	2012
Average hours of training per trained employee	24	25

Klépierre University, supporting Group strategy

The Group school has played an essential role in delivering the training policy. **25 new modules were offered to 605 participants** by Klépierre University in 2013 in response to new challenges and the Group's strategy (sales negotiation, management training, energy accounting, stress prevention, etc.).
The sales teams benefited from a completely overhauled training program. Over 5% of training initiatives in France were aimed specifically at them, including e-learning modules and role plays specifically designed to meet their needs.
They also participated with asset management teams in **22 special meetings with our partner retailers** to improve their knowledge of market segments represented in our centers (food outlets, sport, culture & leisure, telephones, etc.).

Promoting the exchange of best practices and circulation of know-how
To circulate best practices and know-how essential to the Group's core business, training sessions led by expert employees is strongly encouraged. In 2013, **37% of total training offered by Klépierre University was delivered by employees** (real estate, commercial, health and safety, management, etc.).

Klépierre also has an **active internal mobility policy** to promote the development of its employees. Mobility allows beneficiaries to gain an overall understanding of our holdings and their priorities while promoting good practices among the Group's functions and countries. It also optimizes and manages internal reorganization processes.

Internal mobility

	2013	2012
Number of employees benefiting from mobility	84	98
% of permanent workforce	7%	7%

Internal mobility processes include personalized support and a specific training program, to enable employees to be immediately operational and to develop in their new positions.

DIVERSITY

5.2.4.3. Diversity

Providing a working environment which motivates everyone
Because it integrates new talent and multiplies available skills, diversity is a source of innovation, performance and competitiveness. This is crucial for Klépierre: integrating diversity enables us to understand the diversity of the customers who visit our centers.

Ensuring gender equality
65% of visitors to Klépierre shopping centers are women. To better meet their needs, it would seem essential to attempt to reflect this situation within the company itself, at all levels and in all segments. Klépierre has set itself the target of promoting gender equality both in its recruitment processes and in terms of career management. This involves consistent, objective decision-making procedures which allow everyone to be assessed using the same criteria.
Proof of this commitment: the target of 40% women in management by the end of 2015.

Proportion of women by management level

	2013	2012
Executive management	20.0%	20.0%
Top management	10.0%	19.1%
Middle management	31.1%	19.7%
First line management	34.9%	39.6%
Non-management	67.5%	66.3%
GROUP	**56.4%**	**56.4%**

EIn line with the Men/Women ratio at Group level, Women accounted for 53% of recipients of variable compensation; 56% of beneficiaries of an individual increase; 56% of employees trained and 54% of internal mobility candidates
Additional measures are planned to promote and support their access to positions of responsibility: implementation of a women's leadership module, to ensure equal access to "high-value" training.

Through its drive to respect and promote diversity, Klépierre is also committed to preventing any kind of discrimination, either by opening up to different social environments, age management or inclusion of people with disabilities. **No discrimination incidents were recorded in 2013** in countries where the Group operates.

5.3. STRONG METHODOLOGY, EXHAUSTIVE COMMUNICATIONS

5.3.1. Methodology – methodological specifications

The environmental, societal and social management system is used to quantify and identify the principal sustainable impacts imposed by the Klépierre Group and its activities.
The fundamental guidelines which guide this reporting are:

- **relevance:** the biggest sources of 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 territory or year by year is pertinent;
- **transparency**: the selected hypotheses and the calculations are clearly defined;
- **precision and reliability:** records are kept on-site and at every level of responsibility to guarantee the traceability of the data.

5.3.1.1. Methodological specifications for environmental and societal indicators

The environmental and societal management system takes into account the recommendations made by the 3 widely acknowledged reference documents for our sector at the international, European and national scale:

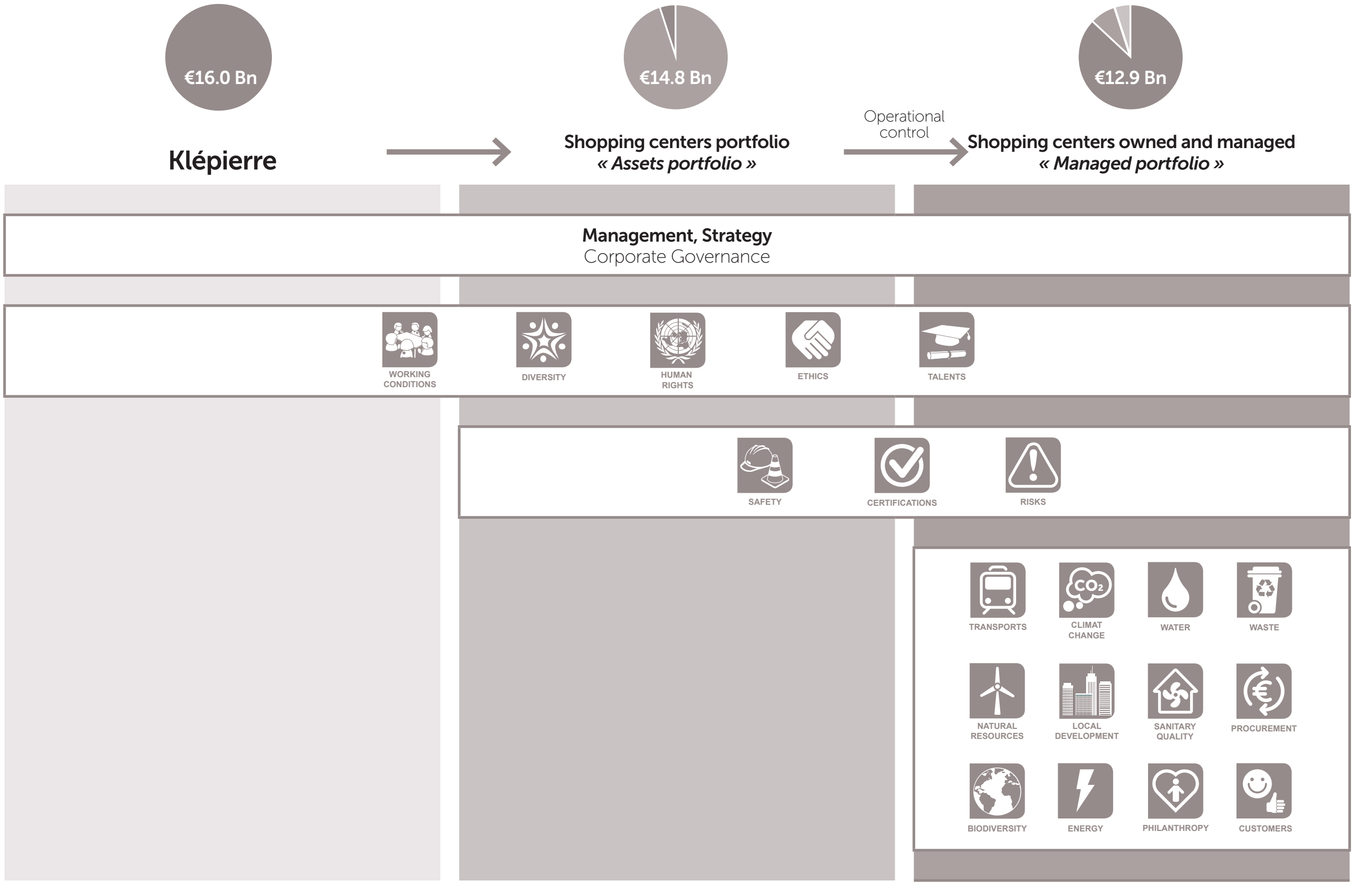
- Global Reporting Initiative Construction and Real Estate Sector Supplement (GRI 4, GRI CRESS);
- European Public Real Estate Association (EPRA), Best Practices Recommendations on Sustainability Reporting;
- *Conseil National des Centres Commerciaux (CNCC) – Guide sectoriel de reporting RSE.*

Definition of the monitoring scopes
2 scopes have been defined.

"Assets Portfolio" scope
It covers the shopping centers owned by the Group at more than 25% on 12/31/13 (are therefore excluded the offices, retail premises and various retail facilities defined in the Group Annual Report).
Shopping centers accounted for 92.8% of Group assets on 12/31/13.

"Managed Portfolio" scope
This scope is specific for the shopping center industry, for operational feasibility reasons. It is a part of the "Assets Portfolio" scope. It covers the centers which the Group owned and managed over the entire reporting period. When a shopping center is acquired and enters under the property management of the Group, it enters the "Managed Portfolio" scope immediately after one full year. Real estate development projects are not included in the reporting during development and/or construction, until they are completed and after one year of activity.
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 heating oil consumption. Similarly, the collection of its waste can be taken care of by a third party on the basis of a subscription, etc. Situations can vary greatly, and may therefore prevent the collection of exhaustive data. Centers for which Klépierre does not possess exhaustive data are excluded from the reporting. This explains the difference in coverage rate between one indicator and the other.
The "Managed portfolio" scope accounted for 87.3% of the "Assets portfolio" scope on 12/31/13.

Distribution of sustainability issues by scope



Management of the scopes' evolution

Acquisitions, sales and development operations (extensions and/or new projects) may change the reporting's scope and influence the analysis of the indicators' evolution.
We therefore distinguish "current" and "constant" scope, which each apply to the relevant indicators of the "Managed Portfolio" scope.

Current scope

The current scope enables the Group to evaluate the CSR impact of its assets over one year. It shows the result of its policies in matters of management, renovation and sales/acquisitions.
It includes all shopping centers owned by the Group at a level of 25% or more on 12/31/N, including those which were subject to renovations or extensions during the reporting period, regardless of the GLA surface created.

Constant scope

The constant scope enables the Group to highlight an evolution in its performance over a constant and identical scope in time. It highlights the Group's ability to manage and optimize the performance of its assets.
It includes all owned and managed assets for a period of at least 24 months. It excludes assets acquired or completed during that period, as well as those for which property management was not under the Group's responsibility for the entire period. Assets which are subject to an extension superior to 20% of the GLA are excluded from the scope.

Reporting periods and estimates

The major factor to be taken into account is that two different monitoring periods are used. This difference is caused by the Group's desire to minimize the need for estimates, and to collect or consolidate real data.
The technical operating data relating to energy consumption, water consumption and waste production is completed monthly on the basis of bills received by on-site teams and relating to previous periods. In order to reflect actual consumption as accurately as possible, the Group has decided to adopt a one-year rolling period.
For all indicators related to **Energy, Waste, Climate Change, Water** and one indicator on **Transport** (share of visits by transportation method), the reporting period is from **10/01/N-1 to 09/30/N.** The specific scope for these indicators is therefore corrected to exclude shopping centers which were not owned or managed between 10/01/N and 12/31/N.

For water consumption, 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 taken. 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 in % of the total assets value of the respective reporting scopes.

5.3.1.2. Methodological specifications 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 as at 12/31/2013 in which employees have an employment contract with the Group.
For 2013, the subsidiaries are owned as follows:

- France-Belgium, Iberia, Southern Europe and Central Europe: full integration;
- Scandinavia: partial integration (56.1%).

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.

Definitions and clarifications

Total employees: refers to the total number of physical employees at December 31, regardless of the number of hours worked and period of employment during the year. This indicator is the sum total of open-ended and fixed-term contracts.
Average workforce: refers to the sum total of employees at the end of each month (open-ended and fixed-term contracts), divided by 12.
All calculations are based on one of these 2 indicators, depending on their nature.

5.3.2. Full data – extra-financial statements

5.3.2.1. Environmental data

Details on units of measurement for the main environmental indicators

	ENERGY	CLIMATE CHANGE	WATER	WASTE
Common areas and common equipment	Group	Group		
Absolute value	MWh of final energy	tCO_2e		
	Common areas and common equipment for heating and climate control			
Surface intensity	kWh/m²	$kgCO_2e/m^2$		
	m² common areas + m² GLA served by common equipment for heating and climate control			
Usage intensity	kWh/visit	$kgCO_2e$/visit		
	Number of visits as stated on automatic counting systems			
Whole building	Scandinavia and Central Europe	Scandinavia and Central Europe	Group	Group
Absolute value	MWh of final energy	tCO_2e	m³	metric tons
	Common areas and common equipment for heating and climate control + private areas		Common areas + private areas	Common areas + private areas
Surface intensity	kWh/m²	$kgCO_2e/m^2$	m³/m²	
	m² common areas + m² total GLA			
Usage intensity	kWh/visit	$kgCO_2e$/visit	l/visit	
	Number of visits as stated on automatic counting systems			

Rate of coverage of reference perimeters

	2013		2012		2011	
	Value €M	% Klépierre portfolio	Value €M	% Klépierre portfolio	Value €M	% Klépierre portfolio
Asset portfolio	14 825	92.8%	14 970	91.0%	13 825	85.5%

	2013		2012		2011	
	Value €M	Assets portfolio	Value €M	Assets portfolio	Value €M	Assets portfolio
Managed portfolio	12 947	87.3%	13 197	88.2%	12 598	91.1%

1) Energy

Energy from the common areas and shared equipment for heating and climate control

Energy consumption in MWh (EPRA 3.1 – 3.2 – 3.3)

	Current portfolio			Like-for-like basis	
	2013	2012	2011	2013/12	2013/09
France-Belgium	105 657	102 502	110 831	1.0%	-11.3%
Scandinavia	113 125	119 578	117 305	6.0%	0.6%
Italy	59 600	66 252	62 580	-6.6%	0.6%
Iberia	31 619	36 942	34 312	-14.4%	-24.9%
Central Europe	90 432	95 925	98 369	-5.7%	-11.2%
GROUP	**400 432**	**421 199**	**423 396**	**-1.9%**	**-7.7%**
Coverage rate	*91.1%*	*92.8%*	*90.9%*	*83.1%*	*72.4%*

Energy efficiency in kWh/m²/year and in kWh/visit (EPRA 3.4)

	Current portfolio					Like-for-like basis		
	kWh/m²/year			kWh/visit		kWh/m²/year		kWh/visit
	2013	2012	2011	2013	2012	2013/12	2013/09	2013/2012
France-Belgium	136	130	139	0.38	0.40	1.0%	-11.3%	0.4%
Scandinavia	111	100	98	1.07	1.04	6.0%	0.6%	6.7%
Italy	154	164	155	0.73	0.79	-6.6%	0.6%	-1.7%
Iberia	140	163	173	0.49	0.56	-14.4%	-24.9%	-12.3%
Central Europe	151	162	166	0.84	0.87	-5.7%	-11.2%	-4.3%
GROUP	**133**	**131**	**133**	**0.64**	**0.71**	**-1.9%**	**-7.7%**	**-0.9%**
Coverage rate	*91.1%*	*92.8%*	*90.9%*	*80.9%*	*83.4%*	*83.1%*	*72.4%*	*77.5%*

Financial savings made by reducing energy consumption in MWh and in thousands of euros excluding VAT (EPRA 5.3)

	Current portfolio		Like-for-like basis savings		Cumulative savings on a like-for-like basis	
	2013		2013/12		2013/09	
	MWh	€K	MWh	€K	MWh	€K
France-Belgium	105 657	8 565	738	-42	-25 407	-2 277
Scandinavia	113 125	10 353	5 683	437	-2 119	-2 163
Italy	59 600	8 366	-3 564	-495	7 281	628
Iberia	31 619	3 620	-5 323	-659	-19 470	-2 263
Central Europe	90 432	7 686	-5 493	-545	-21 480	-2 259
GROUP	**400 432**	**38 589**	**-7 960**	**-1 305**	**-61 195**	**-8 333**
			-2.1%	-3.5%		
Coverage rate	*91.1%*		*80.9%*		*70.2%*	

Financial savings from reduction in energy consumptions in 2013 vs. 2012 are calculated as follows: difference in energy consumptions from 2012 to 2013, multiplied by the cost of a kWh in 2013. Cumulative financial savings from reduction in energy consumptions since 2009 are calculated as follows: Cumulative energy savings since 2009, corresponding to the difference in each year compared to 2009, multiplied by the cost of a kWh in 2013. Energy costs per kWh are calculated for each asset and each type of energy from 2013 invoices.

Energy mix (EPRA 3.1 – 3.2 – 3.3)

	Current portfolio								
	2013							2012	2011
	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Group in MWh	Group	Group	Group
Renewable	14.0%	62.5%	19.0%	74.4%	7.6%	127 199	31.8%	30.7%	31.1%
Non-renewable	59.2%	5.1%	53.0%	17.8%	61.7%	161 290	40.3%	43.3%	41.7%
Subtotal electricity	73.3%	67.6%	72.0%	92.2%	69.2%	**288 489**	**72.0%**	**74.0%**	**72.8%**
Hot	10.0%	22.8%	0.0%	0.0%	15.2%	50 142	12.5%	10.4%	10.6%
Cold	0.0%	4.7%	0.0%	0.0%	0.0%	5 363	1.3%	1.0%	1.3%
Subtotal networks	10.0%	27.6%	0.0%	0.0%	15.2%	**55 505**	**13.9%**	**11.4%**	**11.9%**
Natural gas	16.3%	2.3%	26.0%	7.8%	15.6%	51 867	13.0%	12.9%	13.8%
Fuel oil	0.4%	0.4%	2.1%	0.0%	0.0%	2 169	0.5%	1.1%	1.3%
Bio-fuel	0.0%	2.1%	0.0%	0.0%	0.0%	2 402	0.6%	0.6%	0.2%
Subtotal fuels	16.7%	4.9%	28.0%	7.8%	15.6%	**56 438**	**14.1%**	**14.6%**	**15.2%**
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**	**400 432**	**100%**	**100%**	**100%**
Coverage rate						*91.1%*	*91.1%*	*92.8%*	*90.9%*

Renewable energy used

	Current portfolio				
	2013	2012	2011	2010	2009
France-Belgium	14.0%	14.5%	12.3%	12.3%	12.7%
Scandinavia	64.6%	68.0%	64.4%	60.1%	63.0%
Italy	19.0%	2.7%	17.0%	15.5%	14.8%
Iberia	74.4%	76.2%	78.6%	60.9%	57.8%
Central Europe	7.6%	6.0%	5.7%	5.5%	4.8%
GROUP	**32.4%**	**31.3%**	**31.3%**	**30.2%**	**29.9%**
Coverage rate	*91.1%*	*92.8%*	*90.9%*		

Electricity from renewable sources used

	Current portfolio				
	2013	2012	2011	2010	2009
France-Belgium	19.2%	19.1%	17.5%	17.4%	17.4%
Scandinavia	92.5%	92.2%	90.2%	90.5%	89.6%
Italy	26.4%	3.8%	23.6%	22.2%	20.5%
Iberia	80.7%	82.1%	84.9%	67.0%	63.5%
Central Europe	10.9%	8.6%	8.0%	8.0%	6.6%
GROUP	**44.1%**	**41.5%**	**42.7%**	**43.0%**	**40.8%**
Coverage rate	*91.1%*	*92.8%*	*90.9%*		

Energy from the whole building (private areas included)

Energy consumption in MWh

		Current portfolio			Like-for-like basis	
		2013	2012	2011	2013/12	2013/11
Scandinavia	common areas	106 378	113 079	110 926	6.2%	7.8%
	tenents areas	121 144	136 187	139 587	-1.4%	-3.6%
	overall building	**227 523**	**249 266**	**250 513**	**2.0%**	**1.4%**
Central Europe	common areas	90 432	95 925	98 369	-5.7%	-8.1%
	tenents areas	110 811	117 543	117 696	-5.4%	-5.9%
	overall building	**201 242**	**213 468**	**216 065**	**-5.7%**	**-6.9%**
TOTAL	common areas	196 810	209 003	209	0.4%	-0.1%
	tenents areas	231 955	253 730	257 283	-3.4%	-4.7%
	overall building	**428 765**	**462 733**	**466 578**	**-1.8%**	**-2.7%**
Coverage rate		*31.7%*	*34.3%*	*33.9%*	*31.7%*	

Energy efficiency in kWh/m²/year and in kWh/visit

	Current portfolio					Like-for-like basis		
	kWh/m²/year			kWh/visit		kWh/m²/year		kWh/visit
	2013	2012	2011	**2013**	2012	2013/12	2013/11	2013/2012
Scandinavia	190	181	182	2.22	2.26	2.0%	1.4%	2.6%
Central Europe	322	342	346	1.85	1.93	-5.8%	-6.9%	-4.2%
Coverage rate	*31.7%*	*34.3%*	*33.9%*	*30.0%*	*34.3%*	*31.7%*	*31.7%*	*30.0%*

Energy impacts and carbon footprints of the head office

Energy consumption in MWh and emissions in $kgCO_2e$

	Total head office	Electricity	Fuel oil	Heating network	Cooling network
Consumption (MWh)	1 757	987	135	389	246
Useful floor area (m²)	7 861				
ENERGY EFFICIENCY (kWh/m²/year)	224				
Emission (metric tons of CO_2e)	234	78	36	76	44
Number of occupants	470				
EMISSIONS PER OCCUPANT ($kgCO_2e$/occupant)	498				

2) Climate change

GHG Emissions from common areas and shared equipment for heating and/or climate control

Greenhouse gas emissions from Energy consumed in metric tons of CO_2e (EPRA 3.5 – 3.6)

	Current portfolio							
	2013						2012	2011
	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Group	Group	Group
Natural gas	3 482	520	3 120	497	2 842	10 462	10 995	11 745
Fuel oil	114	137	335	0	0	586	1 203	1 531
Direct emissions	**3 596**	**657**	**3 455**	**497**	**2 842**	**11 047**	**12 198**	**13 275**
Electricity	6 451	5 490	17 413	7 083	33 085	69 522	73 940	74 381
Hot	1 633	5 169	0	0	2 747	9 549	8 378	8 274
Cold	0	150	0	0	0	150	119	152
Indirect emissions	**8 084**	**10 808**	**17 413**	**7 083**	**35 833**	**79 222**	**82 436**	**82 807**
SCOPE 1 & 2 EMISSIONS	11 680	11 466	20 868	7 580	38 675	90 269	94 634	96 082
Coverage rate						*91.1%*	*92.8%*	*90.9%*

	Like-for-like basis						
	2013/2012						2013/09
	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Group	Group
SCOPE 1 & 2 EMISSIONS	4.0%	9.1%	-6.1%	-14.4%	-3.9%	-3.1%	-13.1%

Intensity of greenhouse gas emissions from energy consumed in $kgCO_2e/m^2$/year and in $kgCO_2e$/visit (EPRA 3.7)

	Current portfolio					Like-for-like basis		
	$kgCO_2e/m^2$/year			$kgCO_2e$/visit		$kgCO_2e/m^2$/year		$kgCO_2e$/visit
	2013	2012	2011	**2013**	2012	2013/12	2013/09	2013/2012
France-Belgium	15	14	16	0,04	0,04	4.3%	-9.9%	1.3%
Scandinavia	11	9	10	0,11	0,10	9.1%	-4.6%	9.6%
Italy	54	57	54	0,26	0,28	-6.5%	-1.8%	-1.3%
Iberia	34	39	41	0,12	0,13	-14.6%	-41.0%	-12.2%
Central Europe	65	68	70	0,36	0,36	-4.5%	-14.8%	-2.6%
GROUP	30	29	30	0,15	0,16	-3.2%	-13.3%	-2.1%
Coverage rate	*91.1%*	*92.8%*	*90,9%*	*80,9%*	*83.4%*	*83.1%*	*72.4%*	*77.5%*

Greenhouse gas emissions from the use of refrigerant fluids in metric tons of CO_2e (EPRA 5.2)

	Current portfolio
	2013
GROUP	5 639
Coverage rate	*100%*

GHG emissions for the overall building (private areas included)

Greenhouse gas emissions from energy consumed over the overall building in metric tons of CO_2e

	Current portfolio					Like-for-like basis	
	2013			2012	2011	2013/12	2013/11
	Scandinavia	**Central Europe**	**Total**	Total	Total	Total	Total
Emissions Scopes 1 + 2	**10 922**	**38 675**	**49 596**	**51 055**	**52 982**	**-1.3%**	**-5.1%**
Private electricity	9 333	59 328	68 660	72 958	73 952	-5.6%	-**6.9%**
Private natural gas	0	761	761	769	732	-1.0%	4.0%
Emissions from Scope 3	**9 333**	**60 089**	**69 422**	**73 727**	**74 684**	**-5.5%**	**-6.8%**
Coverage rate			*31.7%*	*34.3%*	*33.9%*	*31.7%*	*31.7%*

Intensity of greenhouse gas emissions from energy consumed in $kgCO_2e/m^2$/year and in $kgCO_2e$/visit

	Current portfolio					Like-for-like basis		
	$kgCO_2e/m^2$/year			$kgCO_2e$/visit		$kgCO_2e/m^2$/year		$kgCO_2e$/visit
	2013	2012	2011	**2013**	2012	2013/12	2013/11	2013/2012
Scandinavia	17	15	15	0.21	0.18	4.5%	0.1%	5.2%
Central Europe	158	167	171	0.92	0.94	-5.3%	-7.3%	-4.1%
Coverage rate	*31.7%*	*34.3%*	*33.9%*	*30.0%*	*34.3%*	*31.7%*	*31.7%*	*30.0%*

Data on visitor journeys

Breakdown of visits by transportation method (EPRA 5.1)

	Motorized	Public transportation	Soft transports
France-Belgium	69.7%	15.5%	14.8%
Scandinavia	58.6%	20.3%	21.1%
Italy	84.8%	7.6%	7.6%
Iberia	67.9%	10.6%	21.4%
Central Europe	34.9%	44.5%	20.6%
GROUP	62.4%	20.5%	17.1%
Coverage rate	*82.2%*		

3) Waste

Breakdown of waste by category

	Current portfolio 2013	
	Non-dangerous waste	Dangerous waste
GROUP	99.8%	0.2%

Waste sorted in the centers by type in metric tons and as % on a current scope basis

	2013		2012
	In tons	As%	
Cardboard	12 311	27.26%	25.25%
Paper	141	0.31%	0.46%
Glass	263	0.58%	0.58%
Food waste	1 153	2.55%	3.00%
Plastic	548	1.21%	1.06%
Wood	659	1.46%	1.34%
Cells and batteries	6	0.01%	0.01%
WEEE	74	0.16%	0.20%
Lightbulbs and fluo tubes	12	0.03%	0.03%
Hangers	40	0.09%	0.09%
Aluminum	31	0.07%	0.05%
Other metals	232	0.51%	0.41%
Polystyrene	25	0.06%	0.04%
Fat	670	1.48%	1.38%
Paints and aerosols	3	0.01%	0.01%
Other sorted waste	2 430	5.38%	5.59%
Subtotal waste sorted on site	**18 598**	**41.19%**	**39.50%**
Unsorted waste	26 554	58.81%	60.50%
TOTAL	45 153		46 812
Coverage rate	*83.5%*		*83.9%*

Regulatory constraint on waste management and recycling are harsher in Scandinavia. This context allows us to present exhaustive data on waste management in tons and percentage for this territory. On the contrary, for other territories, specific waste might be directly managed by the tenants (such as hangers, glass or wood) by external providers or by the hypermarkets (cells and batteries, WEEE, lightbulbs and fluo tubes).

Breakdown of waste by destination on a current scope basis (EPRA 3.10 – 3.11)

	2013							2012
	France-Belgium	Scandinavia	Italy	Iberia	Central Europe	Groupe in tons	Group	Group
Recycled	29.4%	52.9%	31.6%	43.2%	26.8%	17 036	37.7%	35.5%
Reused	0.0%	0.6%	0.0%	0.0%	0.0%	82	0.2%	0.2%
Composted	0.0%	4.1%	0.0%	6.9%	2.4%	1 070	2.4%	2.3%
Subtotal recycling	29.4%	57.6%	31.6%	50.0%	29.2%	**18 187**	**40.3%**	**37.9%**
Incineration	22.7%	39.9%	4.1%	9.1%	0.0%	9 650	21.4%	20.1%
Any other form of recovery	14.2%	1.8%	29.0%	0.8%	3.0%	3 825	8.5%	8.6%
Subtotal recovery	66.4%	99.2%	64.6%	60.0%	32.1%	**31 662**	**70.1%**	**66.6%**
Landfill	33.6%	0.8%	35.4%	40.0%	67.9%	13 491	29.9%	33.4%
TOTAL	100%	100%	100%	100%	100%	45 153	100%	100%
Coverage rate							*83.5%*	*83.9%*

4) Water

Data for the overall building (private areas included)

Part in value of centers not exposed to water stress risk in 2013

	Portfolio	
	Unexposed	Exposed
France-Belgium	100%	0%
Scandinavia	100%	0%
Italy	98%	2%
Iberia	80%	20%
Central Europe	100%	0%
Group	**99%**	**1%**
Coverage rate	*100%*	

Water consumption in m³ (EPRA 3.8)

	Current portfolio			Like-for-like basis	
	2013	2012	2011	2013/12	2013/11
France-Belgium	1 204 543	1 262 742	1 021 803	5.4%	-5.3%
Scandinavia	387 462	380 541	402 208	0.1%	-3.7%
Italy	342 736	362 606	427 443	-18.1%	-27.8%
Iberia	275 182	338 778	270 593	10.9%	-13.2%
Central Europe	526 467	539 868	534 466	-2.2%	-1.5%
GROUP	**2 736 170**	**2 884 534**	**2 656 513**	**0.0%**	**-8.6%**
Coverage rate	*92.2%*	*90.5%*	*81.4%*	*83.7%*	*72.6%*

Intensity of water use in m³/m²/year and in liters/visit Water consumption in m³ (EPRA 3.9)

	Current portfolio					Like-for-like basis		
	m³/m²/year			l/visit		m³/m²/year		l/visit
	2013	2012	2011	**2013**	2012	2013/12	2013/11	2013/2012
France-Belgium	0.87	0.92	0.95	3.48	4.09	5.5%	-5.2%	-4.4%
Scandinavia	0.31	0.30	0.32	4.64	4.87	0.1%	-3.7%	-2.3%
Italy	0.71	0.79	1.04	4.71	7.07	-18.1%	-27.8%	-14.6%
Iberia	1.01	1.25	1.27	5.82	6.11	10.9%	-13.2%	-4.8%
Central Europe	0.84	0.87	0.86	4.64	4.87	-2.3%	-1.6%	-2.3%
GROUP	**0.68**	**0.73**	**0.74**	**3.99**	**4.61**	**0.0%**	**-8.6%**	**-4.0%**
Coverage rate	*92.2%*	*90.5%*	*81.4%*	*80.3%*	*80.4%*	*83.7%*	*72.6%*	*69.7%*

5) Certifications

Part in value of centers certified by type of certification

	2009	2010	2011	2012	**2013**	2014e
Operation only	16.7%	19.4%	20.5%	21.3%	29.1%	41.9%
Development only	0.0%	0.0%	1.2%	6.1%	9.2%	6.1%
Operation and Development	0.0%	0.0%	0.0%	0.0%	0.0%	3.8%
CERTIFIED ASSETS	**16.7%**	**19.4%**	**21.7%**	**27.4%**	**38.3%**	**51.8%**
Number of certified shopping centers	19	21	25	31	37	–
Coverage rate	*100%*	*100%*	*100%*	*100%*	*100%*	*100%*

6) Biodiversity

Part in value of centers with low or average sensitivity as regards biodiversity

	Low sensitivity	Average sensitivity	**Low sensitivity or average**	High sensitivity
France-Belgium	44.0%	41.8%	**85.8%**	14.2%
Scandinavia	20.5%	44.7%	**65.2%**	34.8%
Italy	88.8%	11.2%	**100.0%**	0.0%
Iberia	22.5%	77.5%	**100.0%**	0.0%
Central Europe	21.6%	78.4%	**100.0%**	0.0%
GROUP	**39.2%**	**45.4%**	**84.6%**	**15.4%**
Coverage rate			*56.0%*	

Initiatives to promote biodiversity in 2013 (proportion of centers in value)

	Proportion in value	Number of centers	Of which centers with high sensitivity
GROUP	**56%**	**98**	**94%**
Coverage rate	*100%*		*56%*

5.3.2.2. Societal data

1) Local development

Economic contribution from taxes paid locally (property tax)

	Portfolio
GROUP	**€48.7 M**
Coverage rate	*95.5%*

2) Transports

Proportion in value of centers accessible by public transport in 2013 (EPRA 5.1)

	Portfolio
France-Belgium	97%
Scandinavia	100%
Italy	93%
Iberia	100%
Central Europe	100%
GROUP	**97%**
Coverage rate	*100%*

Number of parking spaces with guiding systems

	Number of equipped parking spaces
GROUP	**20 035**

Proportion in value of centers with spaces for cyclists in 2013

	Portfolio
GROUP	**94%**
Coverage rate	*100%*

Number of charging terminals for electric vehicles in 2013 in proportion of value of equipped centers

	Number of terminals	Portfolio
GROUP	**153**	**35%**
Coverage rate	*100%*	

3) Customers

Proportion in value of centers which have carried out a satisfaction survey during 2012/2013

	Proportion in value	Number of centers
GROUP	85%	119
Coverage rate	*100%*	

Number of customers surveyed

	2013	2012	2011
GROUP	40 295	47 189	48 917
Coverage rate	*100%*		

4) Risks

Proportion in value of centers for which risk mapping has been updated during 2010/2013

	Portfolios	Portfolios managed
GROUP	75%	83%
Coverage rate	*100%*	

5) Purchases

Proportion of suppliers certified in 2013 (as a number of suppliers)

	Total	Cleaning	Safety	Facility management
GROUP	76%	82%	68%	77%
Coverage rate	*100%*			

6) Philanthropy

Proportion in value of centers having led at least one philanthropy partnership in 2013

	Portfolio
GROUP	94%
Coverage rate	*100%*

Amounts allocated to philanthropy initiatives by type of contribution in 2013

	Total	of which: monetary gift
GROUP	€847 222	€501 665
Coverage rate	*100%*	

5.3.2.3. Social data

1) Working conditions

Employees

Breakdown of workforce by type of employment contract

	2013		2012	
Open-ended contract	1 281	95.2%	1 382	94.2%
Fixed-term contract	65	4.8%	85	5.8%
TOTAL	1 346		1 467	

Breakdown of workforce by work duration

	2013		2012	
Full time	1 254	93.2%	1 369	93.3%
Part time	92	6.8%	98	6.7%
TOTAL	**1 346**		**1 467**	

Distribution of total workforce by region

	2013	2012
France-Belgium	39.9%	39.3%
Scandinavia	27.2%	27.6%
Italy	9.3%	9.1%
Central Europe	13.4%	13.7%
Iberia	10.2%	10.4%
GROUP	**100.0%**	**100.0%**

Personnel turnover

Breakdown of new staff (all contract types) by region

	2013	2012
France-Belgium	46	64
Scandinavia	30	48
Italy	7	15
Central Europe	32	20
Iberia	14	34
TOTAL	**131**	**181**

Turnover rate by region

	2013	2012
France-Belgium	8.7%	8.3%
Scandinavia	13.0%	6.8%
Italy	4.9%	0.8%
Central Europe	19.6%	17.7%
Iberia	18.9%	12.1%
GROUP	**11.9%**	**8.7%**

Note: The turnover rate is calculated as follows: Total number of departures, excluding end of fixed-term contracts and retirements, divided by the annual average workforce (open-ended contract only).

Breakdown of departures by reason

	2013	2012
Resignations	78	44
Lay-offs	32	27
Negotiated departures	36	25
Retirement	20	10
End of fixed-term contracts	72	59
Other reasons	13	25
TOTAL	**251**	**190**

Workplace accidents and absenteeism

Rate and types of workplace accidents, occupational illnesses, proportion of working days lost and total number of workplace deaths

	2013	2012
Total number of workplace accidents	**12**	**6**
Of which accidents on the journey to/from work	*6*	–
Of which accidents resulting in time off work	*6*	*6*
Of which fatal accidents	*0*	*0*
Days of absence due to a workplace accident	**602**	**973**
Frequency rate of workplace accidents	1.5	1.43
Severity rate of workplace accidents	0.15	0.23
Occupational illnesses declared	0	–

Note: ***The frequency rate*** *of workplace accidents is the number of work accidents resulting in time off work per million hours worked. The formula used is as follows: (number of accidents leading to time off work x 1 000 000)/(365 x 7.8 hours x annual average workforce)*
The severity rate *of workplace accidents is the number of days lost through time off work per thousand hours worked. The formula used is as follows: (number of days of absence following a workplace accident x 1 000)/(365 x 7.8 hours x annual average workforce)*

Rate of absenteeism by region

	2013	2012
France-Belgium	2.0%	2.1%
Scandinavia	2.5%	2.5%
Italy	1.6%	1.5%
Central Europe	2.1%	2.8%
Iberia	2.0%	1.2%
GROUP	**2.1%**	**2.2%**

Note: The absenteeism rate is calculated as follows: Total days of absence (excluding paid holidays and parental leave), divided by the average monthly workforce, itself multiplied by 365. All reasons for absence were taken into consideration (sickness, work accidents, etc.) except for maternity, paternity or adoption leave.

Proportion of staff covered by a collective agreement

	2013	2012
GROUP	**63.7%**	**62.5%**

As rich and constructive as the previous year, social dialog in France also meant the negotiation of eight collective agreements in 2013:

- the pre-electoral protocol as part of organizing professional elections;
- the employee shareholding agreement;
- the investment agreement;
- the collective bargaining agreement on the implementation of an employee savings plan (PEE);
- the collective bargaining agreement on the implementation of a Group pension savings plan (PERCO);
- the collective bargaining agreement on protective provision schemes (incapacity, disability and death benefit);
- the agreement on the profit sharing bonus;
- the agreement on the exceptional release of investment and profit sharing.

At the same time, other agreements remain in place:

- the 2009 company agreement setting the framework for work relations (contract, structure of work time, compensation, etc.);
- the agreement on the Individual Training Entitlement (DIF). Once per year, employees receive the count of their available Individual Training Entitlement (DIF) hours. The Works Council is also informed annually of the use of these hours by workers;
- the agreement on working hours reduction;
- the agreement on working at home and the implementation of special measures for disabled workers;
- the 2012 company agreement on professional equality between men and women, the tracking of which leads to a discussion with employee representatives;
- the collective bargaining agreement on the employee health cost plan that is monitored annually with employee representatives.

All agreements in vigor are accessible to all employees working in France, via a dedicated web page, accessible from the HR intranet.

2) Talents

Training

Access to training by gender

	2013			2012		
	Men	**Women**	**Total**	Men	Women	Total
Total number of training hours	9 139	12 344	21 483	11 888	12 483	24 370
Average hours of training per employee	15	16	15	–	–	17
Average hours of training per trained employee	23	24	24	26	24	25
Rate of access to training	69%	72%	71%	83%	72%	77%

Average number of training hours per trained employee by management level

	2013	2012
Executive management	10	24
Top management	12	24
Middle management	16	28
First line management	23	26
Non-management	25	25
AVERAGE	**24**	**25**

Compensation

Average gross annual wages by region

	2013	2012
France-Belgium	€52 337	€52 059
Scandinavia	€70 659	€76 383
Italy	€41 136	€37 259
Iberia	€39 054	€38 797
Central Europe	€22 338	€25 595

3) Diversity

Proportion of women by management level

	2013	2012
Executive management	20.0%	20.0%
Top management	10.0%	19.1%
Middle management	31.1%	19.7%
First line management	34.9%	39.6%
Non-management	67.5%	66.3%
GROUP	**56.4%**	**56.4%**

Breakdown of workforce by age bracket

	2013	2012
≤ 24 years old	0.6%	0.5%
25 – 34 years old	24.6%	27.4%
35 – 44 years old	41.2%	39.0%
45 – 54 years old	23.3%	23.1%
≥ 55 years old	10.3%	10.0%
TOTAL	**100.0%**	**100.0%**

Workers with disabilities as part of total workforce

	2013	2012
Number of disabled workers	22	23
% of total workforce	1.64%	1.57%

5.3.3. Consistency – concordance table

		Global Reporting Initiative – G4 Guidelines + Construction & Real Estate Supplement 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	Pages
APPROACH	**Strategy**	SO2 – EC8		3.A	7 – p. 38	50-51; **138**
	Materiality	18 à 21 – 24 à 27		3.B	8	50-51; **139-140**
	Engagement	34 – 15 – 16		3.B – 2.A		50-51; **141-142**
IRREPROACHABLE	HUMAN RIGHTS			1.G – 3.E	p. 38	52; **145**
	ETHICS	56 – SO4 – SO6		3.D	11	52; **145**
	RISKS	14 – EN29		2.A	12 – p. 34	52; **146; 173**
	SAFETY	PR1		2.A – 2.B – 3.D	12 – p. 34-35	52; **146-147**
	CUSTOMERS	PR5		3.B	8	52; **147; 173**
	PROCUREMENT	12 – EC8 – EC9 – EN32 – LA14 – HR10 – SO9		3.C	10	52; **148-149; 173**
EFFICIENT	ENERGY	EN3 – EN4 – EN5 – EN6 – EN7 – EN27 – CRE1	3.1 – 3.2 – 3.3 – 3.4 – 5.3	2.C – 3.B	2 – 3 – 9	48; 54-55; **149-152; 166-168**
	CLIMATE CHANGE	EC2 – EN15 – EN16 – EN17 – EN18 – EN19 – EN20 – EN30 – CRE3	3.5 – 3.6 – 3.7 – 5.2	2.D	4 – 5 – 6 – p. 37	54-55; **152-153 ; 168-169**
	WASTE	EN23 – EN25	3.10 – 3.11	2.B	p. 35	54-55; **154; 170**
	WATER	EN8 – EN9 – EN22 – CRE2	3.8 – 3.9	2.C	p. 36	54-55; **155; 171**
	NATURAL RESOURCES			2.C	p. 36	54-55; **155**
	CERTIFICATIONS	CRE8		2.A	1	49; 54-55; **156; 171**

		Global Reporting Initiative – G4 Guidelines + Construction & Real Estate Supplement 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	Pages
INNOVATIVE	LOCAL DEVELOPMENT	EC8		3.A	7 – p. 38	56; 58; **156-157; 172**
	TRANSPORTS		5.1	3.A	6	56; 58; **157; 172**
	BIODIVERSITY	EN11 – EN12		2.E	p. 37	49; 56; 58; **157-158; 172**
	SANITARY QUALITY			2.A – 3.D	12	56; 58; **158**
	PHILANTHROPY			3.B	p. 38	56; 58; **158-159; 173**
EMPLOYEES	WORKING CONDITIONS	10 – 11 – LA1 – LA4 – LA5 – LA6 – LA12 – HR4		1.A – 1.B – 1.C – 1.D		59; **159-160; 173-175**
	TALENTS	LA9 – LA10 – LA11		1.E		59; **160-162; 175-176**
	DIVERSITY	10 – LA12 – HR3		1.F – 1.G		59; **162; 176**
GENERAL INFORMATION	**Methodology**	17 – 22 – 23 – 28 to 30				163-165
	Assurance	33				179-180
	Concordance table	32				177-178
	General information	3 to 9 –13				1-71
	Message from management	1				6-7
	Governance	34				8-10; 117-124
	Portfolio	17				97-108; 164; 166

5.3.4. Report of one of the Statutory Auditors, designated as independent third-party entity, on the consolidated environmental, social and societal information published in the management report

This is a free translation into English of the original report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

For the attention of the Shareholders,

In our capacity as Statutory Auditor of Klépierre, and designated as independent third-party entity, whose certification request has been approved by the French National Accreditation Body (COFRAC), we hereby present you with our report on the social, environmental and societal information prepared for the year ended December 31, 2013 presented in the management report included in the annual report (hereinafter the "CSR Information"), pursuant to Article L. 225-102-1 of the French Commercial Code *(Code de commerce).*

Responsibility of the Company

The Executive Board of Klépierre is responsible for preparing a management report including the CSR Information provided by Article R. 225-105-1 of the French Commercial Code, prepared in accordance with the reporting criteria used by Klépierre (the "Reporting Criteria"), some of which are presented throughout the management report and which are available on request from the Human Relations & Environmental executive management teams.

Independence and quality control

Our independence is defined by regulatory texts, the profession's Code of Ethics as well as by the provisions set forth in Article L. 822-11 of the French Commercial Code. Furthermore, we have set up a quality control system that includes the documented policies and procedures designed to ensure compliance with rules of ethics, professional standards and the applicable legal texts and regulations.

Responsibility of the Statutory Auditors

Based on our work, our responsibility is:

- to attest that the required CSR Information is presented in the management report or, in the event of omission, is explained pursuant to the third paragraph of Article R. 225-105 of the French Commercial Code (Attestation of completeness of the CSR information);
- to express limited assurance on the fact that, taken as a whole, the CSR Information is presented fairly, in all material aspects, in accordance with the adopted Reporting Criteria (Formed conclusion on the fair presentation of the CSR Information).

Our work was carried out by a team of four people between January 22 and March 7th 2014, i.e. a period of around four weeks. To assist us in conducting our work, we referred to our corporate responsibility experts.

We conducted the following procedures in accordance with professional standards applicable in France, with the order of May 13, 2013 determining the methodology according to which the independent third party entity conducts its assignment and, with regard to the formed conclusion on the fair presentation of the Information, with the ISAE (International Standard on Assurance Engagements) 3000[1].

1. Attestation of completeness of the CSR Information

Based on interviews with management, we familiarized ourselves with the Group's sustainable development strategy, with regard to the social and environmental impacts of the company's business and its societal commitments and, where appropriate, any resulting actions or programs.
We have compared the CSR Information presented in the management report with the list set forth in Article R. 225-105-1 of the French Commercial Code.
In the event of omission of certain consolidated information, we have verified that explanations were provided in accordance with the third paragraph of the Article R. 225-105 of the French Commercial Code.
We have verified that the CSR Information covered the consolidated scope, i.e., the company and its subsidiaries within the meaning of Article L. 233-1 of the French Commercial Code and the companies that it controls within the meaning of Article L. 233-3 of the French Commercial Code, subject to the limits set forth in the methodological memo paragraph 5.3.1 presented in the Annual Report.
Based on our work and considering the limitations mentioned above, we attest that the required CSR Information is presented in the management report.

2. Limited assurance on the fair presentation of the CSR Information

Nature and scope of procedures
We conducted 16 interviews with 35 people responsible for preparing the CSR Information in the departments in charge of the CSR Information collection process and, when appropriate, those responsible for internal control and risk management procedures, in order to:

- assess the suitability of the Reporting Criteria with respect to its relevance, completeness, reliability, neutrality and clarity, taking into consideration, when relevant, the sector's best practices;

- verify the set-up of a process to collect, compile, process, and check the CSR Information with regard to its completeness and consistency.
- familiarize ourselves with the internal control and risk management procedures relating to the compilation of the CSR Information.

We determined the nature and scope of the tests and controls according to the nature and significance of the CSR Information with regard to the company's characteristics, the social and environmental challenges of its activities, its sustainable development strategies and the sector's best practices.

Concerning the CSR information that we have considered to be most important(2):

- for the consolidating entity, we consulted the documentary sources and conducted interviews to corroborate the qualitative information (organization, policies, actions), we implemented analytical procedures on the quantitative information and verified, using sampling techniques, the calculations and the data consolidation, and we verified their consistency with the other information presented in the management report;
- for a representative sample of entities and sites that we have selected(3) according to their activity, their contribution to the consolidated indicators, their location and a risk analysis, we held interviews to verify the correct application of the procedures and implemented substantive tests on a sampling basis, consisting in verifying the calculations performed and reconciling the data with supporting evidence. The selected sample represented 53.5% of the Group headcount and 17% of energy consumption (energy consumption of common spaces and common heating and/or cooling facilities).

Regarding the other consolidated CSR Information, we have assessed its consistency in relation to our understanding of the Group.
Finally, we have assessed the relevance of the explanations relating to, where necessary, the total or partial omission of certain information.
We believe that the sampling methods and sizes of the samples we have used in exercising our professional judgment enable us to express limited assurance; a higher level of assurance would have required more in-depth verifications. Due to the use of sampling techniques and the other limits inherent to the operations of any information and internal control system, the risk that a material anomaly be identified in the CSR Information cannot be totally eliminated.

Conclusion

Based on our work, nothing has come to our attention that causes us to believe that the CSR Information, taken as a whole, is not presented fairly, in all material respects, in accordance with the Reporting Criteria.

Neuilly-sur-Seine, March 7th, 2014

One of the Statutory Auditors
Deloitte & Associés

Joël Assayah
Associé

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

(2) Social indicators: Breakdown of workforce by type of employment contract; Distribution of total workforce by region; Breakdown of new staff (all contract types) by region; Turnover rate by region; Breakdown of departures by reason; Total number of workplace accidents; Days of absence due to a workplace accident; Frequency rate of workplace accidents; Severity rate of workplace accidents; Rate of absenteeism by region; Total number of training hours; Average hours of training per employee; Proportion of women by management level; Breakdown of workforce by age bracket.
Environmental indicators: Energy from the common areas and shared equipment for heating and climate control – Energy consumption in MWh; Energy efficiency in kWh/m²/year; Financial savings made by reducing energy consumption in MWh and in thousands of euros excluding VAT; Renewable energy used; Electricity from renewable sources used; Climate change: GHG Emissions from common areas and shared equipment for heating and/or climate control – Greenhouse gas emissions from Energy consumed in metric tons of CO_2e; Intensity of greenhouse gas emissions from energy consumed in $kgCO_2e/m^2$/year; Greenhouse gas emissions from the use of refrigerant fluids in metric tons of CO_2e; Breakdown of visits by transportation method; Portion of waste from non-dangerous activities; Waste sorted in the centers by type in metric tons and as % on a current scope basis – Cardboard; Paper; Glass; Food waste; Plastic; Wood; Cells and batteries; WEEE; Lightbulbs and fluo tubes; Hangers; Aluminum; Other metals; Polystyrene; Fat; Paints and aerosols; Other sorted waste; Unsorted waste; Breakdown of waste by destination on a current scope basis – Recycled; Reused; Composted; Incineration; Any other form of recovery; Water: Data for the overall building (private areas included); Water consumption in m³; Intensity of water use in m³/m²/year; Part in value of centers certified by type of certification.
Societal indicators: Number of customers surveyed annually; % of key service providers certified by type of service; Proportion in value of centers having led at least one philanthropy partnership in 2013.
Other information (elements or sections analyzed): risk mapping system (p. 146); sustainability clauses incorporated into the contracts signed with suppliers (p. 148); environmental dialogue with lessees (p. 149); Improving the dynamism of the local economy (section 5.2.3.1. Local development); Defining our aims and developing innovative approaches (section 5.2.3.3. Biodiversity); Partners committed to local public life (section 5.2.3.5. Philanthropy).

(3) Sample covered by social indicators: Group activities in France, Hungary, and Sweden.
Sample covered by environmental indicators: 9 shopping centers in France (Annecy Courier, Ecully Grand Ouest, Créteil Soleil), Poland (Sadyba Best Mall, Poznań Plaza), Hungary (Corvin Plaza, Duna Plaza), and Sweden (Sollentuna Centrum, Marieberg Galleria).

6

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2013

6.1. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (EPRA MODEL)

(in thousands of euros)	Notes	**12/31/2013**	12/31/2012
LEASE INCOME	**6.1**	**1 009 186**	**992 121**
Land expenses (real estate)	6.2	-7 857	-7 159
Non-recovered rental expenses	6.3	-42 655	-44 236
Building expenses (owner)	6.4	-65 912	-56 935
NET RENTS		**892 762**	**883 791**
Management, administrative and related income		78 187	90 329
Other operating revenue	6.5	19 323	14 108
Survey and research costs		-4 431	-2 413
Payroll expenses	10.1	-122 424	-120 475
Other general expenses		-44 362	-43 568
Depreciation and impairment allowance on investment property	6.6	-392 791	-374 603
Depreciation and impairment allowance on intangible assets and property, plant and equipment	6.6	-11 348	-10 932
Provisions		-1 071	307
Proceeds from disposal of investment properties and equity investments	6.7	492 282	609 847
Net book value of investment properties and equity investments sold	6.7	-318 905	-405 018
Income from the disposal of investment properties and equity investments		**173 377**	**204 829**
OPERATING INCOME		**587 222**	**641 374**
Net dividends and provisions on non-consolidated investments		15	-16
Financial income		*97 704*	*134 311*
Financial expenses		*-424 425*	*-452 021*
Net cost of debt	6.8	-326 721	-317 709
Change in the fair value of financial instruments		-94 203	-41 589
Effect of discounting		–	–
Share in earnings of equity method investees	5.8	1 705	1 499
PROFIT BEFORE TAX		**168 018**	**283 559**
Corporate income tax	7	-30 998	-21 666
NET INCOME OF CONSOLIDATED ENTITY		**137 020**	**261 892**
Of which			
Group share		*53 601*	*166 587*
Non-controlling interests		*83 419*	*95 305*
Undiluted average number of shares		**195 400 982**	**191 271 591**
Undiluted comprehensive earnings per share (euro)		**0.3**	**0.9**
Diluted average number of shares		**195 400 982**	**191 271 591**
Diluted comprehensive earnings per share (euro)		**0.3**	**0.9**

(in thousands of euros)	**12/31/2013**	12/31/2012
NET INCOME OF CONSOLIDATED ENTITY	137 020	261 892
Other comprehensive income items recognized directly as equity	**137 974**	**10 753**
■ Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	249 744	-57 264
■ Translation profits and losses	-70 817	54 134
■ Tax on other comprehensive income items	-44 400	10 290
Items that will be reclassified subsequently to profit or loss	**134 527**	**7 160**
■ Income from sales of treasury shares	3 447	3 593
■ Actuarial gains	–	–
Items that will not be reclassified subsequently to profit or loss	**3 447**	**3 593**
Share of other comprehensive income items of equity method investees	–	–
TOTAL COMPREHENSIVE INCOME	274 994	272 645
Of which		
Group share	198 850	170 699
Non-controlling interests	*76 144*	*101 946*
Undiluted comprehensive earnings per share (euro)	**1.0**	**0.9**
Diluted comprehensive earnings per share (euro)	**1.0**	**0.9**

6.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EPRA MODEL)

ASSETS

(in thousands of euros)	Notes	**12/31/2013**	12/31/2012
Goodwill	5.1	133 757	135 325
Intangible assets	5.2	37 394	33 805
Property, plant and equipment and work in progress	5.3	15 339	31 482
Investment property	5.4	9 847 578	11 301 038
Investment property under construction	5.5	317 002	446 270
Equity method securities	5.8	19 910	19 789
Other non-current assets	5.9	15 528	17 055
Non-current derivatives	5.16	118 703	153 632
Deferred tax assets	7	57 709	106 691
NON-CURRENT ASSETS		**10 562 920**	**12 245 087**
Investment property held for sale	5.6	1 115 816	73 148
Investment held for sale	5.7	7 957	–
Inventory	5.10	433	389
Trade accounts and notes receivable	5.11	113 242	133 165
Other receivables	5.12	227 612	271 252
■ Tax receivables		32 203	33 533
■ Other debtors		195 409	237 719
Current derivatives	5.16	–	–
Cash and cash equivalents	5.13	142 368	206 014
CURRENT ASSETS		**1 607 428**	**683 968**
TOTAL ASSETS		**12 170 347**	**12 929 055**

LIABILITIES

(in thousands of euros)	Notes	**12/31/2013**	12/31/2012
Share capital		279 259	279 259
Additional paid-in capital		1 773 630	1 773 630
Legal reserves		27 926	26 551
Consolidated reserves		-45 027	-35 988
■ Treasury shares		-93 500	-99 211
■ Hedging reserves		-181 861	-371 065
■ Other consolidated reserves		230 334	434 288
Consolidated earnings		53 601	166 587
Shareholders' equity, group share		2 089 390	2 210 040
Non-controlling interests		1 308 065	1 410 684
SHAREHOLDERS' EQUITY	**5.14**	**3 397 455**	**3 620 725**
Non-current financial liabilities	5.15	5 343 915	6 699 826
Long-term provisions	5.17	13 937	13 417
Pension commitments	10.3	14 682	16 169
Non-current derivatives	5.16	173 389	419 327
Security deposits and guarantees		148 727	141 704
Deferred tax liabilities	7	365 968	420 907
NON-CURRENT LIABILITIES		**6 060 617**	**7 711 350**
Current financial liabilities	5.15	2 127 884	1 004 004
Bank facilities	5.13	31 334	39 276
Trade payables		110 890	122 080
Payables to fixed asset suppliers		44 943	49 805
Other liabilities	5.18	208 095	261 639
Current derivatives	5.16	103 868	40 740
Social and tax liabilities	5.18	85 262	79 437
Short-term provisions		–	–
CURRENT LIABILITIES		**2 712 275**	**1 596 981**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**12 170 347**	**12 929 055**

6.3. CONSOLIDATED CASH FLOW STATEMENT (EPRA MODEL)

(in thousands of euros)	**12/31/2013**	12/31/2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income from consolidated companies	137 020	261 892
Elimination of expenditure and income with no cash effect or not related to operating activities		
■ Depreciation, amortization and provisions	405 516	389 187
■ Capital gains and losses on asset disposals net of taxes and deferred taxes	-142 347	-207 860
■ Reclassification of financial interests and other items	461 138	399 819
Gross cash flow from consolidated companies	**861 327**	**843 038**
Paid taxes	-27 535	-40 526
Change in operating working capital requirement	-7 378	20 091
NET CASH FLOWS FROM OPERATING ACTIVITIES	**826 415**	**822 603**
CASH FLOWS FROM INVESTING ACTIVITIES		
Income from sales of investment properties	292 368	604 421
Income from sales of other fixed assets	480	427
Income from disposals of subsidiaries (net of cash disposed)	163 627	15 184
Acquisitions of investment properties	-128 385	-91 019
Acquisition costs of investment properties	-1 651	-1 628
Payments in respect of construction work in progress	-190 227	-392 821
Acquisitions of other fixed assets	-17 316	-13 874
Acquisitions of subsidiaries through deduction of acquired cash	-87 178	-39 359
Issuing/repayment of loans and advance payments granted and other investments	-49 067	48 889
NET CASH FLOWS FROM INVESTING ACTIVITIES	**-17 349**	**130 219**
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividends paid to the parent company's shareholders(1)	-292 931	-51 097
Dividends paid to non-controlling interests	-93 263	-95 271
Capital increase	–	–
Repayment of share premium	–	–
Acquisitions/disposal of treasury shares	5 711	-1 409
New loans, borrowings and hedging instruments	1 261 194	2 538 981
Repayment of loans, borrowings and hedging instruments	-1 313 450	-3 053 594
Interest paid	-348 858	-427 116
Other cash flows related to financing activities(2)	-78 245	111 969
NET CASH FLOWS FROM FINANCING ACTIVITIES	**-859 842**	**-977 536**
Effect of foreign exchange rate changes on cash and cash equivalents	**-4 929**	**3 298**
CHANGE IN CASH AND CASH EQUIVALENTS	**-55 704**	**-21 417**
Cash at year-start	**166 738**	**188 154**
Cash at year-end	**111 035**	**166 738**

(1) Dividend paid in 2012 for 268.8 million euros of which only 51.1 million euros was in cash.
(2) Cash Flow resulting from the change of in the ownership interest in Claye-Souilly in FY 2012 and IGC Italy and Klémurs (France) in FY 2013 without loss of control.

6.4. STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF DECEMBER 31, 2013

(in thousands of euros)	Capital	Capital related reserves	Treasury stock	Hedging reserves	Consoli-dated reserves	Equity, group share	Equity, non-controlling interests	Total equity
EQUITY AT 12/31/2011	**265 507**	**1 596 521**	**-101 088**	**-327 941**	**664 182**	**2 097 181**	**1 326 040**	**3 423 221**
Share capital transactions	13 751	203 661				217 412		217 412
Share-based payments								-
Treasury share transactions			1 877			1 877		1 877
Dividends					-268 755	-268 755	-95 271	-364 026
Net income for the period					**166 587**	**166 587**	**95 305**	**261 892**
Gains and losses recognized directly in equity						**–**		**–**
■ Income from sales of treasury shares					3 597	3 597	-4	3 593
■ Income from cash flow hedging				-52 320		-52 320	-4 944	-57 264
■ Translation profits and losses					43 762	43 762	10 372	54 134
■ Tax on other comprehensive income items				9 288	-215	9 073	1 217	10 290
Other comprehensive income items	**–**	**–**	**–**	**-43 032**	**47 144**	**4 112**	**6 641**	**10 753**
Changes in the scope of consolidation				-92	-16 403	-16 495	104 084	87 589
Other movements					8 120	8 120	-26 115	-17 995
EQUITY AT 12/31/2012	**279 259**	**1 800 181**	**-99 211**	**-371 065**	**600 876**	**2 210 040**	**1 410 684**	**3 620 725**
Share capital transactions		1 375			-1 375	–		–
Share-based payments						–		–
Treasury share transactions			5 711			5 711		5 711
Dividends					-292 931	-292 931	-93 263	-386 194
Net income for the period					**53 601**	**53 601**	**83 419**	**137 020**
Gains and losses recognized directly in equity						**–**		**–**
■ Income from sales of treasury shares					3 418	3 418	29	3 447
■ Income from cash flow hedging				236 556		236 556	13 188	249 744
■ Translation profits and losses					-53 801	-53 801	-17 016	-70 817
■ Actuarial gain or loss						–		–
■ Tax on other comprehensive income items				-40 924		-40 924	-3 476	-44 400
Other comprehensive income items	**–**	**–**	**–**	**195 632**	**-50 383**	**145 249**	**-7 275**	**137 974**
Changes in the scope of consolidation				-6 428	-29 300	-35 728	-59 813	-95 541
Other movements					3 447	3 447	-25 686	-22 239
EQUITY AT 12/31/2013	**279 259**	**1 801 556**	**-93 500**	**-181 861**	**283 935**	**2 089 389**	**1 308 065**	**3 397 455**

6.5. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT EVENTS OF THE FISCAL YEAR 2013

1.1. Investments

During the first semester the Group acquired 15.89% of the share capital of Klémurs and its subsidiaries for a total amount of 33.9 million euros, includind acquisition costs (see note 4).

On November 29, 2013, the Group acquired the remaining 50% of the Odysseum shopping center in Montpellier (SCI Odysseum place de France) held by Icade and 100% of SCI Odysseum 2. Following this transaction, Klépierre owns 100% of this shopping center (see note 4).

On December 5, 2013, the Group acquired 16.7% of the Italian company IGC from the company Finiper, increasing its share in the subsidiary to 88% (see note 4).

The main investments of the period concern France (Clermont Jaude, Bègles – Rives d'Arcins and Claye-Souilly for respectively 52 million euros, 23.6 million euros and 11.6 million euros) and Sweden (Kristianstad and Emporia for respectively 48.4 million euros and 21.7 million euros).

1.2. Disposals

Disposals for the year amount to 469.5 million euros and concern mainly:

- the investment property located at 21 avenue Kléber and the company's business premises located at 21, rue La Pérouse;
- the investment property located at 7 rue Meyerbeer in Paris;
- the investment property located at 192 avenue Charles-de-Gaulle in Neuilly-sur-Seine;
- the Lomme shopping center;
- 50% of the Norwegian shopping center Nordbyen;
- 4 shopping centers located in Norway (Halden Storsenter, Torvbyen, Stovner Senter and Markedet).

On December 16 2013, Klépierre announced it has signed a memorandum of understanding for the proposed disposal of a portfolio of 127 Carrefour-anchored retail galleries to a consortium led by Carrefour and capitalized by institutional investors for 2.01 billion euros.

1.3. Dividend

On April 11, 2013, the shareholders meeting approved the payout of a 1.50 euro per share dividend in respect of 2012 fiscal year, and proposed a cash payment. Cash dividend payments totaled 292.9 million euros.

1.4. Debt

Klépierre obtained a syndicated loan for 750 million euros with maturity in 2018 from a group of 16 leading banks. During the second semester, Klépierre also obtained 3 bilateral loans for an amount of 300 million euros. These lines are undrawn.

These new loans allowed Klépierre to waive 2 bilateral credit lines granted by BNP Paribas that have not been drawn: one for 500 million euros with maturity in March 2016 and another for 500 million euros with maturity in March 2018.

In Scandinavia, the Group refinanced a mortgage loan of 390 million Norwegian kroner (50 million euros) through a bond issue for the same amount.

The disposal of a portfolio of 4 assets in Scandinavia enabled the repayment of several mortgage loans for the amount of 1.5 billion Norwegian kroner. The maturity of a 600 million Norwegian kroner bond was partially covered by a new unsecured issue of 300 million Norwegian kroner. Steen & Strøm also arranged a credit line of 300 million Norwegian kroner as base-up for commercial paper issuances.

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 21 avenue Kléber in Paris.

On January 27, 2014, the Executive Board approved the Klépierre SA consolidated financial statements for the period from January 1 to December 31, 2013 and authorized their publication.

Klépierre shares are traded on the Euronext Paris™ market (Compartment A).

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 consolidated financial statements to December 31, 2013 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, 2013 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, 2013

The accounting principles applied to the consolidated financial statements as of December 31, 2013 are identical to those used in the consolidated financial statements as of December 31, 2012, with the exception of the adoption of the following new standards and interpretations, for which application is mandatory for the Group:

- Amendment to IAS 1: Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income;
- Amendment to IAS 12: Deferred Tax – Recovery of Underlying Assets;
- Amendment to IAS 19: Employee Benefits;
- Amendment to IFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities;
- Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters;
- IFRS 13: Fair Value Measurement;
- Annual improvements (2009-2011 cycle): Annual improvements of IFRS (2009-2011 cycle)
  IAS 1 "Presentation of Financial Statements"
  IAS 16 "Property, Plant and Equipment"
  IAS 32 "Financial Instruments: Presentation"
  IAS 34 "Interim Financial Reporting"

These amendments had no significant impact on the Group's financial statements at December 31, 2013 except for IAS 19 amendment and IFRS 13.

The first time application of IAS 19 amendment resulted in the recognition in equity of actuarial gains and losses balance amounting to 904 thousand euros at December 31, 2012.

According to IFRS 13, the fair values are classified by level in the fair value hierarchy:

- the instrument is quoted in an active market (Level 1);
- the valuation uses measurement techniques based on observable inputs, either directly (price) or indirectly (derived from price) (Level 2);
- at least one significant component of the fair value is based on unobservable inputs (Level 3).

All derivatives held by the Group were classified as level 2 instruments.

The valuation of the derivatives was done taking into account the "Credit Valuation Adjustment" and the "Debit Valuation Adjustment" accordingly to IFRS 13. The impact is a positive fair value adjustment of 1 483 thousand euros in the result of the period on the item "Change in the fair value of financial instruments".

CVA, calculated for a given counterparty, is the product of:

- the total market value the Group has with this counterparty, in case it is positive;
- the probability of default of this counterparty. This probability of default is taken from rating agencies for a maturity of five years;
- and the loss given default set at 60% following market standard.

DVA, corresponds to the loss that the Group's counterparties may face in case of the Group's default. It is the product of:

- the total market value the Group has with a counterparty, in case it is negative, to which an add-on of 1% of the notional is applied;
- the probability of default of the Group. The Group's probability of default is taken form rating agencies for a maturity of five years;
- and the loss given default set at 60% following market standard.

Fair values of investment properties used for impairment tests realized on assets are classified in level 3 (see note 2.12.2).

Further to the application of the standard IFRS 13, there was no change in the appraisers' valuation method but additional information will be given in the notes. Consequently, quantitative information on the assumptions used for the determination of the fair values of the investment properties is presented note 5.4.

2.2.2. Standards, amendments and interpretations of not compulsory application as from January 1st, 2013

Klépierre has not applied early the new standards, amendments and interpretations adopted by the European Union where application in 2013 was optional. This applies to the following standards:

- Amendment to IAS 27: Separate Financial Statements;
- Amendment to IAS 28: Investments in Associates and Joint Ventures;
- Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities;
- IFRS 10: Consolidated Financial Statements;
- IFRS 11: Joint Arrangements;
- IFRS 12: Disclosure of Interests in Other Entities;
- Amendment to IFRS 10, 11, 12: Transaction Guidance;
- Amendment to IAS 36: Recoverable Amount Disclosures for Non-Financial Assets;
- Amendment to IFRS 10, IFRS 12 et IAS 27: Investment Entities;
- Amendment IAS 39 & IFRS 9: Novation of Derivatives and Continuation of Hedge Accounting.

The process of determination by Klépierre of the potential impacts on the consolidated financial statements of the Group is in progress. The impacts estimated for IFRS 10, 11 and 12 are presented in note 2.2.3.

The following standards have been published by the IASB but not yet adopted by the European Union:

- IFRS 9: Financial Instruments;
- IFRIC 21: Levies.

2.2.3. Assessment of the impact of the new standards

2.2.3.1. IFRS 10 & 11 standards

As part of the mandatory adoption of IFRS 10 and 11 on January 1, 2014, the Group first conducted an analysis of all shareholders agreements in order to evaluate the level of the Group's control over the assets concerned.
Application of the new standards would lead to the consolidation of 29 companies by the equity method that were previously consolidated by proportional method, in particular the companies owning the shopping centers Le Millénaire in France, Portimão in Portugal, Lonato and Verona in Italy and Åsane and Økern in Norway (see note 4 for an exhaustive list of the concerned companies).
The change in the method of consolidation of the companies concerned does not have any impact on the "Net income of consolidated entity – Group share".
Following this assessment, the impacts at December 31, 2013 on the consolidated statement of financial position of the Group are estimated as follows:

Balance sheet *(in thousands of euros)*	Consolidated accounts 12/31/2013	IFRS 10-11 Restatements	Restated consolidated accounts 12/31/2013
ASSETS			
Investment properties	11 280 396	-692 466	10 587 930
Equity method securities	19 910	450 651	470 561
Loans granted to equity method investees	–	193 695	193 695
Financial assets and other non-current assets	23 485	2	23 487
Deferred tax assets	57 709	-3 964	53 744
Cash and cash equivalents	142 368	-14 873	127 496
Other items	646 480	-31 433	615 047
TOTAL ASSETS	**12 170 347**	**-98 387**	**12 071 960**
LIABILITIES			
Shareholder's equity	3 397 455	–	3 397 455
Financial liabilities	7 471 798	-65 245	7 406 554
Deferred tax liabilities	365 968	-12 973	352 995
Other items	935 125	-20 169	914 956
TOTAL LIABILITIES	**12 170 347**	**-98 387**	**12 071 960**

At December 31, 2013, the impacts on the main entries in the Group's income statement are the following:

Income statement *(in thousands of euros)*	Consolidated accounts 12/31/2013	IFRS 10-11 Restatements	Restated consolidated accounts 12/31/2013
Net rents	892 762	-47 766	844 996
Depreciation and impairment	-392 791	23 497	-369 293
Net cost of debt	-326 721	8 640	-318 081
Corporate income tax	-30 998	1 068	-29 930
Share in earnings of equity method investees	1 705	11 107	12 812
Other items	-6 938	3 454	-3 484
NET INCOME	**137 020**	**0**	**137 020**

2.2.3.2. IFRS 12

As part of the mandatory adoption of IFRS 12 on January 1, 2014, the Group performed an analysis to determine the nature of its interests held in other entities and the associated risks and to distinguish, among the newly equity-consolidated entities, the companies that are jointly controlled from those in which it has significant influence.
The main partnerships of the Klépierre Group are described below.

- Åsane Storsenter DA and Økern 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 Åsane Storsenter DA and 50% of the company Økern Sentrum. The remaining percentages are held by the partner Nordea for Åsane and the partner Storebrand for Økern. In the 2 partnerships, each partner has the right to elect the same number of members of the Board of Directors. Decisions require the consent of the 2 parties. These companies are thus jointly controlled. As these are joint-ventures, these companies will be consolidated using 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 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 will be 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 will be 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 shall be consolidated using the equity method, being considered as a joint-venture.

■ Nordica Hodlco SA (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 3 members to the Board of Directors including the Chairman, whereas the partner can appoint 2 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 it is consolidated by full integration.

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, 2013. 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 thousand unless otherwise indicated.

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 make 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: proportional consolidation. 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;
- significant influence: consolidation using the equity method. Significant 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 "equity method securities" and under the corresponding equity item on the liabilities and equity side. Goodwill on companies consolidated using the equity method is also reported under "equity method securities".

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

According to IAS 40 almost all of Klépierre real estate meets the definition of "Investment property". Buildings occupied by the Group are recognized as tangible assets.
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.:

- based on the land/building ratio for office buildings;
- 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 or 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 disposal of investment property" 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 4 categories: business premises, shopping centers, offices and residential properties.

4 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:

	Offices		Shopping centers		Retail stores	
	Period	QP	Period	QP	Period	QP
Structures	60 years	60%	35 to 50 years	50%	30 to 40 years	50%
Facades	30 years	15%	25 years	15%	15 to 25 years	15%
GTI	20 years	15%	20 years	25%	10 to 20 years	25%
Fittings	12 years	10%	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

Group goodwill relates chiefly to Klépierre Management and management companies. Appraisal tests are conducted at least annually by an independent appraiser. Appraisals are updated to take into account any significant event occurring during the year.
The appraisals conducted for Klépierre by Aon Accuracy are based chiefly on the range of estimated values generated by applying the Discounted Cash Flow (DCF) method over a period of five years. The first stage of this method involves estimating the future cash flows that could be generated by the business portfolio of each company, excluding any direct or indirect finance costs. In the second stage, cash flows and the probable value of the portfolio at the end of the forecast period (terminal value) are discounted at an appropriate rate. This discount rate is arrived at 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 a third and final phase the value is obtained for each company's equity by deducting its net debt and any non-controlling interests on the valuation date from the value of its business portfolio.

Goodwill of Klépierre management and management companies

The impairment test consists of 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% (7.6% at December 31, 2012) (except for Klépierre Management Magyarország and Klépierre Management Polska where the rate is 8.6% due to an additional specific risk premium, compared to 7.6% at December 31, 2012);
- 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 2014-2019 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 2019 of 1%.

At December 31, 2013, 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.

Goodwill of IGC

The goodwill of IGC results from the recognition of deferred taxes at first consolidation. As a consequence, impairment tests performed on this goodwill at each closing consist on comparing its net book value with the amounts of expected tax optimization.

Finally, 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 French assets (except for Klécar France), all Polish, Greek and Belgian assets and 50% of Hungarian and Norwegian assets and a part of the Italian portfolio (shopping centers not fully owned by the Group);
- Auguste-Thouard appraises the Klécar France, the Roques-sur-Garonne shopping center, approximately 50% of Spanish assets and all of the Portuguese assets;
- DTZ appraises 8 French assets (Maisonément, Boulogne, Créteil, Drancy, Pontault-Combault, Val d'Europe, Claye-Souilly and St.Lazare Paris), Danish, Swedish, Czech and Slovakian assets, 50% of Norwegian, Spanish and Hungarian assets and a part of the Italian portfolio (shopping centers 100% owned by the Group).

Retail stores are appraised by:

- Jones Lang LaSalle (JLL) appraises Feu-Vert assets and Buffalo Grill restaurants;
- BNP Paribas Real Estate appraises the Défi Mode, Sephora, King Jouet, Cap Nord, Akene, Da Costa and Delbard portfolios.

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
JLL	611
Auguste-Thouard	576
DTZ	428
TOTAL	**1 615**

All Klépierre Group assets are systematically appraised using 2 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, lease 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 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 2 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

Lease 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, lease 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 that, for the land elements of building contracts, the criterion of an operating lease was fulfilled.
Initial payments made in this respect therefore constitute pre-lease 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 2013.

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 *Sociétés d’investissement immobilier cotées* (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 2012 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 2013 Amending Finance Law made some amendments to the SIIC regime. From fiscal year 2013, 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.

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 applicable at the closing date. The main rates applied are: France 34.43%, Spain 30%, Italy 31.40%, Belgium 33.99%, Greece 26%, Portugal 26.5%, Poland 19%, Hungary 10%, Czech Republic 19%, Slovakia 23%, Sweden 22% and Norway 27%.

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 2 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 4 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.

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, except that actuarial gains or losses are recognized immediately and no corridor is applied. 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 and 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.

3. SEGMENT INFORMATION

3.1. Segment income statement at December 31, 2013

For management purposes, the Group is structured into business segments and geographic regions. There are 8 operating segments.
Shopping centers are structured into 6 operating segments:

- France-Belgium (France, Belgium);
- Scandinavia (Norway, Sweden and Denmark);
- Italy;
- Iberia (Spain, Portugal);
- Central Europe (Hungary, Poland, Czech Republic);
- other countries (Greece, Slovakia).

The remaining 2 operating segments are retail assets and office buildings.
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 fiscal result calculation are handled at Group level, and are not allocated to the operating segments.

	Shopping centers			
	France-Belgium		Scandinavia	
(in thousands of euros)	**12/31/2013**	12/31/2012	**12/31/2013**	12/31/2012
Rents	415	400	234	218
Other rental income	7	7	–	–
Lease income	**422**	**407**	**234**	**218**
Rental & building expenses	-40	-34	-31	-29
Net rents	**383**	**373**	**203**	**189**
Management and other income	51	51	26	32
Payroll and other general expenses	-61	-60	-43	-43
EBITDA	**373**	**364**	**187**	**178**
Depreciation and allowance	-131	-129	-110	-81
Income from disposals	30	164	64	–
Share in earnings of equity method investees	2	1	–	–
SEGMENT INCOME	**273**	**401**	**141**	**97**

	Shopping centers		Retail	
	Total		France	
(in thousands of euros)	**12/31/2013**	12/31/2012	**12/31/2013**	12/31/2012
Rents	945	919	42	44
Other rental income	9	9	–	–
Lease income	**955**	**927**	**42**	**44**
Rental & building expenses	-112	-104	-2	-1
Net rents	**842**	**823**	**40**	**43**
Management and other income	94	103	–	–
Payroll and other general expenses	-136	-139	-1	-2
EBITDA	**800**	**788**	**39**	**41**
Depreciation and allowance	-390	-359	-12	-19
Income from disposals	94	164	2	–
Share in earnings of equity method investees	2	1	–	–
SEGMENT INCOME	**506**	**594**	**28**	**22**
Net dividends and provisions on non-consolidated investments				
Cost of debt				
Change in the fair value of financial instruments				
Effect of discounting				
PROFIT BEFORE TAX				
Corporate income tax				
NET INCOME				

	Shopping centers							
	Italy		Iberia		Central Europe		Other countries	
	12/31/2013	12/31/2012	**12/31/2013**	12/31/2012	**12/31/2013**	12/31/2012	**12/31/2013**	12/31/2012
	124	124	89	93	79	78	4	5
	2	2	–	–	–	–	–	–
	126	**125**	**89**	**93**	**79**	**79**	**4**	**5**
	-13	-14	-13	-11	-12	-14	-4	-2
	112	**111**	**76**	**82**	**67**	**64**	**1**	**4**
	7	8	6	7	4	5	-	–
	-12	-12	-13	-15	-8	-8	-	–
	107	**107**	**70**	**74**	**63**	**62**	**1**	**3**
	-39	-35	-69	-51	-37	-50	-3	-14
	–	–	–	–	–	–	–	–
	–	–	–	–	–	–	–	–
	68	**72**	**0**	**24**	**26**	**12**	**-3**	**-11**

	Offices					
	France		Unallocated		Klépierre Group	
	12/31/2013	12/31/2012	**12/31/2013**	12/31/2012	**12/31/2013**	12/31/2012
	13	20	–	–	1 000	983
	–	–	–	–	9	9
	13	**21**	**–**	**–**	**1 009**	**992**
	-2	-3	–	–	-116	-108
	11	**18**	**–**	**–**	**893**	**884**
	3	1	–	–	98	104
	-1	-1	-32	-25	-171	-166
	13	**18**	**-32**	**-25**	**819**	**822**
	-3	-6	–	-1	-405	-385
	77	41	–	–	173	205
	–	–	–	-	2	1
	87	**53**	**-32**	**-26**	**589**	**643**
					–	–
					-327	-318
					-94	-42
					–	–
					168	**284**
					-31	-22
					137	**262**

3.2. Net book value of investment property by operating segment

(in thousands of euros)	Net book value of investment property
Shopping centers	**9 336 890**
France-Belgium	3 659 524
Scandinavia	3 179 785
Italy	1 181 918
Iberia	615 340
Central Europe	653 008
Other countries	47 316
Retail	**489 931**
Offices properties	**20 757**
TOTAL	**9 847 578**

3.3. Investment by operating segment

Investments include acquisitions and changes of scope.

(in thousands of euros)	Shopping centers	Retail	Offices properties	**Total 12/31/2013**
Property, plant and equipment	6 030	–	966	6 996
Investment property[1]	426 007	38	316	426 361
Investment property under construction	187 067	198	17 573	204 838
TOTAL	**619 104**	**236**	**18 855**	**638 195**

(1) Including the recognition at fair value of the remaining 50% held in the Nordbyen shopping center for 34.3 million euros (converted as of December 31, 2013) as well as the acquisition of 50% of Odysseum shopping center and the recognition at fair value of previously held 50% interests in this asset.

Liabilities are unallocated.

3.4. Customer receivables by operating segment

(in thousands of euros)	**12/31/2013**	12/31/2012
Shopping centers	**109 510**	**129 079**
France-Belgium	52 014	57 056
Scandinavia	9 225	20 401
Italy	18 570	13 710
Iberia	10 554	11 661
Central Europe	16 744	22 735
Other countries	2 403	3 516
Retail	**2 084**	**1 988**
Offices	**1 648**	**2 099**
TOTAL	**113 242**	**133 165**

NOTE 4. SCOPE OF CONSOLIDATION

Companies	Country	Methods at 12/31/2013[1]	% of interest			% of control		
			12/31/2013	12/31/2012	Change	**12/31/2013**	12/31/2012	Change
Office properties								
SA Klépierre	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
Shopping centers – France								
SAS KLE 1	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC SCOO	France	FC	53.64%	53.64%	–	53.64%	53.64%	–
SNC Klécar France	France	FC	83.00%	83.00%	–	83.00%	83.00%	–
SNC KC1	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC3	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC4	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC5	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC6	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC7	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC8	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC9	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC10	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC11	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC12	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SNC KC20	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SAS LP7	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Centre Jaude Clermont	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCS Klécar Europe Sud	France	FC	83.00%	83.00%	–	83.00%	83.00%	–
SC Solorec	France	FC	80.00%	80.00%	–	80.00%	80.00%	–
SNC Centre Bourse	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCS Bègles Arcins	France	FC	52.00%	52.00%	–	52.00%	52.00%	–
SCI Bègles Papin	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Sécovalde	France	FC	55.00%	55.00%	–	55.00%	55.00%	–
SAS Cécoville	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Soaval	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCA Klémurs	France	FC	100.00%	84.11%	15.89%	100.00%	84.11%	15.89%
SCS Cécobil	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI du Bassin Nord	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SNC Le Havre Vauban	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SNC Le Havre Lafayette	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Nancy Bonsecours	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Sodevac	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Odysseum Place de France	France	FC	100.00%	50.00%	50.00%	100.00%	50.00%	50.00%
SAS Klécar Participations Italy	France	FC	83.00%	83.00%	–	83.00%	83.00%	–
SNC Pasteur	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Holding Gondomar 1	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Holding Gondomar 3	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klépierre Participations et Financements	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Combault	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Klétransactions	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI La Plaine du Moulin à Vent	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Beau Sevran Invest	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SCI Valdebac	France	FC	55.00%	55.00%	–	55.00%	55.00%	–
SAS Progest	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI La Rocade	France	EM	38.00%	38.00%	–	38.00%	38.00%	–
SCI Girardin	France	PC	33.40%	33.40%	–	33.40%	33.40%	–
SARL Belvedere Invest	France	FC	55.00%	55.00%	–	55.00%	55.00%	–
SCI Haies Haute Pommeraie	France	FC	53.00%	53.00%	–	53.00%	53.00%	–

Companies	Country	Methods at 12/31/2013[1]	% of interest			% of control		
			12/31/2013	12/31/2012	Change	**12/31/2013**	12/31/2012	Change
SCI Plateau des Haies	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI la Rocade Ouest	France	EM	36.73%	36.73%	–	36.73%	36.73%	–
SARL Forving	France	FC	93.15%	93.15%	–	93.15%	93.15%	–
SCI du Plateau	France	EM	19.65%	19.65%	–	30.00%	30.00%	–
SCI Saint Maximin Construction	France	FC	55.00%	55.00%	–	55.00%	55.00%	–
SCI Immobilière de la Pommeraie	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Pommeraie Parc	France	FC	60.00%	60.00%	–	60.00%	60.00%	–
SCI Champs des Haies	France	FC	60.00%	60.00%	–	60.00%	60.00%	–
SCI La Rive	France	FC	85.00%	85.00%	–	85.00%	85.00%	–
SCI Rebecca	France	FC	70.00%	70.00%	–	70.00%	70.00%	–
SCI Aulnes Développement	France	PC	25.50%	25.50%	–	50.00%	50.00%	–
SARL Proreal	France	FC	51.00%	51.00%	–	51.00%	51.00%	–
SNC Parc de Coquelles	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Achères 2000	France	EM	30.00%	30.00%	–	30.00%	30.00%	–
SCI Le Mais	France	FC	80.00%	80.00%	–	80.00%	80.00%	–
SCI le Grand Pré	France	FC	60.00%	60.00%	–	60.00%	60.00%	–
SCI Champs de Mais	France	EM	40.00%	40.00%	–	40.00%	40.00%	–
SCI LC	France	FC	88.00%	88.00%	–	100.00%	100.00%	–
SARL Société du bois des fenêtres	France	EM	20.00%	20.00%	–	20.00%	20.00%	–
SAS Kle Projet 1	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klecapnor	France	FC	100.00%	84.11%	15.89%	100.00%	100.00%	–
SARL Immo Dauland	France	FC	100.00%	84.13%	15.87%	100.00%	100.00%	–
SAS Carré Jaude 2	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Créteil	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SCI Albert 31	France	FC	83.00%	83.00%	–	100.00%	100.00%	–
SCI Galeries Drancéennes	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
Kleprim's	France	PC	50.00%	50.00%	–	50.00%	50.00%	–
SCI Portes de Claye	France	FC	55.00%	55.00%	–	55.00%	55.00%	–
Klecab SCI	France	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SCI Kléber Odysseum	France	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SCI Odysseum 2	France	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SNC Le Havre Colbert	France	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Service providers – France								
SNC Klépierre Management	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SAS Klépierre Conseil	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
SNC Klépierre Brand Ventures	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Gift Cards	France	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SAS Klépierre Finance	France	FC	100.00%	100.00%	–	100.00%	100.00%	–
Shopping centers – International								
SA Coimbra	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Cinémas de l'esplanade	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Foncière de Louvain-la-Neuve	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Place de l'Accueil	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
Les Offices de l'esplanade II	Belgium	FC	100.00%	100.00%	–	100.00%	100.00%	–
Steen & Strøm Holding AS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Bryggen, Vejle A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Bruun's Galleri ApS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Field's Copenhagen I/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Centerudvikling IV A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Field's Eier I ApS	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Field's Eier II A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm CenterUdvikling VI A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
SA Klecar Foncier Iberica	Spain	FC	83.06%	83.06%	–	100.00%	100.00%	–
SA Klecar Foncier España	Spain	FC	83.06%	83.06%	–	100.00%	100.00%	–

Companies	Country	Methods at 12/31/2013[1]	% of interest 12/31/2013	% of interest 12/31/2012	% of interest Change	% of control 12/31/2013	% of control 12/31/2012	% of control Change
SA Klépierre Vallecas	Spain	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Molina	Spain	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klépierre Nea Efkarpia	Greece	FC	83.00%	83.00%	–	100.00%	100.00%	–
SA Klépierre Foncier Makedonia	Greece	FC	83.01%	83.01%	–	100.00%	100.00%	–
SA Klépierre Athinon A.E.	Greece	FC	83.00%	83.00%	–	100.00%	100.00%	–
SA Klépierre Peribola Patras	Greece	FC	83.00%	83.00%	–	100.00%	100.00%	–
Klépierre Larissa	Greece	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Szeged Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Szolnok Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Zalaegerszeg Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Nyiregyhaza Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Duna Plaza	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl CSPL 2002 (Cespel)	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl GYR 2002 (Gyor)	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Debrecen 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Uj Alba 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Miskolc 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl Kanizsa 2002	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sarl KPSVR 2002 (Kaposvar)	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Corvin	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Corvin Vision	Hungary	FC	66.67%	66.67%	–	66.67%	66.67%	–
Klépierre Trading	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Spa IGC	Italy	FC	88.00%	71.30%	16.70%	88.00%	71.30%	16.70%
Spa Klecar Italia	Italy	FC	83.00%	83.00%	–	100.00%	100.00%	–
Spa Klefin Italia	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Collegno	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Serravalle	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Assago	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Klépierre	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Cavallino	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Solbiate	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Clivia 2000	Italy	PC	50.00%	50.00%	–	50.00%	50.00%	–
K2	Italy	FC	95.06%	95.06%	–	95.06%	95.06%	–
Klépierre Matera	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Galleria Commerciale Il Destriero	Italy	PC	50.00%	50.00%	–	50.00%	50.00%	–
SA Klépierre Luxembourg	Luxembourg	FC	100.00%	100.00%	–	100.00%	100.00%	–
Holding Klege	Luxembourg	PC	50.00%	50.00%	–	50.00%	50.00%	–
Storm Holding Norway	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strom AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Slagenveien 2 AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Nordbyen Senter 2 AS	Norway	PC	28.05%	56.10%	-28.05%	50.00%	100.00%	-50.00%
Amanda Storsenter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Åsane Storsenter DA	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Åsane Kulturutvikling AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Åsane Hotellutvikling AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Åsane Kontorutvikling AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Farmandstredet Eiendom AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Farmandstredet ANS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Hovlandbanen AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Nerstranda AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
SSI Lillestrøm Torv AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Hamar Storsenter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Metro Senter ANS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Stavanger Storsenter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–

Companies	Country	Methods at 12/31/2013[1]	% of interest 12/31/2013	% of interest 12/31/2012	% of interest Change	% of control 12/31/2013	% of control 12/31/2012	% of control Change
Torvbyen Utvikling AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Økern Sentrum Ans	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
KS Markedet	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Gulskogen Senter ANS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Torvhjørnet Lillestrøm ANS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Vintebro Senter DA	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Åsane Senter AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Økern Eiendom ANS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Slagenveien AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Markedet Haugesund AS	Norway	PC	28.05%	56.10%	-28.05%	50.00%	100.00%	-50.00%
Storebrand Kjøpesenter Metro AS	Norway	PC	28.05%	0.00%	28.05%	50.00%	0.00%	50.00%
Markedet Haugesund II AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Nordbyen Senter AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Nordbyen Senter DA	Norway	PC	28.05%	56.10%	-28.05%	50.00%	100.00%	-50.00%
Gulskogen Prosjekt & Eiendom AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Lille Eiendom AS	Norway	FC	37.03%	37.03%	–	66.00%	66.00%	–
Steen & Strøm Mediapartner Norge AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Økern Sentrum AS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Nordal ANS	Norway	PC	28.05%	28.05%	–	50.00%	50.00%	–
Capucine BV	Netherlands	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Nordica	Netherlands	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klémentine	Netherlands	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Sadyba	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Kraków	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Poznań	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Ruda Slaska Plaza Sp. z o.o.	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sadyba Best Mall Sp. z o.o. Spolka Komanditowa	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Krakow Sp. z o.o.	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Poland	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Rybnik	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Sosnowiec	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Movement Poland SA	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Lublin	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Galeria Kraków Sp.z.o.o.	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Sadyba Best Mall Sp. z o.o.	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
KLP Poznań Sp. z o.o.	Poland	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
KLP Ruda Slaska Sp. z o.o.	Poland	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
KLP Sadyba Sp. z o.o.	Poland	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
KLP Rybnik Sp. z o.o.	Poland	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
KLP Lublin Sp. z o.o.	Poland	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
KLP Polzka Sp. z o.o.	Poland	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
Fiz Ipopema 96	Poland	FC	100.00%	0.00%	100.00%	100.00%	0.00%	100.00%
SA Klélou-Immobiliare	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klépierre Portugal SGPS SA	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Galeria Parque Nascente	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Gondobrico	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klenor Imobiliaria	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
SA Klétel Imobiliaria	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
Kleminho	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klege Portugal	Portugal	PC	50.00%	50.00%	–	50.00%	50.00%	–
Klépierre Cz	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Praha S.R.O.	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Plzen	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–

Companies	Country	Methods at 12/31/2013(1)	% of interest 12/31/2013	% of interest 12/31/2012	% of interest Change	% of control 12/31/2013	% of control 12/31/2012	% of control Change
Arcol	Slovakia	FC	100.00%	100.00%	–	100.00%	100.00%	–
Nordica Holdco	Sweden	FC	56.10%	56.10%	–	56.10%	56.10%	–
Steen & Strøm Holding AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB CentrumInvest	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Emporia	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Överby Köpcentrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Detaljhandelshuset i Hyllinge AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Sollentuna Centrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Borlänge Köpcentrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Marieberg Centrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Västra Torp Mark AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
NorthMan Sverige AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Viskaholm	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Uddevallatorpet	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Hageby Centrum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Mitt i City i Karlstad FAB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Allum	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB P Brodalen	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Partille Lexby AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB P Åkanten	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB P Porthälla	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Fastighets Västra Götaland AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Mässcenter Torp AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Grytingen Nya AB	Sweden	FC	36.35%	36.35%	–	64.79%	64.79%	–
FAB Lackeraren Borlänge	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Centrum Västerort	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
FAB Lantmäteribacken	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–
Service providers – International								
Steen & Strøm CenterDrift A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm CenterService A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Steen & Strøm Denmark A/S	Denmark	FC	56.10%	56.10%	–	100.00%	100.00%	–
Klépierre Management España	Spain	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Management Hellas	Greece	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Management Magyarország	Hungary	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Management Italia	Italy	FC	100.00%	100.00%	–	100.00%	100.00%	–
Nordbyen Senterforening AS	Norway	FC	41.85%	41.85%	–	74.60%	74.60%	–
Steen & Strøm Senterservice AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Åsane Storsenter Drift AS	Norway	PC	27.99%	27.99%	–	49.90%	49.90%	–
Steen & Strøm Norge AS	Norway	FC	56.10%	56.10%	–	100.00%	100.00%	–
Klépierre Management Polska	Poland	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Management Portugal	Portugal	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Management Česká republika	Czech Republic	FC	100.00%	100.00%	–	100.00%	100.00%	–
Klépierre Management Slovensko	Slovakia	FC	100.00%	100.00%	–	100.00%	100.00%	–
Steen & Strøm Sverige AB	Sweden	FC	56.10%	56.10%	–	100.00%	100.00%	–

Deconsolidated companies	Country	Methods at 12/31/2013(1)	% of interest 12/31/2013	% of interest 12/31/2012	% of control 12/31/2013	% of control 12/31/2012	Comments
Torvbyen Senter AS	Norway	NC	0.00%	56.10%	0.00%	100.00%	Disposed
Os Alle 3 AS	Norway	NC	0.00%	56.10%	0.00%	100.00%	Disposed
Stovner Senter AS	Norway	NC	0.00%	56.10%	0.00%	100.00%	Disposed
Torvbyen Drift AS	Norway	NC	0.00%	21.32%	0.00%	38.00%	Disposed
Prosjektselskabet af 10.04.2001 ApS	Denmark	NC	0.00%	56.10%	0.00%	100.00%	Liquidated
Entreprenørselskapet af 10.04.2001 P/S	Denmark	NC	0.00%	56.10%	0.00%	100.00%	Liquidated

(1) FC: Full Consolidation. – PC: Proportional Consolidation. – EM: Equity Method Consolidation. – NC: Deconsolidated during the period.

As of December 31, 2013 the Group scope of consolidation includes 251 companies compared to 244 at December 31, 2012, including 216 fully consolidated companies, 29 proportionally consolidated companies and 6 companies consolidated using the equity method.

Main events of the year:

■ In France:

– After the tender offer followed by a squeeze-out procedure for the shares of Klémurs which took place respectively from February 21 to March 8, 2013 and from 10 to April 15, 2013, Klépierre SA acquired all of the minority interests, i.e. 15.89% of the capital. The interest held in the share capital of Klémurs increased from 84.11% to 100%. As a result, the interest held in the subsidiaries Klecapnor and Immo Dauland, increased respectively from 84.11% and 84.13% to 100%. The subsidiaries remain consolidated under full integration method. This acquisition of non-controlling interests was recorded as an equity transaction, being a transaction without change in control. As a consequence no goodwill adjustment was recorded.

– On November 29, 2013, Klépierre acquired the 50% held by Icade in the Odysseum shopping center in Montpellier (SCI Odysseum Place de France). Following this transaction, Klépierre held 100% of this center. The company is thus consolidated by full integration.
This transaction also led to the acquisition of the company SCI Odysseum 2 and the creation of the company SCI Kléber Odysseum, both wholly-owned by Klépierre and consolidated by full integration.
This acquisition was handled as a business combination achieved in stages. The fair value on the date of acquisition of the equity stake of shareholders' equity held by the Group in Odysseum immediately prior to the acquisition totaled 74.4 million euros.
An amount of 20.3 million euros was recognized in the line "Income from the disposal of investment properties" in the statement of comprehensive income following the adjustment to fair value of the equity share held by the acquirer before the business combination.

The total of net assets at fair value recognized in the consolidated financial statements at the acquisition date amounts to 148.8 million euros. The 148.8 million euros consideration breaks down into 74.4 million euros of cash for the additional acquisition of 50% of the shares of the company and 74.4 million euros for the previously held 50% revalued at the acquisition date.
Since the acquisition date, the SCI Odysseum Place de France contributed 100% to the lease income for 1.3 million euros and to the net result for 0.5 million euros (excluding revaluation). If the acquisition had taken place in the beginning of the year, the contribution at 100% of the company would have been:

(in thousands of euros)	
Lease income	15 270
Profit before tax	6 485

■ In Norway:

– The Group sold 50% of the shares of Nordbyen Senter DA to the company KLP in early February 2013. The subsidiary is now under joint control and therefore was proportionally consolidated from June 30, 2013. In accordance with IAS 27 revised, this transaction which resulted in a loss of control, led to the recognition of a capital gain on disposal and the remaining interest was remeasured at fair value with the change being recognized in income.

– As part of the disposal of 4 shopping centers on November 29, 2013, 3 real estate companies left the consolidation scope (Torvbyen Senter AS, Os Alle 3 AS and Storvner Senter AS), as well as a management company (Torvbyen Drift AS). These 4 centers were acquired by Sektor Portefølje II AS, investment vehicle owned by Partner Group managed entities (75%), Sektor Gruppen AS (15%) and Steen & Strøm AS (10%). The residual participation of the Group in these 4 centers is considered as a short-term investment and is classified in investments held for sale in the consolidated financial statements.

■ In Italy:

– On December 5, 2013, Klépierre Luxembourg acquired 16.7% of the Italian company IGC from the company Finiper. Following this transaction, Klépierre Luxembourg held 88% of IGC. This transaction has no impact on the consolidation method. In accordance with IAS 27 revised, this acquisition of non-controlling interests was recorded as an equity transaction, being a transaction without change in control. Consequently, no additional goodwill was recognized.

NOTE 5. NOTES TO THE FINANCIAL STATEMENTS: BALANCE SHEET

5.1. Goodwill

(in thousands of euros)	12/31/2012	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Other movements, reclassification	**12/31/2013**
Metropoli	913				913
Vignate	520				520
Galeria Parque Nascente	1 713				1 713
Klépierre Management España	10 877				10 877
Klépierre Management	52 374				52 374
Klépierre Management Magyarország	3 391				3 391
SCOO	546				546
ICD	910				910
IGC	36 458				36 458
Klépierre Management Italia	8 424				8 424
Steen & Strøm	12 832			-1 568	11 264
Coimbra	3 378				3 378
Clivia	2 313				2 313
Other goodwill	676				676
NET GOODWILL	**135 325**	**0**	**0**	**-1 568**	**133 757**

Goodwill at December 31, 2013 totaled 133.8 million euros, compared with 135.3 million euros at December 31, 2012.
The change is attributable to the re-measurement of the goodwill on Steen & Strøm due to exchange rate movements.

5.2. Intangible assets

The "Software" item includes software in use as well as ongoing expenses. The change of this item is due to the deployment of the Group's new management and accounting system (Italy and Scandinavia).

(in thousands of euros)	12/31/2012	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	**12/31/2013**
Leasehold right	1 804							1 804
Goodwill	6 384						-108	6 276
Software	41 479	9 241	-4		-112		2	50 606
Concessions, patents and similar rights	1 822				-108			1 714
Other intangible assets	6 018	1 079	-569		-4		-1 122	5 402
TOTAL GROSS VALUE	**57 507**	**10 320**	**-573**	**0**	**-224**	**0**	**-1 228**	**65 802**
Leasehold right	-472			-110				-582
Goodwill	-3 340			-404			98	-3 646
Software	-14 160		4	-4 852	9			-18 998
Concessions, patents and similar rights	-1 094			-50	53			-1 092
Other intangible assets	-4 636		507	-137			175	-4 091
TOTAL DEPRECIATION AND AMORTIZATION	**-23 702**	**0**	**511**	**-5 553**	**62**	**0**	**274**	**-28 408**
INTANGIBLE ASSETS – NET VALUE	**33 805**	**10 320**	**-62**	**-5 553**	**-162**	**0**	**-954**	**37 394**

5.3. Property, plant and equipment and work in progress

Property, plant and equipment include operating furniture and equipment.

(in thousands of euros)	12/31/2012	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	12/31/2013
Non-depreciable assets	10 210		-10 210					-
Depreciable assets and work in progress	58 519	6 996	-16 897		-2 806	-801	-2 367	42 643
TOTAL GROSS VALUE	**68 729**	**6 996**	**-27 107**	**–**	**-2 806**	**-801**	**-2 367**	**42 643**
Depreciable assets	-37 248		11 987	-5 792	1 791	600	1 358	-27 304
TOTAL DEPRECIATION AND AMORTIZATION	**-37 248**	**–**	**11 987**	**-5 792**	**1 791**	**600**	**1 358**	**-27 304**
Impairment	–							–
PROPERTY, PLANT AND EQUIPMENT AND WORK IN PROGRESS – NET VALUE	**31 482**	**6 996**	**-15 120**	**-5 792**	**-1 015**	**-201**	**-1 009**	**15 339**

The disposal made during the period mainly concerns the company's business premises located at 21, rue La Pérouse, in Paris.

5.4. Investment property

(in thousands of euros)	12/31/2012	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	12/31/2013
Non-depreciable assets	5 616 408	182 779	-155 470		-100 717	-109 201	-568 012	4 865 787
Depreciable assets	7 819 213	243 582	-73 553		-171 842	-134 651	-574 337	7 108 412
TOTAL GROSS VALUE	**13 435 620**	**426 361**	**-229 023**	**–**	**-272 559**	**-243 852**	**-1 142 349**	**11 974 198**
Amortization of depreciable assets	-1 764 187		25 240	-313 003	30 736	28 922	296 486	-1 695 807
TOTAL DEPRECIATION AND AMORTIZATION	**-1 764 187**	**–**	**25 240**	**-313 003**	**30 736**	**28 922**	**296 486**	**-1 695 807**
Impairment	-370 395			-62 161			1 743	-430 813
INVESTMENT PROPERTY – NET VALUE	**11 301 038**	**426 361**	**-203 783**	**-375 164**	**-241 823**	**-214 930**	**-844 121**	**9 847 578**

Main **acquisitions** (excluding the revaluation of the investments in the Nordbyen and Odysseum assets), were mostly made in Sweden (Emporia for 21.7 million euros and Kristianstad for 35.1 million euros) and in France (Espace Coty in Le Havre for 15.4 million euros).

The main **disposals** concern Chalon-sur-Saône and Avignon shopping centers, the offices of Paris Neuilly Étoile, Paris Meyerbeer and the investment property located at 21, avenue Kléber in Paris as well as the sale of 100% of the Norwegian shopping center Nordbyen and 50% of the Odysseum shopping center (see note 1.2).

The **"Other movements and reclassifications"** item represents the net balance arising as a result of the reclassification of investment properties as "Investment property held for sale"(-1 129.3 million euros), and assets brought into use during the period and so reclassified from "Investment property under construction"(+285.2 million euros).

The **"Impairment"** item recorded an impairment allowance net of reversals of 62.2 million euros includes:

- allowances of 94.0 million euros, mainly related to shopping centers in Spain (37.7 million euros), Sweden (15.8 million euros), France (11.2 million euros), Hungary (10.7 million euros) and in Italy (9.1 million euros);
- reversals of 31.8 million euros, mainly related to Norway (11.0 million euros) and Czech Republic (6.1 million euros).

The table below presents the quantitative information used to determine the fair values of assets for the purposes of the impairment tests performed on the investment property:

Shopping centers 12/31/2013 *(in thousands of euros)*		Yied rate	Discount rate (a)	Exit rate (b)
France-Belgium	Max	8.5%	11.0%	11.0%
	Min	4.4%	5.8%	4.5%
	Weighted average	*5.5%*	*6.7%*	*5.4%*
Iberia (Spain, Portugal)	Max	10.4%	12.3%	10.3%
	Min	6.8%	8.8%	6.8%
	Weighted average	*7.8%*	*9.6%*	*7.7%*
Central Europe (Hungary, Poland, Czech Republic)	Max	11.5%	12.5%	11.0%
	Min	5.9%	7.0%	6.0%
	Weighted average	*7.0%*	*8.2%*	*7.3%*
Scandinavia (Norway, Sweden, Denmark)	Max	7.1%	16.6%	12.6%
	Min	4.9%	5.6%	5.3%
	Weighted average	*5.5%*	*8.1%*	*6.3%*
Italy	Max	15.0%	15.3%	9.5%
	Min	6.3%	7.0%	6.3%
	Weighted average	*6.5%*	*7.7%*	*6.9%*
Other countries (Greece, Slovakia)	Max	13.0%	17.6%	13.0%
	Min	9.5%	9.2%	10.0%
	Weighted average	*10.1%*	*11.0%*	*10.3%*

Net initial yield, discount rate and exit yield weighted by gross market values (at 100% and not in group share).
(a) Rate used to calculate the net present value of future cash flows.
(b) Rate used to capitalize the exit rent to determine the exit value of an asset.

Annual rent in € per sq.m. 12/31/2013 (c) *(in thousands of euros)*	France-Belgium	Iberia (Spain, Portugal)	Central Europe (Hungary, Poland, Czech republic)	Scandinavia (Norway, Sweden, Denmark)	Italy	Other countries (Greece, Slovakia)
Max	1 645	627	411	391	551	482
Min	48	72	33	121	77	120
Weighted average	*337*	*340*	*151*	*266*	*329*	*199*

(c) Average annual rent (minimum guaranteed rent + sales based rent) per asset per sq.m.

5.5. Investment property under construction

(in thousands of euros)	12/31/2012	Acquisitions, new businesses and contributions	Reduction by disposals, retirement of assets	Allowances for the period	Currency fluctuations	Changes in the scope of conso-lidation	Other movements, reclassifica-tions	**12/31/2013**
Investment property under construction	455 818	204 838	-26 725		-8 654	601	-285 230	340 648
Impairment	-9 548			-14 098				-23 646
INVESTMENT PROPERTY UNDER CONSTRUCTION – NET VALUE	**446 270**	**204 838**	**-26 725**	**-14 098**	**-8 654**	**601**	**-285 230**	**317 002**

The **"Other movements and reclassifications"** item relates to assets brought into use and, primarily, Carré Jaude in Clermont-Ferrand (98.9 million euros), Bègles – Rives d'Arcins (74.4 million euros) and Perpignan-Salanca (36.6 million euros) in France and Vinterbro in Norway (36.3 million euros).

Main investment properties under construction as of December 31, 2013 (gross amounts) are:

- in France: several projects for a total amount of 101.7 million euros;
- abroad: Field's (39.4 million euros) and Odense (41 million euros) in Denmark, several projects in Sweden (42.5 million euros, mainly related to Kristianstad) and in Norway (34.1 million euros, mainly related to Åsane and Økern).

5.6. Investment property held for sale

(in thousands of euros)	12/31/2012	Acquisitions, new businesses and contributions	Reduction by disposals	Other movements, reclassifica-tions	**12/31/2013**
INVESTMENT PROPERTY HELD FOR SALE	**73 148**	**409**	**-99 760**	**1 142 019**	**1 115 816**

At December 31, 2013, the properties held for sale are mainly composed of a proposed disposal of a portfolio of shopping centers to a consortium headed by Carrefour. This portfolio is composed of small and medium-size shopping centers initially acquired from Carrefour. The portfolio covers a total surface area of approximately 476 000 sq. m and includes 57 assets in France, 63 assets in Spain and 7 in Italy.

In addition, this item includes the Sephora store in Metz, as well as 3 office buildings in the Paris Grenelle business district, Paris Eiffel and Aubervilliers.

5.7. Investment held for sale

Investment held for sale amounts to 7 957 thousand euros and correspond to the remaining participation of the Group in 4 Norwegian centers sold during the fiscal year and considered as a short-term investment (see note 4).

5.8. Investment in associates

(in thousands of euros)

INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD AT DECEMBER 31, 2012	**19 789**
Share in net income of associates 2013	1 705
Dividends received from companies accounted for under the equity method	-1 584
Change in the scope of consolidation	–
Changes in the Group's interest and the consolidation methods	–
INVESTMENTS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD AT DECEMBER 31, 2013	**19 910**

6 companies were consolidated using the equity method at December 31, 2013.
The key balance sheet and income statement data for companies consolidated using the equity method are shown below (100% values):

(in thousands of euros)	**12/31/2013**	12/31/2012
Investment property	49 396	49 327
ASSETS	**49 396**	**49 327**
Restated equity	63 733	54 461
LIABILITIES	**63 733**	**54 461**
Lease income	6 194	5 504
NET INCOME	**5 082**	**4 354**

5.9. Other non-current assets

(in thousands of euros)	12/31/2012	Newly consolidated	Increases	Reductions	Other	**12/31/2013**
Other long-term investments	147		3		-4	146
Loans and advances to non-consolidated companies, companies consolidated using the equity method and proportionally consolidated companies	3 051		470	-980	-641	1 900
Loans	117		98	-74		141
Deposits	12 439		1 261	-1 585	4	12 119
Other long-term financial investments	1 301			-61	-18	1 222
TOTAL	**17 055**	**0**	**1 832**	**-2 700**	**-659**	**15 528**

5.10. Inventory

At December 31, 2013, inventory totaled 0.4 million euros. It consisted of real estate assets acquired to be sold in the ordinary course of business of the corresponding entities.

5.11. Trade accounts and notes receivable

Trade accounts include the effect of spreading benefits granted to tenants of offices and shopping centers.
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 thousands of euros)	**12/31/2013**	12/31/2012
Trade receivables	132 657	144 287
Stepped rents and rent-free periods of leases	22 231	20 040
GROSS VALUE	**154 888**	**164 326**
Provisions on bad debts	-41 646	-31 161
NET VALUE	**113 242**	**133 165**

5.12. Other receivables

	12/31/2013			
(in thousands of euros)	Total	Less than one year	More than one year	12/31/2012
Tax receivables	**32 203**	**32 104**	**99**	**33 533**
■ Corporate income tax	6 590	6 590	–	5 986
■ VAT	25 613	25 514	99	27 547
Other receivables	**195 409**	**154 705**	**40 704**	**237 719**
■ Service charges due	2 250	2 250	–	44 269
■ Down payments to suppliers	24 701	24 364	337	29 646
■ Prepaid expenses	42 928	7 413	35 515	56 709
■ Other	125 530	120 678	4 852	107 095
TOTAL	**227 612**	**186 809**	**40 803**	**271 252**

The VAT item includes outstanding refunds due from local tax authorities in respect of recent acquisitions or construction projects in progress.
Pre-lease payments on building leases or emphyteutic rights are amortized over the lifetime of the lease and recognized under prepaid expenses, totaling 35.5 million euros.
Funds managed by Klépierre Management on behalf of principals are recognized under "Other" and totaled 82.4 million euros, compared with 60.7 million euros at December 31, 2012. The management accounts of the principals are recognized under "Other debts" for the same amount.
All receivables have a maturity of less than one year, except the non-current portion of building leases, which totaled 35.5 million euros at December 31, 2013.

5.13. Cash and cash equivalents

(in thousands of euros)	12/31/2013	12/31/2012
Cash equivalents	**16 918**	**26 967**
Treasury and certificates of deposit	3 500	–
Money market investments	13 418	26 967
Cash	**125 450**	**179 047**
Gross cash and cash equivalents	**142 368**	**206 014**
Bank facilities	31 334	39 276
NET CASH AND CASH EQUIVALENTS	**111 035**	**166 738**

Cash equivalents are composed of French UCITS-type monetary funds for 13.4 million euros and Italian treasury bills for 3.5 million euros.
After taking into consideration the available funds managed by Klépierre Management on behalf of its principals (see note 5.12), the available cash and cash equivalents stand at 224.8 million euros.

5.14. Shareholders' equity

5.14.1. Share capital

At December 31, 2013, capital was represented by 199 470 340 shares each of 1.40 euro par value. The capital is fully paid up. Shares are either registered or bearer.

(in thousands of euros)	Number of shares	Capital	Issue premiums
At January 1, 2013	199 470 340	279 259	1 773 630
Issuing of new shares over the 2013 fiscal year	–	–	–
AT DECEMBER 31, 2013	**199 470 340**	**279 259**	**1 773 630**

5.14.2. Treasury shares

	12/31/2013				12/31/2012			
	Stock options	Free shares	Liquidity	External growth	Stock options	Free shares	Liquidity	External growth
Number of shares[1]	2 098 631	512 350	97 000	1 205 841	2 422 540	260 200	109 128	1 460 841
Acquisition value (in millions of euros)	54.3	10.9	2.9	25.5	58.1	5.5	4.8	30.9
Income from sale (in millions of euros)	0.4		2.9				3.6	
(1) Of which allocated.	*2 000 398*				*2 392 766*			

The Group sold shares in Klépierre SA during the year, as authorized by the ordinary general meetings of shareholders.
The acquisition cost of purchased securities and gains made on sales of securities were respectively debited from, and credited to, equity.

5.14.3. Non-controlling interests

Non-controlling interests decreased by 59.8 million euros due to the changes in scope: the acquisition of all minority interests in Klémurs by Klepierre SA and the acquisition of 16.7% of non-controlling interests of the Italian company IGC by Klépierre Luxembourg (see note 4). The remaining change in non-controlling interests concerns the payment of the dividend.

5.15. Current and non-current financial liabilities

5.15.1. Change in indebtedness

Current and non-current financial liabilities amount to 7 472 million euros as of December 31, 2013.
Net indebtedness totaled 7 191 million euros, compared with 7 353 million euros at December 31, 2012. Net indebtedness is the difference between financial liabilities (excluding fair value hedge revaluation) plus bank overdrafts minus available cash and marketable securities.
This 162 million euros decrease can be explained as follows:

- most of the financing needs for the period were generated by investments (440 million euros), and the payment of the dividend in respect of fiscal year 2012 (293 million euros);
- the financing needs for the period were covered by the company's own financing resources, these being a combination of asset disposals (469.5 million euros) and free cash flow;
- the conversion of foreign currency net debt into euros generated a negative foreign exchange impact of 159 million euros, which reflects the depreciation of Scandinavian currencies against the euro.

(in thousands of euros)	**12/31/2013**	12/31/2012
NON-CURRENT		
Bonds net costs/premiums	**3 307 787**	**3 280 751**
■ Of which revaluation due to fair value hedge	87 113	123 302
Loans and borrowings from credit institutions – more than 1 year	**1 944 530**	**3 329 655**
Other loans and borrowings	**91 598**	**89 420**
■ Advance payments to the Group and associates	91 598	89 420
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**5 343 915**	**6 699 826**
CURRENT		
Bonds net costs/premiums	**–**	**81 795**
■ Of which revaluation due to fair value hedge	–	–
Loans and borrowings from credit institutions – less than 1 year	**1 330 490**	**63 761**
Accrued interest	**96 977**	**99 291**
■ On bonds	85 950	85 950
■ On loans from credit institutions	7 462	10 239
■ On advance payments to the Group and associates	3 564	3 102
Commercial paper	**698 386**	**756 774**
Other loans and borrowings	**2 031**	**2 383**
■ Advance payments to the Group and associates	2 031	2 383
TOTAL CURRENT FINANCIAL LIABILITIES	**2 127 884**	**1 004 004**
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	**7 471 799**	**7 703 830**

5.15.2. Principal sources of financing

The Group's main financial resources are detailed in the table below.
The main changes result from the signature of a syndicated revolving credit facility (750 million euros) and bilateral loans (300 million euros) for a total amount of 1 050 million euros. These funds allowed the company to waive undrawn bilateral credit lines maturing on 2016 and 2018 (1 000 million euros).
In Scandinavia, the Group ensured the refinancing of a 390 million Norwegian kroner mortgage loan (50 million euros) by a bond issue for the same amount. Steen & Strøm also arranged a credit line of 300 million Norwegian kroner as back-up for commercial paper issuances.
Further to the sale of 4 shopping centers in Norway, the Group proceeded to the early repayments of several mortgage loans for an amount of 1 500 million Norwegian kroner (179 million euros).

GROUP'S FINANCING

(in millions of euros)	Borrower	Issue currency	Reference rate	Maturity date	Repayment profile	Maximum amount	Amount used as at 12/31/2013
Bonds						**3 233**	**3 233**
	Klépierre	EUR	4,250%	16/03/2016	*In fine*	689	689
	Klépierre	EUR	4,000%	13/04/2017	*In fine*	850	850
	Klépierre	EUR	2,750%	17/09/2019	*In fine*	500	500
	Klépierre	EUR	4,625%	14/04/2020	*In fine*	300	300
	Klépierre	EUR	4,750%	15/03/2021	*In fine*	600	600
	Klépierre	EUR	4,230%	21/05/2027	*In fine*	50	50
	Steen & Strøm	NOK	NIBOR	08/11/2016	*In fine*	75	75
	Steen & Strøm	NOK	NIBOR	11/11/2016	*In fine*	36	36
	Steen & Strøm	NOK	NIBOR	26/04/2017	*In fine*	47	47
	Steen & Strøm	NOK	NIBOR	14/09/2017	*In fine*	87	87
Syndicated loans						**1 750**	**900**
	Klépierre	EUR	Euribor	21/09/2014	*In fine*	1 000	900
	Klépierre	EUR	Euribor	04/06/2018	*In fine*	750	–
Bilateral loans						**1 493**	**121**
	Klépierre	EUR	E3m	30/06/2015	*In fine*	800	–
	Klépierre (others revolving credit facilities in euros)	EUR	E3m		*In fine*	509	9
	Klépierre	SEK	STIBOR	31/03/2014	*In fine*	113	113
	Steen & Strøm	NOK	NIBOR	04/03/2016	*In fine*	72	–
	of which back-up lines	*EUR et NOK*				*672*	–
Mortgage loans						**2 101**	**2 101**
of which:	IGC	EUR	E6m	30/09/2014	*In fine*	140	140
	Klecar Italia	EUR	E3m	30/06/2015	Amortized	94	94
	GC Assago	EUR	E3m	03/07/2015	Amortized	101	101
	K2	EUR	E3m	15/01/2023	Amortized	44	44
	Le Havre Vauban et Lafayette	EUR	E3m	31/12/2014	Amortized	24	24
	Steen & Strøm(3)	NOK	NIBOR			394	394
	Steen & Strøm(3)	SEK	STIBOR			783	783
	Steen & Strøm(3)	DKK	CIBOR/Fixed(2)			506	506
Property finance leases						**166**	**166**
Short-term lines and bank overdrafts						**110**	**17**
Commercial papers						**782**	**699**
	Klépierre	EUR			*In fine*	600	517
	Steen & Strøm	NOK			*In fine*	182	182
TOTAL FOR THE GROUP(1)						**8 963**	**7 237**

(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 166 million euros.
(3) Steen & Strøm has several loans in the three different Scandinavian currencies (NOK, SEK, DKK).

5.15.3. 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, 2013, 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).

5.15.4. Breakdown of borrowings by maturity date

Breakdown of current and non-current financial liabilities

(in thousands of euros)	Total	Less than one year	One to five years	More than five years
NON-CURRENT				
Bonds net costs/premiums	**3 307 787**	**–**	**1 857 787**	**1 450 000**
■ Of which revaluation due to fair value hedge	87 113	–	87 113	
Loans and borrowings from credit institutions – more than one year	**1 944 530**	**–**	**928 144**	**1 016 386**
Other loans and borrowings	**91 598**	**–**	**91 598**	**–**
■ Advance payments to the Group and associates	91 598	–	91 598	–
TOTAL NON-CURRENT FINANCIAL LIABILITIES	5 343 915	0	2 877 528	2 466 386
CURRENT				
Bonds net costs/premiums	**–**	**–**		
■ Of which revaluation due to fair value hedge	–	–		
Loans and borrowings from credit institutions – less than one year	**1 330 490**	**1 330 490**		
Accrued interest	**96 977**	**96 977**		
■ On bonds	85 950	85 950		
■ On loans from credit institutions	7 462	7 462		
■ On advance payments to the Group and associates	3 564	3 564		
Commercial paper	**698 386**	**698 386**		
Other loans and borrowings	**2 031**	**2 031**		
■ Advance payments to the Group and associates	2 031	2 031		
TOTAL CURRENT FINANCIAL LIABILITIES	2 127 884	2 127 884		
TOTAL NON-CURRENT AND CURRENT FINANCIAL LIABILITIES	7 471 799	2 127 884	2 877 528	2 466 386

Maturity schedule of financing including principal and interests (non-discounted) amounts are as follows (million euros equivalent):

Repayment year	2014	2015	2016	2017	2018	2019	2020	2021	2022 and after	Total
Principal	1 956	424	857	1 178	349	624	395	747	709	7 237
Interest	175	170	152	120	99	86	64	33	207	1 106
TOTAL FOR THE GROUP (PRINCIPAL + INTERESTS)	2 130	594	1 009	1 297	448	710	459	780	916	8 344

In 2014, the main loan maturities concern the repayment of a syndicated loan issued in 2007 for 900 million euros, the ICG mortgage loan of 140 million euros as well as 1 520 million Norwegian kroner in commercial papers (181 million euros) covered by 2 back-up lines of 300 million Norwegian kroner each (72 million euros). In addition, commercial papers issued in euros (517 million euros) are fully covered by back-up lines.

At December 31, 2012, the amortization table for these contractual flows was as follows (in millions of euros):

Repayment year	2013	2014	2015	2016	2017	2018	2019	2020	2021 and after	Total
Principal	906	1 240	330	859	1 217	392	624	419	1 436	7 421
Interest	199	189	179	155	119	98	85	62	218	1 303
TOTAL FOR THE GROUP (PRINCIPAL + INTERESTS)	1 105	1 429	508	1 013	1 336	490	708	481	1 654	8 724

5.16. Hedging instruments

5.16.1. 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 agreements allowing it 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 69% at December 31, 2013.

At December 31, 2013, the breakdown of derivatives by maturity date was as follows:

Hedging relationship *(in millions of euros)*		DERIVATIVES OF KLEPIERRE GROUP										
	Currency	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**Total**
Cash flow hedge												**2 324**
	EUR	22	213	7	–	500	50	500	–	–	–	1 292
	NOK	179	–	144	105	–	–	–	–	–	–	428
	SEK	68	17	23	56	23	45	102	68	34	–	435
	DKK	67	–	40	–	–	–	–	62	–	–	170
Fair value hedge												**1 100**
	EUR	–	–	–	750	–	–	250	100	–	–	1 100
	NOK	–	–	–	–	–	–	–	–	–	–	–
	SEK	–	–	–	–	–	–	–	–	–	–	–
	DKK	–	–	–	–	–	–	–	–	–	–	–
Trading												**1 536**
	EUR	390	150	346	450	200	–	–	–	–	–	1 536
	NOK	–	–	–	–	–	–	–	–	–	–	–
	SEK	–	–	–	–	–	–	–	–	–	–	–
	DKK	–	–	–	–	–	–	–	–	–	–	–
TOTAL FOR THE GROUP		**726**	**380**	**559**	**1 361**	**723**	**95**	**852**	**230**	**34**	**–**	**4 960**

The corresponding contractual flows (interest) break down as follows (positive flows = payer flows):

(in millions of euros)	Hedging relationship	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	**Total**
Swaps	Cash flow hedge	27	37	31	25	15	7	–	–	–	–	143
Swaps	Fair value hedge	-28	-26	-22	-9	-4	-2	-1	–	–	–	-92
Swaps/cap	Trading	38	32	25	6	1	–	–	–	–	–	103
EUR – denominated derivatives		**37**	**43**	**34**	**22**	**13**	**5**	**-1**	**–**	**–**	**–**	**153**
NOK – denominated derivatives		**7**	**5**	**2**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**15**
SEK – denominated derivatives		**7**	**5**	**2**	**–**	**-2**	**-2**	**-2**	**-1**	**–**	**–**	**7**
DKK – denominated derivatives		**4**	**2**	**1**	**–**	**–**	**–**	**-1**	**-1**	**–**	**–**	**4**
TOTAL FOR THE GROUP		**55**	**54**	**40**	**22**	**11**	**3**	**-3**	**-2**	**–**	**–**	**180**

At December 31, 2012, the breakdown of derivatives by maturity date and the amortization schedule for the corresponding interest flows were as follows:

Hedging relationship *(in millions of euros)*		DERIVATIVES OF KLEPIERRE GROUP										
	Currency	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	**Total**
Cash flow hedge												**4 266**
	EUR	200	212	665	357	450	700	50	500	–	–	3 134
	NOK	–	204	–	164	119	–	–	–	–	–	487
	SEK	–	70	17	23	58	23	47	105	70	35	449
	DKK	27	67	–	40	–	–	–	–	62	–	197
Fair value hedge												**1 100**
	EUR	–	–	–	–	750	–	–	250	100	–	1 100
	NOK	–	–	–	–	–	–	–	–	–	–	–
	SEK	–	–	–	–	–	–	–	–	–	–	–
	DKK	–	–	–	–	–	–	–	–	–	–	–
Trading												**800**
	EUR	200	200		400							800
	NOK	–	–	–	–	–	–	–	–	–	–	–
	SEK	–	–	–	–	–	–	–	–	–	–	–
	DKK	–	–	–	–	–	–	–	–	–	–	–
TOTAL FOR THE GROUP		**427**	**753**	**682**	**984**	**1 378**	**723**	**97**	**855**	**232**	**35**	**6 166**

(in millions of euros)	Hedging relationship	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Swaps	Cash flow hedge	72	79	76	56	33	20	9	–	–	–	345
Swaps	Fair value hedge	-29	-28	-26	-22	-10	-5	-4	-1	–	–	-125
Swaps/cap	Trading	11	13	12	3	–	–	–	–	–	–	39
EUR – denominated derivatives		**54**	**63**	**63**	**37**	**24**	**14**	**5**	**-1**	**–**	**–**	**259**
NOK – denominated derivatives		**10**	**6**	**4**	**2**	**–**	**–**	**–**	**–**	**–**	**–**	**24**
SEK – denominated derivatives		**8**	**6**	**5**	**4**	**2**	**1**	**–**	**–**	**–**	**–**	**27**
DKK – denominated derivatives		**4**	**4**	**2**	**1**	**–**	**–**	**–**	**–**	**–**	**–**	**10**
TOTAL FOR THE GROUP		**75**	**79**	**74**	**45**	**27**	**16**	**6**	**-1**	**–**	**–**	**321**

Fair value of the interest rate hedging portfolio

Derivatives *(in millions of euros)*	Fair value net of accrued interest as at 12/31/2013	Change in fair value during 2013	Counterparty
Cash flow hedge	-164.1	240.1	Shareholders' equity
Fair value hedge	87.1	-36.2	Borrowings
Trading	-100.1	-58.4	Earnings
TOTAL	**-177.2**	**145.4**	

5.16.2. Exchange rate hedging

When it carried out the capital increase of its subsidiary Steen & Strøm, Klépierre SA raised funding in Swedish kronor in order to hedge its balance sheet position in that currency. This operation is booked as a "net investment hedge".

5.17. Long-term provisions

Provisions came to 13.9 million euros, and showed an increase by 0.5 million euros. They include a 7.3 million euros provision to cover the risk relating to the Major Retailer Tax established by the Principality of Asturias (Spain). The balance of 6.6 million euros mainly concerns provisions for litigation and provisions for other business-related risks (tenants, warranty claims, etc.).

5.18. Social and tax liabilities and other liabilities

(in thousands of euros)	**12/31/2013**	12/31/2012
Social and tax liabilities	**85 262**	**79 437**
Personnel and related accounts	30 321	29 556
Social security and other bodies	15 101	10 098
Tax payables		
■ Corporate income tax	8 852	5 038
■ VAT	26 145	31 833
Other taxes and duties	4 842	2 912
Other liabilities	**208 095**	**261 640**
Creditor customers	5 684	49 795
Prepaid income	53 879	54 067
Other liabilities	148 532	157 778

The 5.7 million euros advance payments received from tenants in respect 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 82.4 million euros at December 31, 2013, compared with 60.7 million euros at December 31, 2012.

NOTE 6. NOTES TO THE FINANCIAL STATEMENTS: COMPREHENSIVE INCOME STATEMENT

6.1. Lease income

Lease income includes:

- rents from investment property and rent-related income, such as car park rentals and early termination indemnities;
- other lease 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 lease 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). This applies primarily to shopping centers.

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 404.1 million euros, increased by 18.6 million euros.

This figure includes asset impairment allowances net of reversals for 76.3 million euros, up by 3.3 million euros. Depreciation on investment property amounts to 312.7 million euros, up by 11.1 million euros over the period. Moreover depreciation and impairment allowance on intangible and tangible assets increased by 0.4 million euros.

6.7. Income from disposals of investment properties and equity interests

Income from disposals totaled 173.4 million euros and resulted from the sale of:

- the investment property located at 21, avenue Kléber and the company's business premises located at 21, rue La Pérouse in Paris;
- the office buildings of Paris Meyerbeer and Paris Neuilly Étoile;
- shopping centers located in Lomme, Chalon-sur-Saône Sud and Avignon in France and Markedet in Norway;
- 50% of the Norwegian shopping center Nordbyen (including revaluation of the remaining investment).

The sale of equity investments concerns mainly Torvbyen, Senter Stovner and Halden shopping centers located in Norway.

The income from disposal also includes the amount of the revaluation of the interests held by the Group in Odysseum (see note 4) before the acquisition of the remaining 50% held by Icade.

6.8. Net cost of debt

The net cost of debt amounts to 326.7 million euros, compared with 317.7 million euros at December 31, 2012.
The increase in the net cost of debt is mainly due to the deferral of payments on swaps and the decline in capitalized financial expenses. Excluding these elements, the net cost of debt decreases approximately by 35 million euros.

(in thousands of euros)	**12/31/2013**	12/31/2012
Financial income	**97 704**	**134 311**
Income from sale of securities	172	574
Interest income on swaps	59 878	87 674
Deferral of payments on swaps	339	339
Capitalized interest	6 393	16 290
Interest on associates' advances	2 925	424
Sundry interest received	2 369	2 376
Other revenue and financial income	15 701	12 211
Currency translation gains	9 926	14 424
Financial expenses	**-424 425**	**-452 021**
Expenses from sale of securities	–	–
Interest on bonds	-132 359	-107 330
Interest on loans from credit institutions	-72 936	-117 045
Interest expense on swaps	-112 212	-165 886
Deferral of payments on swaps	-55 045	-20 826
Interest on associates' advances	-5 552	-3 070
Sundry interest paid	-627	-156
Other financial expenses	-40 065	-37 642
Currency translation losses	-12 454	-11 270
Transfer of financial expenses	6 824	11 204
Net cost of debt	**-326 721**	**-317 710**

NOTE 7. TAXES

(in thousands of euros)	**12/31/2013**	12/31/2012
Current tax	-31 267	-26 808
Deferred tax	269	5 142
TOTAL	**-30 998**	**-21 666**

The Group's tax expense stands at -31 million euros at December 31 2013, compared to -21.7 million euros at December 31, 2012. The increase in current tax is primarily due to a non-recurring tax expense related to tax audits challenged by the group and the 3% French tax on dividends.
A breakdown of tax expense between the exempt (SIIC), common law in France and overseas sectors is shown in the reconciliation between theoretical and actual tax expense:

	France			
(in thousands of euros)	SIIC sector	Common law	Foreign companies	**Total**
Pre-tax earnings from equity-method companies	134 531	9 924	21 858	166 313
Theoretical tax expense at 34.43%	**-46 319**	**-3 417**	**-7 526**	**-57 262**
Exonerated earnings of the SIIC sector	**85 323**			**85 323**
Taxable sectors				
Impact of permanent time lags	3 903	705	36 649	41 257
Untaxed consolidation restatements	-28 353	-604	-20 118	-49 076
Impact of non-capitalized losses	-13 347	-309	-23 266	-36 922
Assignment of non-capitalized losses	94	41	2 229	2 364
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	-619	-273	3 523	-2 631
Rate differences	-2 917		-16 396	-19 313
ACTUAL TAX EXPENSE	**-2 236**	**-3 856**	**-24 906**	**-30 998**

Deferred taxes are composed of:

(in thousands of euros)	12/31/2012	Change in net income	Cash flow hedging reserves	Asset, liability reclassifi-cations	Other changes	**12/31/2013**
Investment properties	-459 916	-6 025		-5 869	60 978	-410 832
Derivatives	16 820	362	-8 546		-967	7 669
Losses carried forward	42 713	6 704			-2 494	46 923
Other items	-20 524	2 568		7 515	713	-9 728
TOTAL FOR ENTITIES IN A NET LIABILITY POSITION	**-420 907**	**3 609**	**-8 546**	**1 646**	**58 230**	**-365 968**
Investment properties	4 982	1 503		5 869	-3 139	9 215
Derivatives	70 355	1 982	-35 853		-139	36 345
Losses carried forward	17 495	-190			-507	16 798
Other items	13 859	-6 636		-7 515	-4 357	-4 649
TOTAL FOR ENTITIES IN A NET ASSET POSITION	**106 691**	**-3 341**	**-35 853**	**-1 646**	**-8 142**	**57 709**
NET POSITIONS	**-314 216**	**268**	**-44 399**	**0**	**50 088**	**-308 258**

The deferred tax in the income statement showed a net gain of 0.3 million euro. This gain mainly comprised of:

- a 6.5 million euros gain resulting from capitalization and use of losses carried forward during the period;
- a -4.5 million euros expense, due to the variation of deferred taxes on temporary differences related to investment properties;
- a -1.7 million euros expense related to the variation of other temporary differences (including deferred taxes on translation differences and derivatives).

The "Other changes" column, showing a variation of 50.1 million euros, mainly records the effect of currency fluctuations for 14 million euros and the change in the scope of consolidation for 36 million euros.

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.

Country	Tax rate	Inventory of ordinary losses at 12/31/2012	Inventory of ordinary losses at 12/31/2013	Change in ordinary losses in 2013	Capitalized deferred tax at 12/31/2012	Deferred tax capitali-zable at 12/31/2013	Change in capitalized amounts	Deferred tax capitalized at 12/31/2013	Deferred tax not capitalized at 12/31/2013	Comments
Belgium	33,99%	(32 682)	(35 288)	(2 606)	4 828	11 994	16	4 844	7 150	Unlimited deferral of ordinary losses
Denmark	22,00%	(29 506)	(27 216)	2 289	7 377	5 988	(1 389)	5 988	–	Unlimited deferral of ordinary losses Use of losses carried forward limited to 60% of taxable income (beyond DKK 7,5 million)
Spain	30,00%	(45 714)	(61 313)	(15 599)	13 312	18 394	(2 403)	10 909	7 485	Losses can be deferred for 18 years Use of losses carried forward limited to 50% of taxable income if last year's revenues are between €20 million and €60 million and limited to 25% of taxable income if last year's revenues are greater than €60 million
France	34,43% 33,00% 19,00%	(213 693)	(272 364)	(58 671)	7	72 030	–	7	72 023	Unlimited deferral of ordinary losses Use of losses carried forward limited to 50% of taxable income (beyond €1 million)
Greece	26,00%	(4 037)	(3 910)	127	–	1 017	–	–	1 017	Losses can be deferred for 5 years
Hungary	10,00%	(188 800)	(183 231)	5 569	–	18 323	–	–	18 323	Unlimited deferral of ordinary losses
Italy	27,50% ou 31,40%	(7 491)	(11 261)	(3 770)	–	3 330	–	–	3 330	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%	(52 171)	(71 318)	(19 147)	–	20 839	–	–	20 839	Unlimited deferral of ordinary losses
Norway	27,00%	(48 979)	(105 889)	(56 911)	13 714	28 590	6 148	19 863	8 728	Unlimited deferral of ordinary losses
Netherlands	25,00%	(7 317)	(7 400)	(83)	–	1 850	–	–	1 850	Losses can be deferred for 9 years
Poland	19,00%	(24 046)	(9 435)	14 611	4 570	1 793	(3 999)	571	1 222	Losses can be deferred for 5 years Maximum 50% of the losses carried forward can be use in a fiscal year
Portugal	26,50%	(11 096)	(13 176)	(2 080)	81	3 492	(5)	76	3 416	Losses can be deferred for 4 years Use of losses carried forward limited to 75% of taxable income
Czech Republic	19,00%	(1 120)	(2 468)	(1 348)	213	469	256	469	–	Losses can be deferred for 5 years
Sweden	22,00%	(138 350)	(159 756)	(21 406)	16 107	35 146	4 888	20 995	14 152	Unlimited deferral of ordinary losses
TOTAL		**(805 001)**	**(964 025)**	**(159 024)**	**60 208**	**223 254**	**3 513**	**63 721**	**159 534**	

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. Interest rate risk

8.1.1. Interest rate risk – exposure to variable-rate debt

Recurrence of variable-rate financing requirement
Variable-rate debt represents a significant proportion of the Group's borrowings (56% at December 31, 2013 before hedging). It includes: bank loans (standard and mortgages), draw downs on syndicated loans, commercial paper and the use of authorized overdrafts.

Identified risk
An increase in the interest rate against which variable-rate debts are indexed could result in an increase in future interest rate expenses.

Measurement of risk exposure

The 2 following tables show the exposure of Klépierre's income to an interest rate rise, before and after hedging.

Interest rate position before hedging *(in millions of euros)*	Amount	Change in financial expenses caused by a 1% increase in interest rates
Gross position before hedging	**4 078**	**40.8**
Marketable securities	-17	-0.2
NET POSITION BEFORE HEDGING	**4 061**	**41**

Interest rate position before hedging *(in millions of euros)*	Amount	Change in financial expenses caused by a 1% increase in interest rates
Gross position after hedging	**4 078**	**40.8**
Net hedge	-1 860	-18.6
Gross position after hedging	**2 218**	**22.2**
Marketable securities	-17	-0.2
NET POSITION AFTER HEDGING	**2 201**	**22**

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).

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 12/31/2013		
■ Euro-denominated portfolio	-135	-1.4
■ Steen & Strøm portfolio	-29	31.7
CASH-FLOW HEDGE SWAPS AT 12/31/2013	**-164**	**30**

Breakdown of financial borrowings after interest rate hedging:

	Fixed-rate borrowings			Variable-rate borrowings			Total gross borrowings		**Average cost of debt, base 12/31/2013**
(in millions of euros)	Amount	Rate	Fixed part	Amount	Rate	Variable part	Amount	Rate	
12/31/2010	4 735	4.54%	63%	2 741	2.10%	37%	7 476	3.65%	4.07%
12/31/2011	5 872	4.46%	76%	1 865	2.72%	24%	7 736	4.04%	4.20%
12/31/2012	6 029	3.92%	81%	1 392	2.12%	19%	7 421	3.58%	3.86%
12/31/2013	5 019	4.01%	69%	2 218	1.72%	31%	7 237	3.31%	3.38%

N.B.: the average cost of debt, "base 12/31/2013" is calculated on the basis of the interest rates and funding structure in place at December 31, 2013, 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. As the previous table shows, this rate was 69% as of December 31, 2013.

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 bonds and mortgage loans in Scandinavia.

The main source of additional fixed-rate debt is potentially the bond market or convertible bonds and other "equity-linked" products.

Identified risk

Klépierre's fixed-rate debt exposes it 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, 2013, fixed rate debt totaled 3 159 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, 2013, Klépierre held 16.9 million euros of marketable securities.

Cash equivalents refer only to amounts invested in French open-ended money market funds (13.4 million euros) and Italian treasury bills (3.5 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 (and convertibles, where applicable): use of market quotations where these are available.

Klépierre has chosen not to revalue the margin component of these unlisted loans as the exceptionally difficult credit market conditions since the beginning of the financial crisis have accentuated the differences between margins on each market (bonds, corporate lending, mortgages, etc.) and made any assessment very uncertain.

	12/31/2013			12/31/2012		
(in millions of euros)	**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	2 989	3 241	-133	2 995	3 247	-136
Fixed-rate bank loans	171	183	-2	169	178	-4
Other variable-rate loans	4 078	4 078	–	4 258	4 258	–
TOTAL	**7 237**	**7 501**	**-135**	**7 422**	**7 683**	**-140**

(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, 2013, a 1% rise in rates would have resulted in decrease of 36 million euros 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, 2013 was around five years, with borrowings spread between different markets (the bond market and commercial paper represent 54%, 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 1 733 million euros at December 31, 2013. 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 compulsory early repayment.
Klépierre SA bonds (2 989 million euros) include a bearer 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

Until its acquisition of Steen & Strøm in October 2008, the majority of Klépierre's business was conducted within the Eurozone with the exception of the Czech Republic, Hungary and Poland.
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 (or in dollars for some minority leases).
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 partially financed in 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

Klépierre holds no equities other than its own shares (3 913 822 shares at December 31, 2013), which are recognized in equity at their historical cost.

NOTE 9. FINANCE AND GUARANTEE COMMITMENTS

9.1. Commitments given

(in thousands of euros)	**12/31/2013**	12/31/2012
Commitments related to the Group's consolidated scope	**1 402**	**2 154**
Purchase commitments	1 402	2 154
Commitments related to Group financing	**2 197 101**	**2 499 476**
Financial guarantees given	2 197 101	2 499 476
Commitments related to the Group's operating activities	**167 589**	**237 246**
Commitments on works contracts (Property development/Sale before completion)	119 766	166 909
Commitments under conditions precedent	14 364	25 669
Work completion commitments	22 349	32 129
Rental guarantees and deposits	1 338	1 362
Other commitments given	9 772	11 177
TOTAL	**2 366 092**	**2 738 875**

9.1.1. Commitments related to the Group's consolidated scope

Equity acquisition commitmentss

At December 31, 2013, this item comprised an earn-out payment of 1.4 million euro related to the acquisition of the Seriate, Pesaro and Verona shopping centers in Italy.

The price paid for Sadyba (part of the Polish acquisitions made in 2005) is subject to an earn-out clause. Klépierre does not own the land of the center fully but under a lease that expires July 31, 2021. An earn-out payment shall be made to the seller if the seller obtains, within ten years starting from July 2005, an extension of the lease or full ownership. As the probability of the lease being extended or full ownership being obtained cannot be measured, the earn-out payment is not currently recognized.

9.1.2. Commitments related to Group financing

Financial guarantees given

In general terms, the Group finances its assets from equity or debt contracted by its parent company, rather than pledging its own assets. 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 thousands of euros)	**Loan amount at 12/31/2013**	Mortgage amount at 12/31/2013
France	74 647	103 812
Italy	391 949	960 000
Norway	532 826	675 474
Sweden	691 891	709 070
Denmark	505 788	532 296
TOTAL	**2 197 101**	**2 980 651**

9.1.3. Commitments related to the Group's operating activities

Commitments on works contracts (Property Development/Sale Before Completion)

The commitments on works contracts are reciprocal guarantees given under property development contracts or sale before completion contracts (under which payment is guaranteed by the buyer and completion by the developer).

At December 31, 2013, the Group's main commitments are related to shopping center and office construction projects, such as the Carré Jaude (4.5 million euros), Besançon Pasteur (24.4 million euros) and Pantin (62.5 million euros) projects in France and the Kristianstad (26 million euros) and Emporia (1.5 million euros) projects in Sweden.

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 for acquisition of land (Chaumont), for the amount of 4.6 million euros. The Group is committed to acquire assets as part of the Centre Bourse Grands Magasins project for a total amount of 5.8 million euros. The commitments related to the Claye-Souilly project represent 4 million euros.

On January 24th, 2014, the Group signed the binding agreement for the disposal of a portfolio of 127 Carrefour-anchored retail galleries in Europe. This agreement confirms the terms included in the memorandum of understanding signed on December 16, 2013. The portfolio that would be sold to this consortium for 2.01 billion euros (total share, including transfer duties) includes retail galleries in France (57 assets), in Spain (63 assets) and in Italy (7 assets). The transaction is subject to approval by the competition authorities in France and Spain and to the waiver of preemptive rights by French local authorities.

Work completion commitments

The decrease in work completion commitments compared to 2012 is mainly the result of progress made on extension and renovation projects for the centers of Hérouville (-2 million euros), Claye-Souilly (-5 million euros), Perpignan-Salanca (-3 million euros) and Bègles Rives d'Arcins (-7.5 million euros) in France, and Vinterbro (-5 million euros) in Norway.

The main ongoing extension and renovation projects in France are Passages Pasteur (5.7 million euros), Créteil Soleil (1.8 million euros), Portet sur Garonne (3 million euros), Centre Bourse (2.4 million euros), and the Romagna Center (2.7 million euros) in Italy.

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 are given for payment guarantees on amounts owed to the state (5.8 million euros) and deposits on loans to employees (3.9 million euros).

9.2. Commitments received

(in thousands of euros)	**12/31/2013**	12/31/2012
Commitments related to Group financing	**1 633 500**	**1 695 000**
Financing agreements obtained and not used	1 633 500	1 695 000
Commitments related to the Group's operating activities	**392 190**	**451 781**
Sale commitments	35 300	98 731
Deposits received guaranteeing the real-estate management activity (under the "Hoguet" law)	260 030	260 030
Deposits received from tenants	96 860	93 020
TOTAL	**2 025 690**	**2 146 781**

9.2.1. Commitments related to Group financing

Financing agreements obtained and not used

At December 31, 2013, Klépierre has 1 633 million euros of confirmed and undrawn credit lines on bilateral and syndicated loans.

An additional amount of 93 million euros is also available in the form of an uncommitted overdraft with several banks, as of December 31, 2013.

Steen & Strøm has 7 million euros available credit lines as overdrafts.

Other subsidiaries have 21 million euros of unused credit lines available.

9.2.2. Commitments related to the Group's operating activities

Sale commitments

Klépierre signed a commitment to sell the offices located at 141 rue de Javel in Paris.

Deposits received guaranteeing the real estate management activity (under the "Hoguet" law)

As part of its real-estate management activities, the Klépierre Group, via Klépierre Management, enjoyed a financial guarantee from CGE (Natixis) for a variable amount capped at 260 million euros in 2013.

Deposits 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.

9.3. Shareholders' agreements

Shareholders' 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 2 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) or 2014 and 2015 (for the other shopping centers):
  - 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 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 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.

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 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.

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 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.

All these agreements grant Finiper a put (option to sell) enabling it to sell its shares in IGC and/or Clivia to Klépierre. This put expires in 2017 and can be split into 2 parts:

- 1 of 12% and 1 of 16.70% for IGC;
- 2 parts – each of 25% – for Clivia.

Any refusal by Klépierre regarding the second IGC part and 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.

KC 2 SNC has not been party to this agreement since June 5, 2012, following its transfer of assets and liabilities (TUP) to 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.

9.4. Commitments under operating leases – lessors

The main clauses contained in the lessor's lease agreement are described below:

9.4.1. Shopping centers

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 a 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.

9.4.2. Office properties

100% of Klépierre's offices property assets are located in France and are therefore governed by French law.

Commercial businesses are covered by articles L. 145-1 to L. 145-60 of the French Commercial Code and the non-codified articles of decree 53-960 of September 30, 1953 (the "statute"). Some of these clauses are public policies. For example: the length of leasing agreements, which may not be shorter than nine years (in terms of the lessor's commitment), the right to renewal, the formal conditions to be complied with in the event of cancellation, vacation, renewal, eviction, etc.

Exceptionally, leases of two years or less may be exempt from the statute.

The most usual lease term is nine years, during which only the lessee may terminate the lease at the end of each 3-year period by sending a 6-month prior notice by extrajudicial act. The parties may also agree upon an early termination of the lease.

The rent is usually paid quarterly in advance and is indexed in full annually against the Insee cost of construction index. The rent may be progressive or constant, and may include rent-free periods, but is always set at the point when the lease is signed and for its full term (except for any riders added during the lease term).

All charges, including property and office taxes, are usually due by the lessee, with the exception of works regulated by article 606 of the French Civil Code, which are usually paid by the lessor.

Professionals (lawyers, chartered accountants, architects, etc.) are not covered by the statute. The minimum duration for such leases is six years, with the lessee free to terminate at any time by giving six months' notice. These agreements are not renewable. The other conditions are similar to those of commercial leases.

A decree on the rent review index for tertiary activities (known as "ILAT") was published in the French *Journal officiel (gazette)* on December 29, 2011. The ILAT can now be used as a reference when reviewing rents of office premises, for activities in the professional occupations and for activities carried out in logistics warehouses.

The use of this new index is dependent on the agreement of all parties. No leases are currently affected.

The ILAT is the weighted sum of three indexes: the consumer price index (50%), the cost of construction index (25%) and the level of gross domestic product (25%).

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.

At December 31, 2013, the total future minimum rents receivable under non-cancelable operating leases were as follows:

(in thousands of euros)	**12/31/2013**
Less than one year	877 772
Between one and five years	1 565 286
More than five years	479 798
TOTAL	**2 922 856**

9.5. Retention commitments

In France, some assets are subject to the tax regime set out in article 210-E of the French General Tax Code, under which the buildings must be retained for at least five years after acquisition. These are:

- all buildings and property finance leases acquired by Klémurs, at the exception of Jardineries Delbard;
- some equity investments in Galeries Drancéennes (owner of the Drancy Avenir shopping center) and Immo-Dauland owner of the Chalon-sur-Saône retail park;
- the Annecy Courrier shopping center and Monoprix store;
- 3 finance leases acquired in 2011 and relating to real estate assets located in Roques-sur-Garonne.

For reminder, the article 210 E applies to the disposals realized before December 31st, 2011.

NOTE 10. EMPLOYEE COMPENSATION AND BENEFITS

10.1. Payroll expenses

At December 31, 2013, total payroll expenses amounted to 122.4 million euros.

Fixed and variable salaries and wages plus incentives and profit sharing totaled 95.3 million euros, pension-related expenses, retirement expenses and other staff benefits were 24.3 million euros, taxes and similar compensation-related payments were 2.8 million euros.

10.2. Employees

At December 31, 2013, the Group had an average of 1 385 employees: 843 work outside France, including 389 in the Scandinavian real estate company Steen & Strøm. The average headcount of the Klépierre Group in 2013 breaks down as follows:

	12/31/2013	12/31/2012
France-Belgium	542	574
Scandinavia	389	399
Italy	121	123
Iberia	142	157
Central Europe	191	200
TOTAL	**1 385**	**1 453**

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 14.7 million euros at December 31, 2013.

(in thousands of euros)	12/31/2012	Allowances for the period	Write-backs (provision used)	Write-backs (provision unused)	Other movements	Changes in the scope of consolidation	**12/31/2013**
Provisions for employee benefit commitments							
Defined benefit schemes	12 705	365		-412	-1 211		11 447
Other long term benefits	3 464			-229			3 235
TOTAL	**16 169**	**365**	**–**	**-641**	**-1 211**	**–**	**14 682**

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. The fraction of actuarial variances to be amortized after application of the 10% limit (corridor method) is calculated separately for each defined benefit plan.

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.

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.

In Scandinavia, has both public and supplemental pension plans. Both require annual contributions to pension funds. In addition to these plans, Steen & Strøm has put in place a private plan for some employees **in Norway.** To be fully vested for the benefits that this pension plan offers, the recipient must have contributed to the plan for a total of thirty years. The plan pays 60% of the final base salary as of January 1 on the year in which the recipient reaches 67 years of age. Survivor and disability arrangements are also covered by the plan. 67 employees are plan members and 9 are currently receiving benefits.

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 thousands of euros)	2013	2012	2011	2010	2009
Surplus of obligations over the assets of financed schemes					
Gross discounted value of obligations fully or partially financed by assets	16 617	20 087	18 710	17 798	9 290
Fair value of the schemes' assets	-5 902	-6 537	-7 077	-7 290	-2 010
Discounted value of non-financed obligations	**10 715**	**13 550**	**11 633**	**10 508**	**7 280**
Costs not yet recognized in accordance with the provisions of IAS 19		–	–	–	–
Cost of past services	–	-512	-85	-16	-424
Net actuarial losses or gains	–	-58	-50	-242	-821
Matured rights	731	-275	–	–	–
NET OBLIGATION RECOGNIZED IN THE BALANCE SHEET FOR DEFINED BENEFIT PLANS	**11 447**	**12 705**	**11 498**	**10 250**	**6 035**

Change in net obligation

(in thousands of euros)	12/31/2013
Net obligation at the beginning of the period published	**12 705**
IAS 19R (closing exchange rate)	904
Net obligation at the beginning of the period	**13 609**
Retirement expense recognized in income of the period	1 358
Contributions paid by Klépierre recognized in income of the period	–
Acquisition/Disposal	–
Benefits paid to recipients of non-financed benefits unfunded	-803
Actuarial gains or losses, and other rights modifications	-2 223
Currency effects	-493
NET OBLIGATION AT THE END OF THE PERIOD	**11 447**

Components of retirement expense

(in thousands of euros)	12/31/2013
Cost of services rendered during the year	913
Financial cost	547
Forecasted yield of the scheme's assets	-104
Amortization of actuarial gains and losses	–
Amortization of past services	–
Effects of reduction or liquidation of the scheme	–
Currency effect	–
TOTAL RECOGNIZED IN "PAYROLL EXPENSES"	**1 356**

Principal actuarial assumptions used for balance sheet calculations

(in %)	Group
Discount rate	2.97 -4.10
Forecasted yield rate* of the scheme's assets	3.55 -4.10
Forecasted yield rate* of redemption rights	NA
FUTURE SALARY INCREASE RATE	**1.28 -3.75**

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.

10.4. Stock options

There are currently five stock option plans in place for Group executives and employees.

10.4.1. Summary data

	Plan no. 1	Plan no. 2	Plan no. 3	
			Without performance conditions	With performance conditions
Date of the general meeting of shareholders	07-apr-06	07-apr-06	07-apr-06	07-apr-06
Date of the Executive Board	30-may-06	15-may-07	06-apr-09	06-apr-09
Start date for exercising options	31-may-10	16-may-11	06-apr-13	06-apr-13
Expiration date	30-may-14	15-may-15	05-apr-17	05-apr-17
Subscription or purchase pric(1)	29.49	46.38	22.60	between 22.6 and 27.12
Stock purchase options originally granted before any adjustment	195 000	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)	603 593	443 146	NA	NA
Stock purchase options canceled at December 31, 2013	71 529	59 865	43 500	7 500
Stock purchase options exercised at December 31, 2013	160 109		158 650	12 688
Outstanding stock purchase options at December 31, 2013 (after additional adjustment to reflect the discount of preferential rights granted for the capital increase of December 2008)	371 955	383 281	175 600	83 062

(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 no. 4		Plan no. 5	
(in thousands of euros)	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
Date of the general meeting of shareholders	09-apr-09	09-apr-09	09-apr-09	09-apr-09
Date of the Executive Board	21-june-10	21-june-10	27-may-11	27-may-11
Start date for exercising options	21-june-14	21-june-14	27-may-15	27-may-15
Expiration date	20-june-18	20-june-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 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)				
Stock purchase options canceled at December 31, 2013	58 500		54 000	
Stock purchase options exercised at December 31, 2013				
Outstanding stock purchase options at December 31, 2013	344 500	90 000	438 000	114 000

The first 2 are standard stock option plans, 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 1.5 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. 1	Plan no. 2
Exercise price(1)	€29.49	€47.90
Share price on the date of allocation	€27.90	€47.30
Volatility	21.50%	21.20%
Risk-free interest rate (8-year maturity)	4.10%	4.51%
Dividend per share	€1.00	Growth of 10% in 2007. followed by assumed growth calculated as a straight-line regression of the dividends for previous years.
Estimated unit value	€4.60	€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.

	Plan no. 3	
Plan authorized in 2009	Without performance conditions	With performance conditions
Exercise price	€22.60	
Share price on the date of allocation	€15.30 Level of EPRA Euro zone index: 1 141.59	
Volatility	Klépierre share: 30.7%; EPRA 19.4%; correlation: 0.87	
Risk-free interest rate (8-year maturity)	3.19%	
Dividend per share	€1.25 in 2009 then €1.06 thereafter	
Estimated unit value	€1,20	2009: €0.97 2010: €1.12 2011: €1.13 2012: €1.12
EXPENSE FOR THE PERIOD	**29 thousand euros**	

	Plan no. 4	
Plan authorized in 2010	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	**532 thousand euros**	

	Plan no. 5	
Plan authorized in 2011	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	**889 thousand euros**	

10.5. Free shares

There are currently two free shares plans in place for Group executives and employees.

10.5.1. Summary data

	Plan no. 1				
	France			Foreign countries	
Plan authorized in 2012	Without performance conditions	Without performance conditions	With performance conditions	Without performance conditions	With performance conditions
Date of the general meeting of shareholders	12-apr-12	12-apr-12	12-apr-12	12-apr-12	12-apr-12
Date of the Executive Board	23-oct-12	23-oct-12	23-oct-12	23-oct-12	23-oct-12
End of period of acquisition	31-jan-16	23-oct-15	23-oct-15	23-oct-16	23-oct-16
End of period of conservation	31-jan-18	23-oct-17	23-oct-17	–	–
Shares originally granted	40 000	22 100	159 000	13 600	25 500
Shares canceled at December 31, 2013	–	–	–	850	–
Outstanding shares at December 31, 2013	40 000	22 100	159 000	12 750	25 500

	Plan no. 2	
	With performance conditions	
Plan authorized in 2013	France	Foreign countries
Date of the general meeting of shareholders	12-apr-12	12-apr-12
Date of the Executive Board	25-feb-13	25-feb-13
End of period of acquisition	25-feb-16	25-feb-17
End of period of conservation	25-feb-18	–
Shares originally granted	230 000	25 000
Shares canceled at December 31, 2013	2 000	–
Outstanding shares at December 31, 2013	228 000	25 000

10.5.2. Other information

On February 25, 2013, 255 000 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 2 fractions with the following characteristics:

	Plan no. 1				
	France			Foreign countries	
Plan authorized in 2012	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	
Volatility for Klepierre 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	
Share value	€24.26	€24.29	€13.31	€22.99	€12.53
EXPENSE FOR THE PERIOD	**296 thousand euros**	**173 thousand euros**	**683 thousand euros**	**69 thousand euros**	**76 thousand euros**

	Plan no. 2	
	With performance conditions	
Plan authorized in 2013	France	Foreign countries
Share price on the date of allocation Average of the 20 opening quotations preceeding October 23, 2012	€29.54	
Volatility for Klepierre share quotes: Historical volatility over 8 years, as calculated as of October 22, 2012 based on daily variation	34.9% Klépierre share; 23.2% FTSE EPRA Euro zone; correlation: 0.82	
Dividend per share	€1.50	
Share value	€14.19	€13.65
EXPENSE FOR THE PERIOD	**870 thousand euros**	**67 thousand euros**

The expense recognized for the period amounts to 2.2 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.

Comprehensive income statement at fair value (EPRA model) *(in thousands of euros)*	**12/31/2013 Fair value model**	12/31/2012 Fair value model
LEASE INCOME	**1 009 186**	**992 121**
Land expenses (real estate)	-6 202	-4 880
Non-recovered rental expenses	-42 655	-44 236
Building expenses (owner)	-65 603	-56 406
NET RENTS	**894 726**	**886 599**
Management, administrative and related income	78 187	90 329
Other operating revenue	19 323	14 108
Change in the fair value of investment property	-153 876	80 423
Survey and research costs	-4 431	-2 413
Payroll expenses	-122 424	-120 475
Other general expenses	-44 362	-43 568
Depreciation and impairment allowance on investment property	-9 523	-9 549
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-11 348	-10 932
Provisions	-1 071	307
Gains on the disposal of investment property and equity investments	492 282	609 847
Net book value of investment property and equity investments sold	-407 794	-599 009
Income from the disposal of investment property and equity investments	**84 488**	**10 838**
OPERATING INCOME	**729 689**	**895 667**
Net dividends and provisions on non-consolidated investments	15	-16
Financial income	*97 704*	*134 311*
Financial expenses	*-424 425*	*-452 021*
Net cost of debt	-326 721	-317 709
Change in the fair value of financial instruments	-94 203	-41 589
Effect of discounting	–	–
Share in earnings of equity method investees	2 155	1 397
PROFIT BEFORE TAX	**310 935**	**537 750**
Corporate income tax	773	-57 406
NET INCOME OF CONSOLIDATED ENTITY	**311 708**	**480 344**
of which		
Group share	*176 441*	*275 130*
Non-controlling interests	*135 267*	*205 214*
Undiluted average number of shares	**195 400 982**	**191 271 591**
Undiluted comprehensive earnings per share (euros)	**0.9**	**1.4**
Diluted average number of shares	**195 400 982**	**191 271 591**
Diluted comprehensive earnings per share (euros)	**0.9**	**1.4**

Comprehensive income statement at fair value (EPRA model) *(in thousands of euros)*	**12/31/2013 Fair value model**	12/31/2012 Fair value model
NET INCOME OF CONSOLIDATED ENTITY	311 708	480 344
Other comprehensive income items recognized directly as equity	**128 091**	**19 357**
■ Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	249 744	-57 264
■ Translation profits and losses	-80 700	62 738
■ Tax on other comprehensive income items	-44 400	10 290
Items that will be reclassified subsequently to profit or loss	**124 644**	**15 764**
■ Income from sales of treasury shares	3 447	3 593
■ Actuarial gains	–	–
Items that will not be reclassified subsequently to profit or loss	**3 447**	**3 593**
Share of other comprehensive income items of equity method investees	–	–
TOTAL COMPREHENSIVE INCOME	439 799	499 701
Of which		
Group share	*311 639*	*285 925*
Non-controlling interests	*128 160*	*213 776*
Undiluted comprehensive earnings per share (euros)	**1.6**	**1.5**
Diluted comprehensive earnings per share (euros)	**1.6**	**1.5**

Consolidated statement of financial position (EPRA model) *(in thousands of euros)*	**12/31/2013 Fair value model**	12/31/2012 Fair value model
Goodwill	129 107	130 675
Intangible assets	37 394	33 805
Property, plant and equipment and work in progress	15 339	31 482
Investment property at fair value	13 308 108	15 738 643
Investment property at cost model	328 275	286 677
Equity method securities	26 703	26 132
Other non-current assets	15 528	17 055
Non-current derivatives	118 703	153 632
Deferred tax assets	57 736	98 584
NON-CURRENT ASSETS	**14 036 893**	**16 516 685**
Fair value of property held for sale	2 040 446	96 901
Investment held for sale	7 957	–
Inventory	433	389
Trade accounts and notes receivable	113 242	133 165
Other receivables	189 672	220 456
■ Tax receivables	*32 203*	*33 533*
■ Other debtors	*157 469*	*186 923*
Current derivatives	–	–
Cash and cash equivalents	142 368	206 014
CURRENT ASSETS	**2 494 118**	**656 925**
TOTAL ASSETS	**16 531 010**	**17 173 610**
Share capital	279 259	279 259
Additional paid-in capital	1 773 630	1 773 630
Legal reserves	27 926	26 551
Consolidated reserves	3 143 029	3 046 822
■ Treasury shares	*-93 500*	*-99 211*
■ Hedging reserves	*-181 861*	*-371 065*
■ Fair value of investment property	*3 204 553*	*3 089 254*
■ Other consolidated reserves	*213 837*	*427 844*
Consolidated earnings	176 441	275 130
Shareholders' equity, group share	5 400 286	5 401 393
Non-controlling interests	2 096 812	2 170 205
SHAREHOLDERS' EQUITY	**7 497 098**	**7 571 598**
Non-current financial liabilities	5 343 915	6 699 826
Long-term provisions	13 937	13 417
Pension commitments	14 682	16 169
Non-current derivatives	173 389	419 327
Security deposits and guarantees	148 727	141 704
Deferred tax liabilities	626 988	714 588
NON-CURRENT LIABILITIES	**6 321 637**	**8 005 031**
Current financial liabilities	2 127 884	1 004 004
Bank facilities	31 334	39 276
Trade payables	110 890	122 080
Payables to fixed asset suppliers	44 943	49 805
Other liabilities	208 095	261 639
Current derivatives	103 868	40 740
Social and tax liabilities	85 262	79 437
Short-term provisions	–	–
CURRENT LIABILITIES	**2 712 275**	**1 596 981**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**16 531 010**	**17 173 610**

Comprehensive income statement at fair value (EPRA model) *(in thousands of euros)*	**12/31/2013 Cost model**	Fair value restatements	**12/31/2013 Fair value model**
LEASE INCOME	1 009 186		1 009 186
Land expenses (real estate)	-7 857	1 655	-6 202
Non-recovered rental expenses	-42 655		-42 655
Building expenses (owner)	-65 912	309	-65 603
NET RENTS	892 762	1 964	894 726
Management, administrative and related income	78 187		78 187
Other operating revenue	19 323		19 323
Change in the fair value of investment property		-153 876	-153 876
Survey and research costs	-4 431		-4 431
Payroll expenses	-122 424		-122 424
Other general expenses	-44 362		-44 362
Depreciation and impairment allowance on investment property	-392 791	383 268	-9 523
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-11 348		-11 348
Provisions	-1 071		-1 071
Gains on the disposal of investment property and equity investments	492 282		492 282
Net book value of investment property and equity investments sold	-318 905	-88 889	-407 794
Income from the disposal of investment property and equity investments	**173 377**	**-88 889**	**84 488**
OPERATING INCOME	587 222	142 467	729 689
Net dividends and provisions on non-consolidated investments	15		15
Financial income	*97 704*		*97 704*
Financial expenses	*-424 425*		*-424 425*
Net cost of debt	-326 721		-326 721
Change in the fair value of financial instruments	-94 203		-94 203
Effect of discounting	–		–
Share in earnings of equity method investees	1 705	450	2 155
PROFIT BEFORE TAX	168 018	142 917	310 935
Corporate income tax	-30 998	31 771	773
NET INCOME OF CONSOLIDATED ENTITY	137 020	174 688	311 708
of which			
Group share	*53 601*	*122 840*	*176 441*
Non-controlling interests	*83 419*	*51 848*	*135 267*
Undiluted average number of shares	**195 400 982**		**195 400 982**
Undiluted comprehensive earnings per share (euro)	**0.3**		**0.9**
Diluted average number of shares	**195 400 982**		**195 400 982**
Diluted comprehensive earnings per share (euro)	**0.3**		**0.9**

(in thousands of euros)	**12/31/2013 Cost model**	Fair value restatements	**12/31/2013 Fair value model**
NET INCOME OF CONSOLIDATED ENTITY	137 020	174 688	311 708
Other comprehensive income items recognized directly as equity	**137 974**	**-9 883**	**128 091**
■ Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	249 744		249 744
■ Translation profits and losses	-70 817	-9 883	-80 700
■ Tax on other comprehensive income items	-44 400		-44 400
Items that will be reclassified subsequently to profit or loss	**134 527**	**-9 883**	**124 644**
■ Income from sales of treasury shares	3 447		3 447
■ Actuarial gains	–		–
Items that will not be reclassified subsequently to profit or loss	**3 447**	**0**	**3 447**
Share of other comprehensive income items of equity method investees	–		–
TOTAL COMPREHENSIVE INCOME	274 994	164 805	439 799
Of which			
Group share	*198 850*	*112 789*	*311 639*
Non-controlling interests	*76 144*	*52 016*	*128 160*
Undiluted comprehensive earnings per share (euros)	**1.0**		**1.6**
Diluted comprehensive earnings per share (euros)	**1.0**		**1.6**

Consolidated statement of financial position (EPRA model) *(in thousands of euros)*	**12/31/2013 Cost model**	Fair value restatements	**12/31/2013 Fair value model**
Goodwill	133 757	-4 650	129 107
Intangible assets	37 394		37 394
Property, plant and equipment and work in progress	15 339		15 339
Investment property	9 847 578	-9 847 578	–
Investment property under construction	317 002	-317 002	–
Investment property at fair value	–	13 308 108	13 308 108
Investment property at cost model	–	328 275	328 275
Equity method securities	19 910	6 793	26 703
Other non-current assets	15 528		15 528
Non-current derivatives	118 703		118 703
Deferred tax assets	57 709	27	57 736
NON-CURRENT ASSETS	**10 562 920**	**3 473 973**	**14 036 893**
Fair value of property held for sale	1 115 816	924 630	2 040 446
Investment held for sale	7 957		7 957
Inventory	433		433
Trade accounts and notes receivable	113 242		113 242
Other receivables	227 612	-37 940	189 672
■ Tax receivables	*32 203*		*32 203*
■ Other debtors	*195 409*	*-37 940*	*157 469*
Current derivatives	–		–
Cash and cash equivalents	142 368		142 368
CURRENT ASSETS	**1 607 428**	**886 690**	**2 494 118**
TOTAL ASSETS	**12 170 347**	**4 360 663**	**16 531 010**
Share capital	279 259		279 259
Additional paid-in capital	1 773 630		1 773 630
Legal reserves	27 926		27 926
Consolidated reserves	-45 027	3 188 056	3 143 029
■ Treasury shares	*-93 500*		*-93 500*
■ Hedging reserves	*-181 861*		*-181 861*
■ Fair value of investment property	–	*3 204 553*	*3 204 553*
■ Other consolidated reserves	*230 334*	*-16 497*	*213 837*
Consolidated earnings	53 601	122 840	176 441
Shareholders' equity, group share	2 089 390	3 310 896	5 400 286
Non-controlling interests	1 308 065	788 747	2 096 812
SHAREHOLDERS' EQUITY	**3 397 455**	**4 099 643**	**7 497 098**
Non-current financial liabilities	5 343 915		5 343 915
Long-term provisions	13 937		13 937
Pension commitments	14 682		14 682
Non-current derivatives	173 389		173 389
Security deposits and guarantees	148 727		148 727
Deferred tax liabilities	365 968	261 020	626 988
NON-CURRENT LIABILITIES	**6 060 617**	**261 020**	**6 321 637**
Current financial liabilities	2 127 884		2 127 884
Bank facilities	31 334		31 334
Trade payables	110 890		110 890
Payables to fixed asset suppliers	44 943		44 943
Other liabilities	208 095		208 095
Current derivatives	103 868		103 868
Social and tax liabilities	85 262		85 262
Short-term provisions	–		–
CURRENT LIABILITIES	**2 712 275**	**–**	**2 712 275**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**12 170 347**	**4 360 663**	**16 531 010**

11.2. Transactions with related parties

11.2.1. Transactions with the BNP Paribas Group

As of December 31, 2013 the BNP Paribas Group holds a 21.30% equity stake in Klépierre SA.

As of December 31, 2013, the part of BNP Paribas in the bank financing amounts to 1 419 million euros, of which 643 million euros have been used. This figure does not include back-up lines for commercial paper (not drawn) totaling 500 million euros granted by BNP Paribas. Total amount of authorized financing equals to 8 853 million euros as of December 31, 2013, of which 7 237 million euros have been used.

11.2.2. Transactions with the Simon Property Group

At December 31, 2013 the Simon Property Group holds a 28.89% equity stake in Klépierre SA.

At this date, there is no reciprocal transaction between the 2 companies.

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 proportionally consolidated companies (jointly controlled by the Group) and 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

	12/31/2103		12/31/2102	
(in thousands of euros)	**Proportionally consolidated companies**	**Companies consolidated using the equity method**	Proportionally consolidated companies	Companies consolidated using the equity method
Non-current assets	472	–	847	–
NON-CURRENT ASSETS	**472**	**0**	**847**	**0**
Trade accounts and notes receivable	817	214	493	133
Other receivables	2 728	228	3 084	206
CURRENT ASSETS	**3 545**	**442**	**3 577**	**339**
TOTAL ASSETS	**4 017**	**442**	**4 424**	**339**
Non-current financial liabilities	–	–	–	–
NON-CURRENT LIABILITIES	**0**	**0**	**0**	**0**
Trade payables	96	–	101	–
Other liabilities	815	1 950	834	1 983
CURRENT LIABILITIES	**911**	**1 950**	**935**	**1 983**
TOTAL LIABILITIES	**911**	**1 950**	**935**	**1 983**

"Income" items related to transactions with related parties

	12/31/2103		12/31/2102	
(in thousands of euros)	**Proportionally consolidated companies**	**Companies consolidated using the equity method**	Proportionally consolidated companies	Companies consolidated using the equity method
Management, administrative and related income	**2 330**	291	2 060	333
Operating income	**2 330**	**291**	**2 060**	**333**
Net cost of debt	15	–	62	–
Profit before tax	**2 345**	**291**	**2 122**	**333**
NET INCOME OF THE CONSOLIDATED ENTITY	**2 345**	**291**	**2 122**	**333**

Most of these items relate to management and administration fees and income on financing arrangements for these companies' businesses.

"Off-balance sheet" items related to transactions with related parties

Commitments given *(in thousands of euros)*	**12/31/2013**	12/31/2012
Commitments related to the Group's consolidated scope	**–**	**–**
Purchase commitments	–	–
Commitments related to Group financing	**184 800**	**186 300**
Financial guarantees given	184 800	186 300
Commitments related to the Group's operating activities	**9 060**	**10 379**
Commitments on works contracts (Property development/Sale before completion)	–	–
Commitments under conditions precedent	–	–
Work completion commitments	–	–
Rental guarantees and deposits	36	36
Other commitments given	9 024	10 343
TOTAL	**193 860**	**196 679**

Commitments received *(in thousands of euros)*	**12/31/2013**	12/31/2012
Commitments related to Group financing	**776 000**	**1 547 500**
Financing agreements obtained and not used	776 000	1 547 500
Commitments related to the Group's operating activities	**30**	**260 030**
Deposits received guaranteeing the real-estate management activity (under the "Hoguet" law)	30	260 030
Deposits received from tenants	–	–
TOTAL	**776 030**	**1 807 530**

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 paid to the members of the Supervisory Board during the fiscal year 2013 totaled 319 222 euros, including 53 496 paid to the Chairman of the Supervisory Board.

(in euros)	**12/31/2013**
Short-term benefits excluding employer's contribution	3 283 200
Short-term benefits: employer's contribution	1 408 994
Post-employment benefits	114 998
Other long term benefits	–
Termination benefits	–
Share-based payment[1]	2 327 160

(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 2014, Klépierre cancelled 300 million euros fixed-rate-paying swaps and signed a 200 million euros credit revolving.

On January 20, 2014 the Group proceeded to the sale of the offices of the shopping center Le Millénaire located at the gateway of Paris.

On January 24, 2014, the Group signed the binding agreement for the disposal of a portfolio of 127 Carrefour-anchored retail galleries in Europe. This agreement confirms the terms included in the memorandum of understanding signed on December 16, 2013. The transaction is subject to approval by the competition authorities in France and Spain and to the waiver of preemptive rights by French local authorities.

11.5. Statutory Auditors' fees

	Deloitte				Mazars			
	Amount excl. VAT		%		Amount excl. VAT		%	
(in thousands of euros)	**2013**	2012	**2013**	2012	**2013**	2012	**2013**	2012
Audit	**880**	**929**	**100%**	**100%**	**748**	**872**	**100%**	**100%**
Auditing, certification and review of individual and consolidated financial statements								
• Issuer	214	229	24%	25%	122	148	16%	17%
• Fully-consolidated subsidiaries	544	575	62%	62%	571	651	76%	75%
Other diligences and services directly related to the Statutory Auditors engagement								
• Issuer	83	87	9%	9%	18	60	2%	7%
• Fully-consolidated subsidiaries	39	38	4%	4%	37	13	5%	1%
Other services provided by Statutory Auditors to fully-integrated subsidiaries								
• Legal, tax, employment-related and other services								
TOTAL	**880**	**929**	**100%**	**100%**	**748**	**872**	**100%**	**100%**

11.6. Identity of the consolidating companies

At December 31, 2013, Klépierre is consolidated using the equity method by Simon Property Group and BNP Paribas, which hold respectively a 28.89% and a 21.30% 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, 2013 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, 2013 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.

II – Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention on 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 signed external appraisals;
- note 2.12.1 to the consolidated financial statements indicate that your Group used estimated methods regarding to the follow-up of the value of goodwill. Our procedures consisted in evaluating the appropriateness of the data and the hypothesis based on these estimates, in reviewing the calculation method performed by independent appraiser and your Group, in examining the approval procedures of these estimates by the board and then, in verifying that notes to the consolidated financial statements provide applicable information about the hypothesis used;
- notes 2.21 and 5.16 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 5, 2014
The Statutory Auditors
French original signed by

Mazars	**Deloitte & Associés**	
Gilles Magnan	José-Luis Garcia	Joël Assayah

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CORPORATE FINANCIAL STATEMENTS AT DECEMBER 31, 2013

7.1. INCOME STATEMENT

(in thousands of euros)	Notes	**12/31/2013**	12/31/2012
OPERATING REVENUE			
Lease income		13 884	23 619
■ Rents		12 034	20 333
■ Re-invoiced charges to tenants		1 850	3 286
Write-back of provisions (and depreciation and amortization) & expense transferts		2 044	3 085
Other income		296	778
TOTAL I		**16 223**	**27 481**
OPERATING EXPENSES			
Purchases and external expenses		-16 140	-14 956
Taxes and related		-2 682	-2 490
Salaries and wages		-610	-585
Social benefits charges		-2 609	-1 878
Allowances for depreciation and provisions			
■ On fixed assets and defferred expenses: depreciation and amortization allowances		-3 439	-6 707
■ On fixed assets: provisions		–	-827
■ On current assets: provisions		-213	-183
■ For contingencies and losses: provisions		-1 592	-1 132
Other expenses		-312	-2 853
TOTAL II		**-27 596**	**-31 609**
Operating income (I + II)	**5.1**	**-11 372**	**-4 128**
SHARE OF INCOME FROM JOINT OPERATIONS	**5.2**		
Profits applied or losses transferred (III)		182 039	378 740
Losses borne or profits transferred (IV)		-23 132	-6 795
FINANCIAL INCOME	**5.3.1**		
From Investments		156 375	373 660
From other marketable securities and receivables from fixed assets		–	–
Other interests and similar income		4 872	2 915
Reversal of provisions and transferred charges		71 949	53 896
Positive exchange rate variances		31	
Net income from disposal of marketable securities		27	72
TOTAL V		**233 254**	**430 543**
FINANCIAL EXPENSES	**5.3.2**		
Allowance for depreciation and provisions		-135 614	-73 018
Interest and similar expenses		-255 185	-253 433
Negative exchange rate vacancies		-32	-14
Net expenses from disposal of marketable securities		–	–
TOTAL VI		**-390 831**	**-326 465**
Net financial income (V + VI)		**-157 578**	**104 078**
Net income from ordinary operations before tax (I + II + III + IV + V + VI)		**-10 043**	**471 894**
NON-RECURRING INCOME			
On management transactions		–	–
On capital transactions		245 950	246 567
Write-back of provisions and transfer of expenses		–	–
TOTAL VII		**245 950**	**246 567**
NON-RECURRING EXPENSES			
On management transactions		–	–
On capital transactions		-159 782	-203 203
Allowances for depreciation and provisions		–	–
TOTAL VIII		**-159 782**	**-203 203**
NON-RECURRING INCOME (VII-VIII)	**5.4**	**86 167**	**43 364**
Employee profit-sharing (IX)		**–**	**–**
Corporate income tax (X)	**5.5**	**-598**	**-491**
Total revenue (I + III + V + VII)		**677 466**	**1 083 331**
Total expenses (II + IV + VI + VIII + IX + X)		**-601 940**	**-568 564**
NET INCOME		**75 526**	**514 767**

7.2. BALANCE SHEET

ASSETS

				12/31/2013	12/31/2012
(in thousands of euros)	Notes	Gross	Depreciations and provisions	Net	Net
FIXED ASSETS					
Intangible assets	**3.1**	**1 578**	**614**	**964**	**964**
Set-up costs		614	614	–	–
Research and development costs		–	–	–	–
Concessions, patents and similar rights		19	–	19	19
Goodwill		945	–	945	945
Tangible assets	**3.1**	**100 157**	**20 437**	**79 722**	**189 870**
Land		41 417	797	40 620	131 666
Buildings and fixtures		47 843	19 273	28 571	57 714
■ Structures		34 428	9 201	25 227	43 049
■ Facades, cladding and roofing		4 543	2 163	2 381	6 254
■ General and technical installations		4 039	3 177	862	6 058
■ Fittings		4 833	4 733	101	2 354
Technical installations, plant and equipment		367	367	1	1
Other		15	–	15	15
Tangible assets in progress		9 549	–	9 549	474
Advances and pre-payments		966	–	966	–
Financial assets	**3.2.1**	**7 957 185**	**117 399**	**7 839 785**	**7 878 862**
Investments	3.2.1	4 815 269	117 221	4 698 048	4 639 056
Loans to subsidiaries and related companies	3.2.2	3 065 999	–	3 065 999	3 158 292
Other long-term investments		179	179	–	–
Loans	3.3.1	50 288	–	50 288	50 627
Other	3.3.1	25 450	–	25 450	30 887
TOTAL I		8 058 920	138 450	7 920 470	8 069 695
CURRENT ASSETS					
Advances and pre-payments on orders		**4 366**	**–**	**4 366**	**3 485**
Receivables	**3.4**	**7 331**	**482**	**6 849**	**10 066**
Trade accounts and notes receivable		3 213	482	2 731	3 253
Other		4 118	–	4 118	6 812
Marketable securities	**3.5**	**75 640**	**–**	**75 640**	**87 635**
Treasury shares		68 050	–	68 050	68 346
Other securities		7 590	–	7 590	19 289
Cash & cash equivalents		**34 322**	**–**	**34 322**	**34 749**
Prepaid expenses	**3.6**	**70 397**	**–**	**70 397**	**82 641**
TOTAL II		192 056	482	191 574	218 576
Deffered expenses (III)	**3.6**	**12 510**	**–**	**12 510**	**15 830**
Loan issue premiums (IV)	**3.6**	**7 567**	**–**	**7 567**	**9 582**
Currency translation adjustment – assets (V)	**3.7**	**1 637**	**–**	**1 637**	**5 282**
GRAND TOTAL (I + II + III + IV + V)		8 272 691	138 932	8 133 758	8 318 966

7.2. BALANCE SHEET

LIABILITIES

(in thousands of euros)	Notes	12/31/2013	12/31/2012
SHAREHOLDERS' EQUITY	**4.1**		
Share capital (of which paid-in)		279 258	279 258
Additional paid-in capital (from share issues, mergers and contributions)		1 605 577	1 605 577
Positive merger variance		197 952	197 952
Positive canceled share variance		18 557	18 557
Revaluation variances			
Legal reserve		27 926	26 551
Other reserves		168 055	168 055
Retained earnings		629 296	408 857
Net income		**75 526**	**514 767**
Investment subsidies		–	–
Regulated provisions		–	–
TOTAL I		**3 002 146**	**3 219 573**
PROVISIONS FOR CONTINGENCIES AND LOSSES	**4.2**	**94 059**	**50 742**
Provision for contingencies		93 625	50 423
Provision for losses		434	319
TOTAL II		**94 059**	**50 742**
DEBTS			
Financial debts	**4.3**	**4 987 106**	**4 985 381**
Other bonds		3 075 050	3 075 050
Loans and borrowings and debts from credit institutions		1 032 531	835 749
Other loans and borrowings		879 525	1 074 582
Trade accounts and notes receivable		**352**	**246**
Trade payables		**20 295**	**25 228**
Trade payables and related accounts	4.4	17 158	22 307
Social and tax liabilities	4.5	3 138	2 921
Other payables		**1 350**	**2 151**
Payables to fixed asset suppliers		313	1 450
Other	4.6	1 037	701
Prepaid income	**4.7**	**27 661**	**32 179**
TOTAL III		**5 036 765**	**5 045 185**
Currency translation adjustment – liabilities (IV)		**788**	**3 465**
GRAND TOTAL (I + II + III + IV)		**8 133 758**	**8 318 966**

7.3. NOTES TO THE CORPORATE FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT EVENTS

1.1. Buyout of the minority share (non-controlling interests) of the securities of the company Klémurs

Following the simplified public tender offer occurred from February 21 to March 8, and then a simplified squeeze-out procedure taking place from April 10 to 15, 2013, on the shares of Klémurs, Klépierre SA acquired all minority interests amounting to 15.89% of the share capital of Klémurs for a total of 32.2 million euros (excluding acquisition costs).

1.2. Dividend payment

The General Meeting of April 11, 2013 set the 2012 dividend per share at 1.50 euro and proposed the payment in cash.
The total dividend paid was 292.9 million euros.

1.3. New funding arrangements

Klépierre obtained a syndicated loan of 750 million euros from a group of 16 leading banks, maturing in 2018.
During the second half-year, Klépierre also raised 3 bilateral loans for an amount of 300 million euros. These lines have not been drawn upon to date.
These new loans allowed Klépierre to give up the 2 bilateral loan lines granted by BNP Paribas that have not been drawn upon: one for 500 million euros with maturity in March 2016 and another for 500 million euros with maturity in March 2018.

1.4. Real estate asset transactions

Klépierre SA continued to apply its disposal policy during the year, resulting in the disposal of the following office buildings:

- 21, rue La Pérouse, Paris (16th district);
- 21, avenue Kléber, Paris (16th district);
- 192, avenue Charles-de-Gaulle, Neuilly-sur-Seine (92);
- 7, rue Meyerbeer, Paris (9th district).

NOTE 2. ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

2.1. Application of accounting conventions

The corporate financial statements for the period ended December 31, 2013, 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.

In accordance with the ANC No. 2013-02 of November 7, 2013 recommendation on valuation rules of pension commitments and similar benefits, the company has opted for the immediate recognition of all of its pension liabilities. The first time application of this recommendation has resulted in the recognition in equity of actuarial losses balance amounting to 22 thousand euros at December 31, 2013. This impact was treated as change in methods and consequently recognized in equity.

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 (FSIF – 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.

4 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, existing office buildings have been broken down using the following percentages (according to FSIF template):

Components	Office properties	Depreciable life (straight line)
Structures	60%	60 years
Facades	15%	30 years
GTI	15%	20 years
Fittings	10%	12 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 322-5 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 322-1 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 asset.
The Company has exercised the option of recognizing the acquisition cost of long-term financial investments as expenses (articles 321-10 and 321-15 of the French General Accounting Code).

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, insurance 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 2 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 third Amending Finance Law 2012 set up the CICE starting January 1, 2013, with the following main characteristics:
- a 4% 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.

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% (versus 85%) 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% (versus 50%) 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;
- the Amending Finance Law 2013 made changes concerning the thresholds for mandatory distributions that are thus higher.

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 12/31/2012	Acquisitions, new businesses and contributions	Reductions by disposals, retirement of assets	Inter-item transfers	Merger	**Gross values at 12/31/2013**
INTANGIBLE ASSETS						
Set-up costs	**614**	**–**	**–**	**–**	**–**	**614**
Other intangible assets	**964**	**–**	**–**	**–**	**–**	**964**
■ Technical negative variance	945	–	–	–	–	945
■ Other	19	–	–	–	–	19
TOTAL	1 578	–	–	–	–	1 578
TANGIBLE ASSETS – NET VALUE						
Land	**131 721**	**–**	**-90 304**	**–**	**–**	**41 417**
■ Operating lease	121 511		-80 094			41 417
■ Operational lease	10 210		-10 210			–
Structures	**60 733**	**–**	**-26 306**	**–**	**–**	**34 428**
■ Operating lease	56 070		-21 642			34 428
■ Operational lease	4 664		-4 664			–
Facades, cladding and roofing	**9 950**	**–**	**-5 406**	**–**	**–**	**4 543**
■ Operating lease	9 060		-4 517			4 543
■ Operational lease	889		-889			–
General and technical installations	**12 614**	**–**	**-8 582**	**7**	**–**	**4 039**
■ Operating lease	11 787		-7 755	7		4 039
■ Operational lease	827		-827			–
Fittings	**13 841**	**316**	**-9 324**	**–**	**–**	**4 833**
■ Operating lease	13 339	316	-8 822			4 833
■ Operational lease	502		-502			–
Fittings and construction in progress	**474**	**10 468**	**-420**	**-7**		**10 515**
Other property, plant and equipment	**403**	**–**	**-21**	**–**	**–**	**382**
TOTAL	229 736	10 784	-140 363	–	–	100 157
TOTAL GROSS FIXED ASSETS	231 314	10 784	-140 363	–	–	101 735

The decreases correspond to the disposals of the following office buildings:

- 21, rue La Pérouse and 21, avenue Kléber, Paris (16th district);
- 7, rue Meyerbeer, Paris (9th district);
- 192, avenue Charles-de-Gaulle, Neuilly-sur-Seine (92).

The item "Fittings and Construction in Progress" includes mainly fees on a sale before completion agreement signed on November 14, 2013, concerning a building located in Pantin (93) that should be delivered in February 2016.

3.1.2. Depreciation and amortization

(in thousands of euros)	Amortization at 12/31/2012	Allowances	Disposals	Other movements	Merger	**Amortization at 12/31/2013**
INTANGIBLE ASSETS						
Set-up costs	**614**	**–**	**–**	**–**	**–**	**614**
Other intangible assets	**–**	**–**	**–**	**–**	**–**	**–**
■ Technical negative variance	–	–	–	–	–	–
■ Other	–	–	–	–	–	–
TOTAL	614	–	–	–	–	614
TANGIBLE ASSETS – NET VALUE						
Structures	**16 857**	**1 803**	**-9 459**	**–**	**–**	**9 200**
■ Operating lease	15 818	1 753	-8 370			9 200
■ Operational lease	1 039	50	-1 089			–
Facades, cladding and roofing	**3 696**	**377**	**-1 911**	**–**	**–**	**2 162**
■ Operating lease	3 355	361	-1 554			2 162
■ Operational lease	341	16	-357			–
General and technical installations	**6 556**	**664**	**-4 045**	**–**	**–**	**3 177**
■ Operating lease	6 041	640	-3 504			3 177
■ Operational lease	517	25	-541			–
Fittings	**11 487**	**383**	**-7 137**	**–**	**–**	**4 733**
■ Operating lease	10 971	382	-6 620			4 733
■ Operational lease	516	1	-517			–
Other property, plant and equipment	**388**	**–**	**-21**	**–**		**367**
TOTAL	38 984	3 228	-22 574	–	–	19 640
TOTAL AMORTIZATION	39 598	3 228	-22 574	–	–	20 254

(in thousands of euros)	Provision at 12/31/2012	Allowances	Disposals	Other movements	Merger	**Provision at 12/31/2013**
TANGIBLE ASSETS						
Land	**55**	**–**	**-85**	**827**		**797**
Buildings and fixtures	**827**	**–**	**–**	**-827**	**–**	**–**
■ Operating lease	827			-827		–
TOTAL PROVISIONS	882	–	-85	–	–	797
TOTAL DEPRECIATION, AMORTIZATION AND PROVISIONS	40 480	3 228	-22 659	–	–	21 051

3.1.3. Net fixed assets

(in thousands of euros)	Net values at 12/31/2012	Net increases in allowances	Net reduction in write-backs	Inter-item transfers	Merger	Net values at 12/31/2013
INTANGIBLE ASSETS						
Set-up costs	**–**	**–**	**–**	**–**	**–**	**–**
Other intangible assets	**964**	**–**	**–**	**–**	**–**	**964**
■ Technical negative variance	945	–	–	–	–	945
■ Other	19	–	–	–	–	19
TOTAL	964	–	–	–	–	964
TANGIBLE ASSETS – NET VALUE						
Land	**131 666**	**–**	**-90 219**	**-827**	**–**	**40 620**
■ Operating lease	121 456	–	-80 009	-827	–	40 620
■ Operational lease	10 210	–	-10 210	–	–	–
Structures	**43 049**	**-1 803**	**-16 846**	**827**	**–**	**25 229**
■ Operating lease	39 426	-1 753	-13 271	827	–	25 229
■ Operational lease	3 625	-50	-3 575	–		–
Facades, cladding and roofing	**6 254**	**-377**	**-3 495**	**–**	**–**	**2 382**
■ Operating lease	5 706	-361	-2 963	–	–	2 382
■ Operational lease	548	-16	-532	–		–
General and technical installations	**6 058**	**-664**	**-4 537**	**7**	**–**	**862**
■ Operating lease	5 746	-640	-4 251	7	–	862
■ Operational lease	310	-25	-286	–		–
Fittings	**2 355**	**-67**	**-2 187**	**–**	**–**	**100**
■ Operating lease	2 368	-66	-2 202	–	–	100
■ Operational lease	-14	-1	15	–	–	–
Fittings and construction in progress	**474**	**10 468**	**-420**	**-7**	**–**	**10 515**
Other property, plant and equipment	**15**	**–**	**–**	**–**	**–**	**15**
TOTAL	189 870	7 556	-117 704	–	–	79 722
TOTAL NET FIXED ASSETS	190 834	7 556	-117 704	–	–	80 686

3.2. Financial assets

3.2.1. Equity investments

(in thousands of euros)	
GROSS EQUITY INVESTMENTS ON OPENING	4 737 921
Acquisitions of equities	**113 310**
■ Received in payment for contributions of buildings or shares to subsidiaries	–
■ Purchases, capital increase and contributions	113 310
Decrease in equities	**-35 962**
■ Decreases, capital reductions and contributions	-35 962
Disposals and transfers of equities	**–**
■ Retirement of shares	–
GROSS EQUITY INVESTMENTS ON CLOSING	4 815 269

The change in the item “Acquisitions of equities” refers mainly to:

- the acquisition of securities of the following companies:
  - Klécab SCI for 1.8 million euros;
  - Klénord Imobiliaria SA, Klétel Imobiliaria SA, Klélou Imobiliaria SA, Kléminho Imobiliaria SA and Galeria Parque Nascente SA for 31 million euros; The securities in Portugal were sold and contributed to Klépierre Luxembourg SA by set-off of liquid receivables;
  - Klémurs SCA for 32.2 million euros;

- the recapitalization by set-off of liquid receivables from the following companies:
  – Klépierre Management España SL for 1.7 million euros;
  – Klépierre Portugal SA for 15.3 million euros.

The item "Decrease in equities" is mainly made up of:

- the distribution of issue premium and capital reduction of La Plaine du Moulin à Vent SCI for 5 million euros;
- the sales of securities of subsidiaries in Portugal for a total amount of 31 million euros.

Provisions

(in thousands of euros)	Provisions at 12/31/2012	Allowances	Write-backs	**Provisions at 12/31/2013**
FINANCIAL ASSETS				
Investments	98 865	37 398	-19 042	117 221
TOTAL PROVISIONS	**98 865**	**37 398**	**-19 042**	**117 221**

The change in the item "Provisions for investments" relates mainly to:

- impairment of shares in the following companies:
  – Galeries Drancéennes SCI for 0.8 million euros;
  – Klépierre Management Česká republika SRO for 1 million euros;
  – Klépierre Management Portugal SPA for 1 million euros;
  – Klépierre Conseil SAS for 1 million euros;
  – Klépierre Management Magyarország KFT for 1.5 million euros;
  – Klépierre Management Polska Sp. z o.o. for 3.9 million euros;
  – Klépierre Management España SL for 4.4 million euros;
  – Klépierre Créteil SCI for 20.7 million euros.

- write-backs of impaired shares in the following companies:
  – Klépierre Portugal SA for 1.2 million euros;
  – Holding Gondomar 1 SA for 4.6 million euros;
  – Capucine BV for 13.2 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	18 821	52,00	6 798	19 061	44 991	44 991		47 311	
Bègles Papin SCI	765	6 871	100,00	720	1 265	7 636	7 636		5 049	
Capucine BV	58 480	313 167	100,00	148 001	–	659 346	619 669		279	
Cécoville SAS	2 723	159 537	100,00	-797	41 769	161 956	161 956	82 423	105 911	
Centre Bourse SNC	3 813	–	100,00	2 494	4 487	47 419	47 419		6 306	
Clermont Jaude SAS	21 686	2 169	100,00	7 320	13 425	76 396	76 396		123 004	6 239
Combault SCI	778	6 984	100,00	792	1 722	7 762	7 762		2 852	
Foncière de Louvain-la-Neuve SA	12 062	-29 217	100,00	-1 097	–	12 061	12 061		52 366	
Galeria Commerciale Klépierre SRL	1 560	37 914	100,00	1 229	4 617	41 052	41 052		3 400	1 044
Galeries Drancéennes SCI	4	600	100,00	2 291	5 321	58 596	57 769		9 070	
Havre Colbert SNC	10	–	100,00	–	–	10	10		15 388	
Holding Gondomar 1 SA	5 085	24 360	100,00	3 354	5 563	64 735	64 735		6 969	3 124
Holding Gondomar 3 SAS	835	6 432	100,00	433	–	8 021	8 021		272	473
KLE 1 SAS	8 248	20 626	100,00	8 101	104	82 154	82 154		25 426	7 686
Klecab SCI	450	1 350	100,00	-177	180	1 800	1 800		2 376	
Klé Projet 1 SAS	3 754	22 130	100,00	3 053	3 196	37 201	37 201		40 500	
Kleber Odysseum SCI	15	–	100,00	-5 379	–	15	15		132 513	
Klécar Europe Sud SCS	315 260	301 220	83,00	19 892	–	523 247	523 247		–	
Klécar France SNC	500 881	285 701	83,00	117 123	86 652	831 462	831 462		25 538	
Klécar Participations Italie SAS	20 456	1 051	83,00	7 626	–	17 587	17 587		83 936	5 067
Kléfin Italia SPA	15 450	87 155	100,00	-3 827	329	125 625	125 625		22 600	
Klémentine BV	2 244	17 897	100,00	-43	–	22 435	22 435		1 575	
Klémurs SCA	82 500	50 308	100,00	-3 529	42 544	156 760	156 760		300 000	

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
Klépierre Conseil SAS	1 108	5 622	100,00	-725	1 789	7 934	6 896		3 172	1 668
Klépierre Créteil SCI	5 721	24 277	100,00	-19 548	2 238	57 201	13 073		30 333	
Klépierre Finance SAS	38	4	100,00	172	–	38	38		–	287
Klépierre Luxembourg SA	117 834	288 046	100,00	13 052	–	346 553	346 553		216 143	
Klépierre Management Česká Republica SRO	109	173	100,00	409	3 357	10 500	8 000		–	972
Klépierre Management España SL	1 212	-589	100,00	-1 000	10 044	15 130	10 800	504	161	
Klépierre Management Hellas SA	247	-11	99,90	-287	106	669	–		–	
Klépierre Management Italia SRL	143	4 825	100,00	1 056	14 290	22 390	22 390		–	
Klépierre Management Magyarország KFT	10	35	100,00	58	2 547	7 900	4 800		–	
Klépierre Management Polska Sp. z o.o.	12	1 660	100,00	98	3 050	10 900	4 600		–	421
Klépierre Management Portugal SA	200	556	100,00	-86	2 245	9 600	3 300		–	
Klépierre Management SNC	1 412	1 809	100,00	-13 525	88 968	50 102	50 102	1 128	–	
Klépierre Nordica BV	60 000	297 904	100,00	-26	–	358 016	358 016		124	
Klépierre Participation et Financements SAS	576	–	100,00	-6	–	1 377	570		–	
Klépierre Portugal SA	250	-100	100,00	14 506	–	19 496	14 656		–	
Klépierre Trading KFT	168	1 273	100,00	201	501	199	199		–	
Klétransactions SNC	348	403	100,00	27	59	751	751		–	
Klévannes SCI	15	–	100,00	–	–	15	15		–	
LP 7 SAS	45	25	100,00	-9	–	261	261		–	
Nancy Bonsecours SCI	3 054	3 053	100,00	-116	–	6 565	6 107		2 049	
Pasteur SNC	227	1 738	100,00	-6 351	230	2 091	1 966	36 337	19 134	
Portes de Clayes SCI	63 645	190 935	55,00	9 309	18 514	140 019	140 019		–	
Progest SAS	7 703	25 461	100,00	5 963	657	116 055	116 055		24 181	11 905
Saint Maximin Construction SCI	2	–	55,00	41	44	524	233			
SCOO SC	24 431	315 839	53,64	33 266	55 365	193 910	193 910		–	
Sécovalde SCI	12 189	115 929	55,00	17 048	34 620	92 482	92 482		24 993	
Soaval SCS	4 501	30 673	98,76	3 545	19 526	42 046	42 046	645	92 529	
Sodévac SNC	2 918	26 245	100,00	3 834	7 592	29 163	29 163		6 948	
TOTAL I				**375 285**	**495 975**	**4 530 154**	**4 414 764**	**121 037**	**1 432 407**	**38 887**
2. Investments of between 10% and 50%										
Bassin Nord SCI	103 889	41 634	50,00	-4 727	28 830	72 762	72 762		109 903	
Cécobil SCS	5 122	10 164	50,00	4 282	14 983	7 642	7 642		19 305	
Forving SARL	11	-14	26,03	-1	–	668	–		345	
Klépierre Brand Venture SNC	330	–	49,00	372	9 043	490	162		–	
Klépierre Management Slovensko SRO	7	2	15,00	5	256	4	2		–	3
La Plaine du Moulin à Vent SCI	28 307	15 500	50,00	-2 646	5 619	21 903	21 903		3 463	
Le Havre Lafayette SNC	525	9	50,00	3 645	6 711	983	983		0	
Le Havre Vauban SNC	300	5	50,00	-203	576	237	237		428	
Odysseum Place de France SCI	97 712	-5 471	50,00	6 485	20 246	49 004	49 004	7 250	53 279	
Plateau des Haies SCI	3	–	12,00	2 093	2 386	3 253	3 253		396	
Solorec SC	4 869	2 768	49,29	28 076	41 548	124 104	124 104		10 244	
TOTAL II				**37 382**	**130 199**	**281 050**	**280 052**	**7 250**	**197 362**	**3**
GRAND TOTAL I + II				**412 667**	**626 174**	**4 811 204**	**4 694 816**	**128 287**	**1 629 769**	**38 889**

3.2.2. Loans to subsidiaries and related companies

(in thousands of euros)	**12/31/2013**	12/31/2012
Advances on equity securities	2 837 625	2 694 750
Accrued Interest on advances	71 863	114 165
Share of net income	156 511	349 377
TOTAL	**3 065 999**	**3 158 292**

The change in the item "Advances on equity securities" refers mainly to increases in advances to the following companies:
- Klépierre Luxembourg SA for 189 million euros for the acquisition of shares of IGC and the buyback of advances of the Portuguese subsidiaries;
- Kléber Odysseum SCI for an amount of 133 million euros for the acquisition of 50% of the securities of OPDF;
- Clermont Jaude SAS for an amount of 53 million euros;
- Klécar France SNC for an amount of 26 million euros.

And by reductions on the following advances:
- Klépierre Portugal SGPS for all of its advance, i.e. an amount of 154 million euros;
- Klefin Italia for an amount of 38 million euros;
- Klépierre Pologne for an amount of 23 million euros;
- Progest SAS for an amount of 13 million euros;
- Klépierre Corvin for an amount of 11 million euros;
- Bassin Nord SCI for an amount of 10 million euros;
- Cécoville SAS for an amount of 9 million euros.

The change in the item "Share of net income" relates mainly to a 198 million euros decrease in the share of income coming from Klécar France SNC.

3.3. Other fixed assets

3.3.1. Loans and other long-term financial investments

Loans concern a subordinated loan agreement of 50 million euros granted by Klépierre to Klémurs SCA on July 29, 2011 for three years term.

(in thousands of euros)	**12/31/2013**	12/31/2012
Deposits paid	–	22
Treasury shares	25 450	30 865
TOTAL	**25 450**	**30 887**

The Company's treasury shares, acquired to be transferred to the vendor as part of an external growth transaction, totaled 25.5 million euros.

3.4. Trade and other receivables

The majority of trade receivables (2.7 million euros) are less than one year old.
Other receivables are shown in the following tables, according to due date:

(in thousands of euros)	**12/31/2013**	12/31/2012
Tax receivables	**2 533**	**5 444**
■ VAT	2 166	5 225
■ Other taxes and duties	367	219
Other receivables	**1 585**	**1 368**
■ Other	1 585	1 368
TOTAL	**4 118**	**6 812**

Receivables maturity schedule

(in thousands of euros)	**Total**	Less than one year	One to five years	More than five years
Tax receivables	**2 533**	**2 533**	–	–
■ VAT	2 166	2 166		
■ Other taxes and duties	367	367		
Other receivables	**1 585**	**1 585**	–	–
■ Other	1 585	1 585		
TOTAL	**4 118**	**4 118**	–	–

3.5. Marketable securities and treasury shares

At December 31, 2013, the stock of treasury shares totals 3 913 822 shares (1.96% of all shares issued), with a net value of 93.5 million euros.
This stock is allocated as follows:
Account #5020000000 treasury shares:

- 97 000 shares as part of the market liquidity agreement for regulating the share price;
- 383 281 shares for the 2007 stock options plan;
- 98 233 shares for the future stock options plan.

Account #5021000000 treasury shares/stock options:

- 371 955 shares for the 2006 stock options plan;
- 258 662 shares for the 2009 stock options plan;
- 434 500 shares for the 2010 stock options plan;
- 552 000 shares for the 2011 stock options plan;
- 259 350 shares for the 2012 bonus share plan;
- 253 000 bonus shares allocated on February 25, 2013 as part of the Klépierre 2013 plan.

1 205 841 shares to cover external growth transactions were recognized in financial assets. In 2013, 255 000 shares have been transferred to be allocated on the 2013 bonus share plan.
1 302 525 treasury shares as part of the market liquidity agreement were sold during the 2013 fiscal year. These transactions resulted in a net gain of 2.9 million euros.
The other shares refer to short-term cash investments totaling 7.6 million euros.

3.6. Prepaid expenses and deferred expenses

(in thousands of euros)	**12/31/2013**	12/31/2012
Prepaid expenses	**70 397**	**82 641**
■ Deferral of payment on swaps	68 320	80 450
■ Construction lease	1 849	1 944
■ Other	228	247
Deferred expenses	**12 510**	**15 830**
■ Bond costs	4 969	6 108
■ Lender loan issue costs	7 541	9 722
Bond premiums	**7 567**	**9 583**
TOTAL	90 474	108 054

The “Prepaid expenses” item mainly refers to deferred upfront payment of swap.

3.7. Translation adjustment (assets)

The translation adjustment for assets relates to the unrealized loss on the loan denominated in SEK.

NOTE 4. NOTES TO THE FINANCIAL STATEMENTS: BALANCE SHEET LIABILITIES

4.1. Shareholders' equity

(in thousands of euros)	12/31/2012	Allocation of profit	Distribution	Others	12/31/2013
Share capital[1]	**279 258**				**279 258**
Additional paid-in capital from issues, contributions and merger premiums					
■ Issue premiums	1 058 950				1 058 950
■ EOC issue premiums	174 012				174 012
■ Contribution premiums	259 318				259 318
■ Merger premiums	113 297				113 297
Positive merger variance	197 952				197 952
Positive canceled share variance	18 557				18 557
Statutory reserve	26 551	1 375			27 926
Other reserves					
■ Regulated reserves	–	–			–
■ Other reserves	168 055				168 055
Retained earnings	**408 857**	**513 392**	**-299 206**	**6 252**[2]	**629 295**
Net income/loss for the year	**514 767**	**-514 767**		**75 526**	**75 526**
TOTAL	3 219 573	–	-299 206	81 778	3 002 146

(1) Composition of share capital					
Ordinary shares	*199 470 340*				*199 470 340*
Par value (in euros)	*1,40*				*1,40*

(2) The increase in retained earnings refers to the +6 274 thousand euros of dividends relating to allocated treasury shares and -22 thousand euros following the change of method on the commitments retirements.

4.2. Provisions for contingencies and losses

(in thousands of euros)	12/31/2013	Allowance	Write-backs	Change of method	12/31/2012
Other provisions for contingencies and losses	94 059	87 846	-44 551	22	50 742
TOTAL	94 059	87 846	-44 551	22	50 742

New provisions in 2013 concern mainly one provision for contingencies of 82.8 million euros on trading swaps and the other provision for contingencies on stock options and bonus shares for 4.7 million euros.
The write-backs of provision relate to a write-back of provision for contingencies of 39.2 million euros on trading swaps and another write-back of provision for foreign exchange losses on the loan in SEK for 4.4 million euros.

4.3. Loans and borrowings

(in thousands of euros)	12/31/2013	12/31/2012
Other bonds	**3 075 050**	**3 075 050**
■ Principal debt	2 989 100	2 989 100
■ Accrued interest[1]	85 950	85 950
Loans and borrowings from credit institutions	**1 032 531**	**835 749**
■ Credit facilities	1 012 878	821 523
■ Interest accrued on credit facilities	1 487	1 759
■ Bank overdrafts	9 490	79
■ Accrued interest on swaps	8 675	12 388
Other loans and borrowings	**879 525**	**1 074 582**
■ Security deposits and guarantees received	1 350	1 676
■ Cash-pooling	313 198	449 459
■ Commercial paper	516 500	600 000
■ Interest accrued on commercial paper	2	–
■ Debts on equity investments	25 344	16 723
■ Share of net income	23 132	6 724
TOTAL	4 987 106	4 985 381

(1) Coupon payable on March 15 and 16, April 13 and 14, May 21, September 17.

At December 31, 2013, the main sources of borrowing were as follows:

- a 689,1 million euros bond issued in March 2006 with a 4.25% coupon and a maturity date of March 2016;
- an 850 million euros bond issued in April 2010 with a 4% coupon and a maturity date of April 2017;
- a 300 million euros bond issued in April 2010 with a 4.625% coupon and a maturity date of April 2020;
- a 600 million euros bond issued in March 2011 with a 4.75% coupon and a maturity date of March 2021;
- a 50 million euros bond issued in May 2012 with a 4.23% coupon and a maturity date of May 2027;
- a 500 million euros bond issued in September 2012 with a 2.75% coupon and a maturity date of September 2019;
- a syndicated loan arranged in 2007 of which 900 million euros is currently drawn down (maximum authorized amount of 1 000 million euros);
- 516.5 million euros from a commercial paper line (guaranteed by a 600 million euro back-up line).

The maturity dates of borrowings at December 31, 2013 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	**3 075 050**	**85 950**	**1 539 100**	**1 450 000**
■ Debt principal	2 989 100		(1) 1 539 100	(2) 1 450 000
■ Accrued interest	85 950	85 950		
Loans and borrowings from credit institutions	**1 032 531**	**1 032 531**	**–**	**–**
■ Credit facilities	1 012 878	1 012 878		
■ Interest accrued on credit facilities	1 487	1 487		
■ Bank overdrafts	9 490	9 490		
■ Interest accrued on swaps	8 675	8 675		
Other loans and borrowings	**879 525**	**852 978**	**25 197**	**1 350**
■ Security deposits and guarantees received	1 350			1 350
■ Cash-pooling	313 198	313 198		
■ Commercial paper	516 500	516 500		
■ Interest accrued on commercial paper	2	2		
■ Debts on equity investments	25 344	147	25 197	
■ Share of net income	23 132	23 132		
TOTAL	**4 987 106**	**1 971 459**	**1 564 297**	**1 451 350**

(1) March 2016: €689 100 000, April 2017: €850 000 000.
(2) September 2019: €500 000 000, April 2020: €300 000 000, March 2021: €600 000 000, May 2027: €50 000 000.

4.4. Trade and other payables

On average, suppliers are paid approximately 30 days from the billing date.

4.5. Social and tax liabilities

(in thousands of euros)	**12/31/2013**	12/31/2012
Personnel and related accounts	337	433
Other taxes	2 801	2 488
TOTAL	**3 138**	**2 921**

The increase of "other tax" corresponds to VAT to pay.

4.6. Other liabilities

(in thousands of euros)	**12/31/2013**	12/31/2012
Other[1]	1 037	701
TOTAL	**1 037**	**701**

(1) Less than one year.

4.7. Prepaid income

(in thousands of euros)	**12/31/2013**	12/31/2012
Prepaid income	**27 661**	**32 179**
■ Deferral of payment on swaps	1 520	1 859
■ Deferral of bond issue premiums	26 141	30 320
TOTAL	**27 661**	**32 179**

The issuance premium of bonds is straight-lined over the term of bonds.

4.8. Translation adjustment (liabilities)

The translation adjustment (liabilities) corresponds to the unrealized gain on the loan denominated in SEK with Storm Holding Norway AS.

NOTE 5. NOTES TO THE FINANCIAL STATEMENTS: INCOME STATEMENT

5.1. Operating income

The decrease by 9.7 million euros on lease income at December 31, 2013, is mainly the result of office building sales totaling 7.3 million euros.
Revenues mainly consist of rents from office investment properties, mainly in Paris and the Paris region.
Operating income for the year 2012 decreases by 7.3 million euros, compared to December 31, 2012.

5.2. Share of income from joint operations

This item totals 158.9 million euros at December 31, 2013.
It largely consists of:

- The company's share in the 2012 income reported by the limited partnerships (SCSs) Cecobil, Klécar Europe Sud and Bègles Arcins, which totals 7.6 million euros;
- A 12.3 million euros payment on account against the share in the 2013 income of SCS Klécar Europe Sud;
- The company's share in the 2013 income of SNC Klécar France, totaling 97.2 million euros, SC SCOO, 17.8 million euros, SCI Solorec 13.8 million euros, and SCI Secovalde, 9.3 million euros.

5.3. Net financial income

The company recorded a net financial loss of 157.6 million euros at December 31, 2013 compared with 104.1 million euros profit at December 31, 2012.

5.3.1. Financial income

(in thousands of euros)	**12/31/2013**	12/31/2012
Income from sale of securities	27	72
Income from interest rate swaps(1)		
Income from equity investments	38 889	246 005
Positive variance from merger and canceled shares	–	2 982
Interest on associates' advances	117 486	124 672
Sundry interest received		–
Other revenue and financial income	4 872	2 861
Reversal of financial provisions	65 124	42 693
transferred financial expenses	6 824	11 204
Currency translation gains	31	54
TOTAL FINANCIAL INCOME	**233 254**	**430 543**

(1) Swap-related income and expenses are netted.

The change in income from equity investments refers principally to:

- a fall in dividends from Klécar France SNC, which had paid 178.6 million euros against its issue premium in 2012, a 21.4 million euros dividend from Kléber La Pérouse SNC following its 2012 merger, and Klémurs SCA, which paid no dividend in 2013 after 8.3 million euros in 2012.

Other positions:

- other financial income and products meet smears share premium received on bonds for 4.2 million euros and compensation guarantee for 0.7 million euros;

- reversals of financial provisions correspond to the reversal of a provision for risks on swaps "trading" for 39.2 million euros, the reversal of provision for loss on the loan for SEK 4.4 million euros, with reversals on investments and receivables from investments of 21 million euros and the reversal of provisions on treasury shares for 0.5 million euros;
- transfer of financial expenses 31 December 2013 consists of spreading the bank commissions on the syndicated loan and bilateral loans taken during the year;
- foreign exchange gains correspond to finance transactions Steen & Strøm.

5.3.2. Financial expenses

(in thousands of euros)	**12/31/2013**	12/31/2012
Interest on bonds	121 527	101 461
Interest on associates' advances	615	614
Interest on loans from credit institutions	11 841	37 802
Other bank interest	9	
Swap-related expenses[1]	96 121	86 965
Interest on current accounts and credit deposits	4 821	3 689
Other financial expenses	20 252	22 902
Amortization allowance on bond premiums	2 015	1 723
Amortization allowance on loan issue fees	9 946	3 725
Allowances for financial provisions	123 652	67 570
Currency translation expenses	32	14
TOTAL FINANCIAL EXPENSES	**390 831**	**326 465**

(1) Swap-related income and expenses are netted.

The 20.1 million euros increase in interests on bonds is due to full year effect for the loans contracted during 2012.
The change in the item "Interest on loans from credit institutions" is explained by a reduction of interest on the 2009, 2011 and 2012 bilateral loans for 19 million euros, on the 2007 syndicated loan for 3.7 million euros and on the interest on commercial paper for 2.3 million euros.

"Allowances for financial provisions" mainly includes:
- 82.8 million euros of provisions for contingencies on trading swaps;
- 37.4 million euros of provisions for depreciation on equity investments;
- 3.4 million euros of provisions for treasury shares.

At December 31, 2013, net expenses on swaps included:
- net interest expense of 14.7 million euros;
- deferred upfront payment of swaps with a net cost of 81.4 million euros.

The item "Interest on loans from credit institutions" includes:
- 7.6 million euros of interest for the 2007 syndicated loan;
- 3 million euros for the loan in SEK;
- 1.2 million euros for commercial paper.

The item "Interest on current accounts and credit deposits" includes:
- 4.8 million euros of interest for the cash centralization scheme.

5.4. Non-recurring income

(in thousands of euros)	**12/31/2013**	12/31/2012
Income from disposal of investments propreties and equity investments	79 900	39 744
Income from disposal of treasury shares	3 267	3 620
Other non-recurring income and expenses	3 000	–
TOTAL	**86 167**	**43 364**

The item "Income from disposal of investments properties and equity investments" refers to the net gain on sales of office buildings.
"Other non-recurring income and expenses" refers to the deposit received due to non-completion of the sale of offices located rue Meyerbeer for which a first sale agreement was signed.

5.5. Corporate income tax

(in thousands of euros)	12/31/2013	12/31/2012
Corporate income tax and contributions	-598	-491
TOTAL	-598	-491

Corporate income tax and contributions, recorded at -0.6 million euros, reflects mainly a -1 million euros additional tax on dividends paid net and 0.2 million euros of tax credits applied.
Article 6 of Amending Finance Law 2012-958 of August 16, 2012 introduced an additional corporate income tax contribution on dividends paid at 3%. However, Article 36 of Amending Finance Law 2012-1510, of December 29, 2012, exempts from this additional contribution any dividends paid between January 1 and December 31, 2013 by companies who have opted for the dividend tax regime specified in Article 208 C of the General Tax Code.
Article 18 of the 2013 Amending Finance Law makes permanent this exoneration from the 3% additional corporate income tax contribution on dividends. On the other hand, it raises the mandatory level of payout on income from rental property and similar assets and from gains on their disposal.

NOTE 6. NOTES TO THE FINANCIAL STATEMENTS: OFF-BALANCE SHEET COMMITMENTS

6.1. Reciprocal commitments relating to interest rate hedging instruments

At December 31, 2013, 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, 2013 rises to 215.8 million euros (excluding accrued coupons) in which a part relates to swaps provisioned for 82.8 million euros (excluding accrued coupons).

Firm deals

(in thousands of euros)	12/31/2013	12/31/2012
Fixed-rate payer Klépierre – Variable-rate payer BNP Paribas and others	1 400 000	3 000 000
Fixed-rate payer BNP Paribas and others – Variable-rate payer Klépierre	1 100 000	1 100 000
Trading hedging instrument – Extendable fixed-rate payer Klépierre	900 000	200 000
Trading hedging instrument – Cap - Cap-rate buyer Klépierre	–	200 000

Impact on income

	12/31/2013	
(in thousands of euros)	Income	Expenses
Fixed-rate payer Klépierre – Variable-rate payer BNP Paribas and others	3 046	46 816
Fixed-rate payer BNP Paribas and others – Variable-rate payer Klépierre	46 313	17 276

(in thousands of euros)	12/31/2013	12/31/2012
Commitments given		
Commitments on purchases of securities and malls	–	–
Committments on sale promissory agreement	–	–
Funding commitments given to credit institutions	152 132	143 451
Other commitments given	62 517	74 054
TOTAL	214 649	217 505
Commitments received	**–**	
Deposits received from tenants	1 584	2 497
Funding commitments received from credit institutions	1 633 500	1 695 000
Commitments to buy securities		–
Commitments on sale on buildings	35 300	–
Other commitments received	8 500	–
TOTAL	1 678 884	1 697 497

The item "Other commitments given" refers mainly to the remaining balance to pay on the sale before completion contract (under which payment is guaranteed by the buyer and completion guaranteed by the developer) for construction of buildings at Pantin.
A sale promissory agreement was signed for the offices located at 141 rue de Javel (Paris – 15th district). The disposal should take place during the 1st quater 2014.

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 2 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 latter to consider a range of exit scenarios in 2016 and 2017 (for the Italian companies) or 2014 and 2015 (for the other malls):
  - 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 project 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. 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 of 2007 applying to IGC and/or Clivia (the owner of the Lonato, Verona and Vittuone malls). In the case of IGC, this was replaced by an agreement signed on July 23, 2009.
All these agreements grant Finiper a put (option to sell) enabling the latter to sell its shares in IGC and/or Clivia to Klépierre. This put expires in 2017 and can be split into two parts:

- 1 of 12% and one of 16.70% for IGC;
- 2 parts, each of 25%, for Clivia.

Any refusal by Klépierre regarding the second IGC part and 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 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.

Klépierre Management counter-guarantee

Klépierre has an agreement with its subsidiary company Klépierre Management under which the latter is granted a global mandate to identify new investment projects. Under this agreement, Klépierre SA guarantees 75% of the expenses involved in these development projects and stocked by SNC Klépierre Management until completion of the transaction.

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.

NOTE 7. ITEMS CONCERNING RELATED COMPANIES

Items *(in thousands of euros)*	Amounts
Advances and pre-payments on fixed assets	–
Net equity investments	4 592 717
Loan to subsidiaries and related companies	2 869 906
Loans	50 288
Advances and pre-payments to suppliers (current assets)	–
Trade accounts and notes receivables	969
Other receivables	350
Accruals	–
Subscribed capital called but not paid	–
Convertible bonds	–
Other bonds	–
Loans and borrowings from credit institutions	–
Other loans and borrowings	347 150
Advances and pre-payments received	76
Trade and other payables	3 965
Other liabilities	5
Operating income	1 285
Operating expenses	6 484
Financial income	170 445
Financial expenses	42 273

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, 2013, Klépierre SA owes 312.9 million euros to Klépierre Finance SAS.

8.2. Employees

None.
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 *(société anonyme)* whose gouvernance structure comprises an Executive Board and a Supervisory Board.
The amout of directors' fees granted to the members of the Supervisory Board for the fiscal year 2013 totaled 270 000 euros. The annual allowance granted to the Chairman of the Supervisory Board for the fical year 2013 totaled 49 654 euros (including director's fees).

8.5. Post-balance sheet date events

During January 2014, Klépierre canceled 50 million euros of fixed-rate paying swaps as well as the signature of a revolving credit line of 200 million euros.

NOTE 9. CONSOLIDATION INFORMATION

The Klépierre SA corporate financial statements are fully consolidated in the Klépierre Group.
At December 31, 2013, the Klépierre Group is consolidated under the equity method by Simon Property Group and BNP Paribas holding respectively a 28.89% and a 21.30% stake in the equity of Klépierre (including treasury shares).

7.4. STATUTORY AUDITORS' REPORT ON THE 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 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, 2013, 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 Board of Directors. 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, 2013 and of the results of its operations for the year then ended in accordance with French accounting principles.

II. Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we bring to your attention on the following matters:

- 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 de 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 5, 2014

The Statutory Auditors
French original signed by

Mazars	**Deloitte & Associés**	
Gilles Magnan	José-Luis Garcia	Joël Assayah


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8

INFORMATION ON THE COMPANY AND THE CAPITAL

8.1. GENERAL INFORMATION

8.1.1. Background

Klépierre was formed at the end of 1990 from the demerger of Locabail-Immobilier, whose portfolio of operating leases it retained. Since then, Klépierre has focused on its 2 core businesses: the ownership and management of shopping centers* in France and continental Europe, and premium office buildings in Paris and the Paris Region.

At the end of 1998, Klépierre made the strategic decision to become a major player in the creation and development of new retail sites in continental Europe, and made its first acquisition in Italy. The Group's principal shareholder at this time was Compagnie Bancaire, which held a 51% stake. The merger of Compagnie Bancaire with Paribas in May 1998 provided Klépierre with the opportunity to create a number of business combinations, including the inward merger of Compagnie Foncière and the contribution of a 100% equity investment in Foncière Chaptal. These acquisitions radically increased the size of the Company and strengthened its position in its core investment segments.

Between 2000 and 2011, Klépierre has added continually to its portfolio of shopping centers and increased its presence in continental Europe through partnerships and *ad hoc* acquisitions:

- on July 17, 2000, Klépierre signed a major agreement with the Carrefour group for the acquisition of 160 shopping centers adjoining this leading retailer's hypermarkets. The agreement also included management and development partnerships. In the space of four years, 151 shopping centers were acquired, mainly in France and Spain. The second part of the Carrefour agreement (consisting of a priority right on all new sites developed by Carrefour in continental Europe) was implemented for the first time at the end of 2001 for 5 new Spanish shopping centers and in 2002 for the acquisition of the Group's first center in Portugal;
- in 2002, Klépierre strengthened its position in Italy with the acquisition of 11 Carrefour shopping centers and the formation of the first Italian shopping center management company (PSG) in partnership with Finim. Klépierre also signed a major agreement with the Finiper retail group for the acquisition of a strategic 40% stake in IGC (owner of 9 Finiper shopping centers), as well as a partnership agreement covering the joint development of new shopping centers;
- in 2003, Klépierre consolidated its shopping center segment positions in France, Spain, Italy, Greece and Portugal with the acquisition of a further 28 centers. Klépierre also made its first investment in the Czech Republic (the Nový Smíchov center in Prague). It extended its network of management subsidiaries with the formation of Sogecaec in Portugal. 2003 was also the year in which Klépierre opted to adopt the French tax status of a *Société d'investissement immobilier cotée* or SIIC;
- in 2004, the Group continued to grow with the addition of 6 centers in France, Italy and Spain, and also gained a strategic position in Hungary with the purchase of 12 shopping centers and the acquisition of a 50% investment in local management company Plaza Centers Management (PCM) through its subsidiary Ségécé. Ségécé strengthened its European management network with the formation of Ségécé Hellas in Greece and the acquisition of 100% of Centros Shopping Gestion in Spain;
- in 2005, Klépierre acquired 9 shopping centers, including 4 in Poland, a new country for the Group, following the agreement signed with Plaza Centers Europe at the end of July. The deal also included the 100% acquisition by Ségécé of the subsidiary responsible for managing these Polish centers, and assumed total control of PCM Hungary by acquiring the remaining 50% investment in this company. Klépierre also made its first investment in Belgium with the L'esplanade shopping center in Louvain-la-Neuve;
- in 2006, Klépierre continued its shopping center development program in 7 of the Group's 10 operating countries, and increased integration of the now wholly-owned management network in Italy and the Czech Republic. The Company also embarked on a new route to growth by outsourcing the real estate assets for major retailers to its subsidiary company Klémurs, which floated on the Stock Market in December 2006. At the end of 2006, Klémurs acquired 128 Buffalo Grill restaurant properties in France and signed an important partnership agreement with Buffalo Grill for the future;
- in 2007, Klépierre invested more than 1 billion euros, chiefly in shopping centers in France, Hungary, Poland and Portugal. Klépierre also acquired full ownership of Ségécé by acquiring the non-controlling interests held by BNP Paribas (15%) and AXA REIM (10%);
- the main event of 2008 was the acquisition of a 56.1% equity stake in Scandinavia's leading real estate company Steen & Strøm. The remaining 43.9% is held by ABP Pension Fund. Klépierre was now operating in 13 countries in continental Europe. During the year, the Company acquired newly-constructed centers in France, Italy and the Czech Republic, as well as starting work on 12 new projects, including new centers and retail parks and extensions to existing sites;
- from 2009 to 2011, Klépierre continued to create and develop shopping centers, focusing on regions that enjoy strong demographic growth and high purchasing power per capita (mainly in France, Scandinavia and Italy), while intensifying at the same time its asset rotation policy. The majority of these sales related to office buildings and minority stakes in retail galleries. In 2010, several extension and renovation projects on existing centers were launched in France (Arcades in the Paris region), Italy (Pescara Nord), Sweden (Sollentuna, Hageby), Norway (Gulskogen) and Hungary (Corvin). In 2011, investments were dedicated to extension-renovation projects in France (Claye-Souilly, Perpignan-Salanca) and to the development of new shopping centers such as Emporia (Malmö, Sweden) or the retail space of the St. Lazare station in Paris (opened in March 2012). Klépierre inaugurated 2 shopping centers in 2011: Le Millenaire shopping center in Aubervilliers, on the outskirts of Paris, the largest retail development in France in a decade, and Aqua Portimão in the Algarve, a tourist region of Portugal. The Group acquired the E. Leclerc Roques shopping center in Toulouse, one of the most dynamic urban areas in France.

In the meantime, Klépierre pursued the optimization of its portfolio on a regular basis. The Group financial structure was reinforced, notably thanks to completed disposals but also thanks to the dividend payment in cash and to the successful bond issue for 900 million euros. In 2011, Klépierre disposed almost 190 million euros of retail assets and offices and almost 900 million euros were raised on the banking and credit market.

8.1.2. Klépierre today

2012 marked for Klépierre an important turning point: the company asserts a strategy of pure player in shopping centers with the launch of an ambitious disposal program of matured retail assets and the withdrawal of the offices business, for a total amount of 1 billion euros over 2012 and 2013. Priority is also given to the reinforcement of its financial structure. In March 2012, Simon Property Group, global leader in the shopping center industry, acquired a 28.7% equity stake in Klépierre from BNP Paribas. This change in ownership reinforces the initiated strategy.

- 2012 was marked by the delivery of 3 landmark development projects for Klépierre: St.Lazare Paris, a new retail space included in the second busiest railway station in Europe, Les Sentiers de Claye-Souilly extension-renovation (Greater Paris Area) and Emporia, a structuring retail facility in large urban redevelopment scheme in Southern Malmö (Sweden). As a whole, Klépierre invested close to 460 million euros in 2012. The Group also completed disposals for 700 million euros worth of assets (French shopping centers and Parisian office buildings). Klépierre rose close to 1.5 billion euros of new financings in the course of the year, bringing its level of liquidity close to 2 billion euros at year-end.
- In 2013, Klépierre achieved its disposal program announced beginning 2012 with 1.3 billion euros of assets disposed over two years and consequently achieved its strategy of becoming a shopping center pure player. The company continued to invest in leading shopping malls. With the openings of the extension-renovation of Rives d'Arcins (Bordeaux) and Vinterbro (Oslo) in spring, followed by Jaude (Clermont-Ferrand) in fall, Klépierre proved, once again, its ability to develop successful shopping malls. Overall, including acquisitions of minorities in centers already owned (50% remaining stake in Odysseum, Montpellier, and 16.7% an additional stake in the IGC portofio of 9 shopping centers bringing Klépierre stake to 88%), a total of 410 million euros were spent in the most dynamic regions of continental Europe in 2013. Finally, thanks to the signature of a memorendum of understanding in December 2013 for the disposal of 127 Carrefour-anchored retail galleries to a consortium of investors, Klépierre will be able to focus further more its asset management expertise on a concentrated and coherent portfolio of shopping centers. This proposed transaction of 2 billion euros in total share, will also complete all efforts undertaken in 2013 to reinforce the Group financial profile and will consequently rank Klépierre among the best-performing REITs globally.

8.1.3. Company name

Klépierre

8.1.4. Paris Trade and Companies Register

SIREN: 780 152 914
SIRET: 780 152 914 00211
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

21, avenue Kléber – 75116 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 proviso that they are distributed during the fiscal year following the year in which they were granted.

8.1.9. Legal and arbitration proceedings

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

8.1.10. Other disclosures

Corporate purpose (article 2 of the bylaws)

The Company's purpose is:

- to purchase all land, real estate rights or buildings in France or abroad and all property and rights which could either be accessory or annexed to the said buildings;
- to construct buildings and perform all operations directly or indirectly related to the construction of these buildings;
- to operate and turn to account these premises by renting or otherwise;
- to enter into all lease agreements for premises or buildings in France or abroad;
- to acquire direct or indirect interests in the persons indicated in article 8 and in paragraphs 1, 2 and 3 of article 206 of the French General Tax Code and, more generally, to acquire interests in all companies whose purpose is to operate rental real estate assets;
- incidentally, to acquire interests in any company or enterprise engaged in any activities whatsoever in the real estate sector;
- and more generally, to engage in all types of civil, commercial, financial, investment and real estate operations directly related to the above-mentioned purpose or in the furtherance thereof, in particular, loans and the creation of any related guarantees or pledges.

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 natuer of the decisions to be takeen, sheraolders 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. Shareholders may vote at all meetings by correspondence under the conditions specified by legal provisions. To be valid, the Company must receive all voting forms at least three days before the 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.
Subject to the applicable legal restrictions, shareholders attending any meeting will have the same number of votes as shares owned or represented, with no maximum limit.

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 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 supplied pursuant to the matters set out on page 282 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

At December 31, 2013, share capital totaled 279 258 476 euros, divided into 199 470 340 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

By virtue of the resolutions approved by the General Meetings of shareholders held on April 7, 2011, April 12, 2012 and April 11, 2013 the Executive Board was granted the following delegations or authorizations:

Delegations or authorizations granted by the General Meeting of shareholders of April 7, 2011

Purpose of the resolution	Maximum amount	Duration	Utilizations
Capital increase with preservation of preferential rights by issue of shares and/or securities conferring rights to receive shares and/or securities that confer entitlement to receive allocations of negotiable debt securities(1)	Maximum nominal amount: 60 million euros and 1.2 billion euros for negotiable debt securities	26 months from April 7, 2011 (12th resolution)	None
Capital increase without preferential rights by issue of shares and/or securities conferring rights to receive shares and/or securities that confer entitlement to receive allocations of negotiable debt securities, through a public offering or private placement(1)	Maximum nominal amount 40 million euros and 800 million euros in negotiable debt securities	26 months from April 7, 2011 (13th and 14th resolutions)	None
Determination of issue price for shares, within the limit of 10% of share capital per year, within the framework of a share capital increase without preferential rights	The sum reverting or which is due to revert to the Company for each of the shares, after taking into account, in the event of the issue of share warrants, the issue price of the said warrants, must at least be equal to 85% of the average weighted share price for the last three market trading days prior to the date on which the issue conditions were set	26 months from April 7, 2011 (15th resolution)	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	26 months from April 7, 2011 (16th resolution)	None
Capital increase without preferential rightsby issue of shares or securities conferring rights to receive shares to fund contributions in kind granted to the Company in the form of shares or securities conferring rights to receive shares(1)	Up to 10% of capital	26 months from April 7, 2011 (17th resolution)	None
Capital increase by incorporation of reserves, profits or issue, merger or contribution premiums(1)	100 million euros	26 months from April 7, 2011 (18th resolution)	None
Maximum nominal amount of immediate and/or future share capital increases likely to be completed as a result of the authorizations granted by the Executive Board as shown above: 100 million euros(2) (21st resolution) **Maximum nominal amount of debt securities conferring a right to share capital:** 1.2 billion euros (21st resolution)			

(1) These delegations or authorizations expired on April 11, 2013.
(2) This nominal amount may be supplemented, where appropriate, by the nominal value of the shares to be issued in order to protect the rights of holders of securities conferring entitlement to shares.

Delegations or authorizations granted by the General Meeting of shareholders of April 12, 2012

Purpose of the resolution	Maximum amount	Duration	Utilizations
Authorization for the Company to buy back its own shares(1)	Maximum program amount: 5% and 379 296 480 euros Maximum purchase price: **40 euros** per share with par value of **1.40 euro**	18 months from April 12, 2012 (9th resolution)	(2)
Authorization to reduce share capital by canceling treasury shares(1)	10% of capital in a 24-month period	26 months from April 12, 2012 (10th resolution)	None
Authorization to issue bonus shares to employees and corporate officers	0.5% of share capital(3)	38 months from April 12, 2012 (11th resolution)	(4)
Authorization to grant stock options to employees and corporate officers	1% of share capital	38 months from April 12, 2012 (12th resolution)	None

(1) These delegations or authorizations expired on April 11, 2013.
(2) Share buyback developments are shown on page 95.
(3) Total number of bonus shares attributed deducted from the 1% threshold stipulated in the 12th resolution approved by the April 12, 2012 general meeting of shareholders.
(4) Developments regarding the issuance of bonus shares are stated on pages 310 and 311.

Delegations or authorizations granted by the General Meeting of shareholders of April 11, 2013

Purpose of the resolution	Maximum amount	Duration	Utilizations
Authorization for the Company to buy back its own shares	Maximum program amount: 5% of capital and 448 808 265 euros Maximum purchase price: **45 euros** per share with par value of **1.40 euro**	18 months from April 11, 2013 (8th resolution)	(1)
Authorization to reduce share capital by canceling treasury shares	10% of capital in a 24-month period	26 months from April 11, 2013 (9th 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	Maximum nominal amount: 60 million euros and 1.2 billion euros for negotiable debt securities	26 months from April 11, 2013 (10th resolution)	None
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[2]	Maximum nominal amount 40 million euros and 800 million euros in negotiable debt securities	26 months from April 11, 2013 (11th and 12th resolutions)	None
Increase in the number of securities to be issued in the event of a capital increase with or without preferential rights	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 11, 2013 (13th 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	Up to 10% of capital	26 months from April 11, 2013 (14th resolution)	None
Capital increase by incorporation of premiums, reserves, profits or other items	100 million euros	26 months from April 11, 2013 (15th resolution)	None
Maximum nominal amount of immediate and/or future share capital increases likely to be completed as a result of the authorizations granted by the Executive Board as shown above: 100 million euros[4] (17th resolution) **Maximum nominal amount of debt securities conferring a right to share capital:** 1.2 billion euros (17th resolution)			

(1) Share buyback developments are shown on page 95.
(2) Private placement: the issue may not exceed the limits specified by applicable legislation at the date of the issue (currently 20% of the share capital per year).
(3) Currently, within 30 days of the end of the subscription period and within the limit of 15% of the initial issue.
(4)This nominal amount may be supplemented, where appropriate, by the nominal value of the shares to be issued in order to protect the rights of holders of securities conferring entitlement to shares.

8.2.3. Dividends

The dividends distributed for the last five fiscal years are as follows:

	2009	2010	2011	2012	**2013**
Number of shares	166 214 431	181 972 159	189 648 240	189 648 240	199 470 340
Net dividend	1.25 euro	1.25 euro	1.35 euro	1.45 euro	1.50 euro
NET AMOUNT DISTRIBUTED	**207 768 038.75 euros**	**227 465 198.75 euros**	**256 025 124.00 euros**	**274 989 948.00 euros**	**299 205 510.00 euros**

During this period, there was no payment of interim dividends. 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).

	2009	2010	2011	2012	**2013**
Market capitalization (in millions of euros)[1]	5 166	5 120	4 180	5 988	6 719
Number of shares traded (daily average)	522 897	363 842	351 094	257 510	174 513
Share price					
■ Highest	30.62	29.75	29.67	30.08	34.94
■ Lowest	10.02	20.69	18.75	20.44	28.79
■ Last	28.39	26.99	22.04	30.02	33.68

(1) Last quotation of the year.
Source: Thomson Reuters.

Trading volume over the last 18 months (in number of shares and amount of equity traded)

(in millions of euros)		Highest price	Lowest price	Number of shares traded	Amount of equity traded
2012	September	28.05	25.60	4 162 941	113 846 001
	October	29.32	27.55	3 350 170	95 756 581
	November	29.48	27.60	3 331 079	94 797 939
	December	30.08	28.97	2 377 299	70 486 335
2013	January	30.54	29.05	3 516 917	105 502 692
	February	31.69	28.79	3 906 742	117 059 636
	March	32.20	30.10	3 669 738	114 660 066
	April	32.25	30.19	4 073 666	127 469 829
	May	34.90	32.88	3 864 084	130 272 300
	June	33.34	29.29	5 292 839	165 037 298
	July	33.12	29.81	3 709 929	119 495 983
	August	33.52	30.01	3 140 108	100 855 257
	September	32.05	29.93	3 213 795	99 751 583
	October	33.49	31.52	3 534 161	114 251 719
	November	34.94	32.99	3 232 709	109 457 968
	December	34.18	32.47	3 404 697	113 377 159
2014	January	34.42	32.18	4 199 322	139 628 388
	February	33.93	31.89	3 504 815	115 709 688

Source: Thomson Reuters.

8.2.5. Bonds

Issue date	Due date	Currency	Outstanding nominal	Coupon	ISIN Code
EUROBOND ISSUES LISTED ON THE LUXEM BOURG STOCK EXCHANGE (STAND-ALONE)					
03/16/2006	03/16/2016	EUR	689 100 000	4.25%	FR0010301705
EUROBOND ISSUES LISTED ON THE PARIS STOCK EXCHANGE (EMTN)[1]					
04/07/2010	04/13/2017	EUR	850 000 000	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

(1) The EMTN (Euro Medium Term Notes) prospectus 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
05/15/2009	Payment of dividend in the form of shares	15 757 728	153 322 693.44 euros	254 761 022.60 euros
05/14/2010	Payment of dividend in the form of shares	7 676 081	178 775 926.49 euros	265 507 536.00 euros
05/21/2012	Payment of dividend in the form of shares	9 822 100	203 906 796.00 euros	279 258 476.00 euros

8.3.2. Changes in share capital breakdown and voting rights over the last three years

	Position at December 31, 2011			Position at December 31, 2012			**Position at December 31, 2013**		
	Number of shares	% of capital	% of voting rights	Number of shares	% of capital	% of voting rights(1)	**Number of shares**	**% of capital**	**% of voting rights(1)**
Simon Property Group	–	–	–	57 634 148	28.89%	29.52%	57 634 148	28.89%	29.47%
BNP Paribas Group	96 548 689	50.91%	57.45%	43 622 926	21.87%	22.35%	42 477 397	21.30%	21.72%
Free float	88 702 143	46.77%	42.55%	93 960 557	47.11%	48.13%	95 444 973	47.85%	48.81%
Treasury stock	4 397 408	2.32%	–	4 252 709	2.13%	–	3 913 822	1.96%	–

(1) After the decision to eliminate the double voting rights at the Ordinary and Extraordinary General Meeting of shareholders on April 12, 2012 and the special meeting of double vote rights shareholders on April 23, 2012.

As of December 31, 2013, as far as the Company is aware, there were no:

- agreements whose implementation would lead to a change of control at a future date;
- shareholder agreements.

Information relating to the agreements concluded between BNP Paribas Group and Simon Property Group are shown on pages 282 and 283 of this registration document.

Employee profit-sharing schemes

There is no agreement providing for the involvement of employees in the Company's capital.

8.3.3. Breakdown of share capital and voting rights at December 31, 2013

At December 31, 2013, the main holders of the Company's 199 470 340 shares were:

	Number of shares	Total votes	% of capital	% of voting rights: Treasury shares included	% of voting rights: Treasury shares excluded
Simon KP I S.à.r.l.	28 817 074	28 817 074	14.45%	14.45%	14.74%
Simon KP II S.à.r.l.	28 817 074	28 817 074	14.45%	14.45%	14.74%
TOTAL SIMON PROPERTY GROUP	**57 634 148**	**57 634 148**	**28.89%**	**28.89%**	**29.47%**
BNP Paribas SA	20 837 318	20 837 318	10.45%	10.45%	10.66%
O.G.D.I.	15 099 812	15 099 812	7.57%	7.57%	7.72%
Compagnie Financière Ottomane	6 530 924	6 530 924	3.27%	3.27%	3.34%
Cardif SA	7 444	7 444	0.00%	0.00%	0.00%
UCB Bail 2	1 899	1 899	0.00%	0.00%	0.00%
TOTAL BNP PARIBAS GROUP(1)	**42 477 397**	**42 477 397**	**21.30%**	**21.30%**	**21.72%**
Other registered shares	793 668	793 668	0.40%	0.40%	0.41%
Other bearer shares	94 651 305	94 651 305	47.45%	47.45%	48.40%
TOTAL OTHER SHARES EXCL. TREASURY STOCK	**95 444 973**	**95 444 973**	**47.85%**	**47.85%**	**48.81%**
TREASURY STOCK(2)	**3 913 822**	**3 913 822**	**1.96%**	**1.96%**	**–**
TOTAL	**199 470 340**	**199 470 340**	**100%**	**100%**	**100%**

(1) These figures don't take Into account the work positions of BNP Paribas Group's trading floors.
(2) Treasury shares confer no voting rights in accordance with article L. 225-210 of the French Commercial Code.

8.3.4. Breach 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 breached.

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 breach 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 by-laws breach of thresholds as received by the Company during fiscal year 2013:

	Date of breach	Number of shares held after breach of threshold	Date of the letter of notification sent to the Company	Breach of threshold in capital	Breach of threshold in voting rights
COHEN & STEERS, INC	January 14, 2013	3 900 183	January 16, 2013	Below	Below
COHEN & STEERS, INC	June 26, 2013	4 010 465	July 1, 2013	Above	Above
AMUNDI ASSET MANAGEMENT[1]	August 19, 2013	4 161 473	August 20, 2013	Above	Above

(1) Amundi, Société Générale Gestion, Étoile Gestion, CPR Asset Management et BFT Gestion.

These stipulations are the following:

Stipulation concerning the ownership and sale of the BNP Paribas Group's shareholding in Klépierre and the governance of Klépierre are contained in a share Purchase Agreement covering the purchase of a block of Klépierre share representing 28.7% of its capital, which was agreed on March 7, 2012 by Simon Property Group and BNP Paribas (acting directly and through subsidiaries) and completed on March 14, 2012.

The BNP Pariba Group's lock-up commitment and Simon Property Group's undertaking not to participate in a public tender offer for Klépierre shares both expirated on April 11, 2013, the date on which Klépierre's Annual General Meeting was held. The stipulations concerning **a)** the right of first offer and **b)** Klépierre's governance remain in force.

These stipulations are the following:

a) Transfer of shares

Right of first offer: upon the expiration of the Lock-up Period and for as long as the BNP Paribas group holds at least 5% of the share capital and the voting rights of Klépierre, the BNP Paribas group agreed to grant the Simon Property Group a right of first offer that may be exercised in respect of all of the securities offered for the price proposed by the selling entity within the BNP Paribas group for a period of 30 business days from the receipt of the notice.

This right of first offer applies to cases where Klépierre securities are transferred to a third party, it being specified that the notion of "transfer" is intended to include any transfer of a property right, immediately or in the future, as well as any detachment of ownership, any form of security or trust and any derivative transaction.

However, the right of first offer does not apply to the following transactions: (i) contributions to a public takeover bid for Klépierre (ii) sales on a regulated market, (iii) derivative contracts providing for a settlement in cash, (iv) issues of indexed debt securities and (v) loans of securities and the other transactions involving the transfer of ownership on a temporary basis. As an exception to these exceptions, the BNP Paribas group has agreed to give prior notice to the Simon Property Group in the case where the BNP Paribas group contemplates a placement of Klépierre securities representing at least 3% or more of the share capital and voting rights of Klépierre (in the form of a placement on the market, an accelerated book-building procedure or any similar procedure). In this case, the Simon Property Group may, within a period of three business days, exercise a right of first offer for all of the securities concerned by this transaction for the closing price on the day that BNP Paribas group informs the Simon Property Group of its plans.

b) Governance of Klépierre

Representation on the Supervisory Board: the purchase agreement provides for the representation of the Simon Property Group and BNP Paribas on the supervisory board of Klépierre translating into reciprocal voting agreements at the shareholders' meeting and within the supervisory board (for appointments by co-opting) in favor of representatives presented by the other party.

It is agreed that the Supervisory Board will be composed of a maximum of 9 members, among which the Simon Property group will have 3 representatives (for as long as the Simon Property holds more than 25% of the share capital of Klépierre[(1)]) and the BNP Paribas group will have 2 representatives (for as long as the BNP Paribas group holds more than 15% of the share capital of Klépierre[(2)]). The 4 other members of the Board will be independent members freely appointed by the shareholders' meeting of Klépierre.

In addition, at the time of the re-composition of the Supervisory Board, the BNP Paribas group agreed to vote for Mr. David Simon, representative of the Simon Property Group, to be appointed Chairman of the Supervisory Board of Klépierre.

These voting agreements will remain in force for as long as (i) the Simon Property Group does not control Klépierre, (ii) the Simon Property Group holds at least 5% of the share capital of Klépierre and (iii) the BNP Paribas group holds at least 5% of the share capital and the voting rights of Klépierre. The BNP Paribas group nevertheless reserves the right not to be represented on the Supervisory Board of Klépierre, in which case the voting agreements in respect of the Supervisory Board will no longer apply.

Representation on the Supervisory committees: the purchase agreement also provides for the implementation of a new composition of the operating committees of the Supervisory Board and mutual voting agreements from the 2 groups of shareholders to this effect:

- Investment Committee: 3 of the 6 members (including the chairman) will be chosen from among the representatives of the Simon Property Group and 1 member will be chosen from among the representatives of the BNP Paribas group;
- Appointment and Compensation Committee: 1 of the 4 members will be chosen from among the representatives of the Simon Property Group and 1 member will be chosen from among the representatives of the BNP Paribas group;
- Audit Committee: 1 of the 4 members will be chosen from among the representatives of the Simon Property Group and 1 member will be chosen from among the representatives of the BNP Paribas group;
- Sustainable Development Committee: 2 of the 4 members will be chosen from among the representatives of the Simon Property Group and 1 member will be chosen from among the representatives of the BNP Paribas group.

These voting agreements will remain in force for as long as (i) the Simon Property Group does not control Klépierre, (ii) the Simon Property Group holds at least 5% of the share capital of Klépierre and (iii) the BNP Paribas group holds at least 5% of the share capital social and the voting rights of Klépierre and (iv) the BNP Paribas group is represented on the Supervisory Board of Klépierre[(3)].

(1) This number of representatives will be reduced to 2 in the event that the participation of the Simon Property Group falls to between 15% and 25%, and to one representative in the event that the participation of the Simon Property Group falls to between 5% and 15%.
(2) This number of representatives will be reduced to one in the event that the participation of the BNP Paribas group falls to between 5% and 15%.
(3) The parties also provided for a distribution of the seats on the committees for those cases where the Simon Property Group has only 2 or 1 representative(s) on the Supervisory Board and for those cases where the BNP Paribas group no longer has more than one representative on the Supervisory Board.

8.4. LIST OF SIGNIFICANT CONTRACTS AND REGULATED AGREEMENTS

8.4.1. List of significant contracts

Material contracts – Investments and disposals

Year 2012

Disposal of equity shares of the SCI Portes de Claye by KC 2 SNC to Cardif Assurance Vie (retail mall in the shopping center at Claye-Souilly)

Date of signature: April 16, 2012

- Parties: KC 2 SNC (seller) and Cardif Assurance Vie (buyer)
- Purpose: disposal of equity shares of the SCI Portes de Claye (share)
- Amount of the disposal: base price of 62.66 million euros increased by 2 possible additional earn-out payments

Acquisition of the company Les bureaux de L'esplanade II (Belgium)

Date of signature: April 25, 2012

- Parties: Immoplex (seller) and Coimbra (buyer)
- Purpose: acquisition of 100% of the shares of the company Les bureaux de L'esplanade II
- Amount of the acquisition: 14.4 million euros (RNAV taking account of a real estate appraisal of 14.9 million euros) increased by a possible earn-out payment of 4.7 million euros for obtaining the permit to carry out the extension

Disposal of real-estate assets located on a commercial property development, Centre commercial régional de Flins, at Flins-sur-Seine and Aubergenville

Date of signature: June 28, 2012

- Parties: Klécar France SNC (seller) and SAS CP Transaction (buyer)
- Purpose: disposal of joint volume assets
- Amount of the disposal: 14.7 million euros net selling price

Disposal of a portfolio called TEMPO – 5 assets for an overall amount of 65 679 000 euros net selling price that breaks down as follows:

1. **A retail mall located in a commercial property development called the Centre commercial Carrefour Aulnoy-lez-Valenciennes located at Aulnoy-lez-Valenciennes (Nord)**

Date of signature: June 29, 2012

- Parties: Klécar France SNC (seller), TEMPO SPF1 (buyer), Carrefour Property France (stakeholder)
- Purpose: disposal of a retail mall
- Amount of the disposal: 17.1 million euros net selling price

2. **A retail mall located on a commercial property development called Saint-Jacques located at Beaune (Côte-d'Or), 40-42, rue du Faubourg Saint-Jacques, and 9, avenue Charles-de-Gaulle**

Date of signature: June 29, 2012

- Parties: Klécar France SNC (seller), TEMPO SPF1 (buyer), Carrefour Property France (stakeholder)
- Purpose: disposal of a retail mall
- Amount of the disposal: 11,7 million euros net selling price

3. **A retail mall located in a commercial property development, called Centre commercial Carrefour Guingamp located in Grâces-Guingamp (Côtes-d'Armor), Rond-Point Kennedy**

Date of signature: June 29, 2012

- Parties: Klécar France SNC (seller), TEMPO SPF1 (buyer), Carrefour Property France (stakeholder)
- Purpose: disposal of a retail mall
- Amount of the disposal: 3.9 million euros net selling price

4. **Some boutiques and a commercial building located in a property development called Centre commercial Carrefour Moulins located in Moulins (Allier), 169, route de Lyon**

Date of signature: June 29, 2012

- Parties: Klécar France SNC (seller), TEMPO SPF1 (buyer)
- Purpose: disposal of a number of boutiques and a commercial building
- Amount of the disposal: 5.1 million euros net selling price

5. **A property development for tertiary and commercial use composed of three commercial units (islands 1, 2 and 4b) located at La Roche-sur-Yon (Vendée), Zone d'Aménagement Concertée de La Roche Sud**

Date of signature: June 29, 2012

- Parties: SCI La Roche Invest (seller) and TEMPO SPF1 (buyer)
- Purpose: disposal of 3 commercial units
- Amount of the disposal: 27.9 million euros net selling price

Disposal of an office building located at Issy-les-Moulineaux, Boulevard Gallieni (Séreinis)
Date of signature: July 11, 2012
- Parties: Klépierre (seller) and SCI ACM (buyer)
- Purpose: disposal of an office building
- Amount of the disposal: 92.6 million euros net selling price

Disposal of an office building located at Puteaux, Route de la Demi-Lune (Les Collines de l'Arche)
Date of signature: July 17, 2012
- Parties: Klépierre (seller with 30.44% ownership), Valeur Pierre Epargne and Valeur Pierre Patrimoine (sellers with 69.56% ownership) and Immorente and Efimmo 1 (buyers)
- Purpose: disposal of an office building
- Amount of the disposal (Klépierre share): 14.5 million euros net selling price

Acquisition of lessee rights in a leaseholding related to a jointly owned property and a strip of land located at Clermont-Ferrand (Puy-de-Dôme), rue d'Allagnat
Date of signature: July 18, 2012
- Parties: SCICLER (seller) and SAS Centre Jaude Clermont (buyer)
- Purpose: acquisition of rights of the leaseholding and of the strip of land
- Amount of the acquisition: 12.2 million euros net selling price

Disposal of a commercial building (Shopping center at Nîmes Étoile)
Date of signature: August 2, 2012
- Parties: Klécar France SNC (seller) and SAS "TUB SPF 1" (buyer)
- Purpose: disposal of a retail mall
- Amount of the disposal: 37.9 million euros net selling price

Disposal of a commercial building (Shopping center at Mulhouse)
Date of signature: November 23, 2012
- Parties: Klécar France SNC (seller) and Warburg - Henderson Kapitalanlagegesellschaft Für Immobilien mbH, a German company (buyer)
- Purpose: disposal of a retail mall (volume assets and joint ownership units)
- Amount of the disposal: 63.1 million euros net selling price

Disposal of a commercial building (Shopping center at Quétigny)
Date of signature: November 23, 2012
- Parties: Klécar France SNC (seller) and WH Dijon SNC (buyer)
- Purpose: disposal of a retail mall (volume assets and joint ownership units)
- Amount of the disposal: 88 million euros net selling price

Sale of a commercial building (Shopping center at Rambouillet)
Date of signature: December 13, 2012
- Parties: Klécar France SNC (seller) and SC I PIAL 25 (buyer)
- Purpose: disposal of joint volume assets
- Amount of the disposal: minimum price of 73 million euros net selling price plus a price adjustment clause for up to 74.2 million euros net selling price depending on the renewal of the "Darty" property

Sale of an office building at Issy-les-Moulineaux, rue Camille-Desmoulins (Equilis)
Date of signature: December 19, 2012
- Parties: Klépierre (seller) and SCI 46 Desmoulins (buyer)
- Purpose: disposal of an office building
- Amount of the disposal: 112.3 million euros net selling price

Year 2013

Contribution commitment
Date of signature: January 24, 2013
- Parties: CNP Assurances (contributor) and Klépierre (beneficiary)
- Purpose: contribution of 375 000 shares of Klémurs to the simplified tender offer
- Amount: 24.60 euros per share

Contribution commitment
Date of signature: January 25, 2013
- Parties:Mutavie (contributor) and Klépierre (beneficiary)
- Purpose: contribution of 375 000 shares of Klémurs to the simplified tender offer
- Amount: 24.60 euros per share

Disposal of a 50% stake of Nordbyen shopping center
Date of signature: February 1, 2013
- Parties: Steen & Strøm (seller) and KLP Eiendom Oslo Invest 5 AS (buyer)
- Purpose: disposal of 50% stake of Nordbyen shopping center
- Amount of the disposal: 35.5 million euros net selling price

Disposal of plots of land and the associated real estate rights of a commercial property called Centre commercial Lomme located in Lomme (Nord)
Date of signature: March 28, 2013
- Parties: Klécar France SNC (seller) and SCS Lomme (buyer)
- Purpose: disposal of co-ownership plots
- Amount of the disposal: 25.6 million euros net selling price

Disposal of an office building in Paris, avenue Kléber
Date of signature: June 25, 2013
- Parties: Klépierre (seller) and Le 21 Avenue Kléber SNC (buyer)
- Purpose: disposal of an office building
- Amount of the disposal: 56 million euros net selling price

Disposal of the Chalon-sur-Saône PAC
Date of signature: November 4, 2013
- Parties: SCI Immo-Dauland (Klémurs group/seller) and 5I Babeth (buyer)
- Purpose: disposal of plots of land, construction leases and the associated rights and subject to a construction lease
- Amount of the disposal: 15 million euros net selling price

Acquisition before completion of an office building in Pantin
Date of signature: November 14, 2013
- Parties: Klépierre (buyer) and SNC Pantin Zac du Port (seller)
- Purpose: acquisition of an office building and car park
- Lessee: BETC
- Amount of the acquisition: 71.86 million euros, excluding taxes

Disposal of 4 shopping centers in Norway
Date of signature: November 29, 2013
- Parties: Steen & Strøm (seller) and an investment vehicle owned by Partners Group (75%), Sektor's (15%) and Steen & Strøm (10%) (buyer)
- Purpose: disposal of a portfolio of Norwegian shopping centers including (i) the stake of the companies owning 3 assets (Halden, Torvbyen et Stovner) and (ii) Markedet shopping center to an investment vehicle owned by Partners Group/Sektor's (and of which Steen and Strøm owns 10%)
- Amount of the disposal: 2 063 million NOK (i.e. 247 million euros using November 29, 2013 exchange rate)

Acquisition of shares held by Icade in OPDF (Odysseum retail mall and leisure/shopping center at Montpellier)
Date of signature: November 29, 2013
- Parties: Icade (seller) and SCI Kléber Odysseum (Klépierre group/buyer)
- Purpose: acquisition of all of Icade's shares in OPDF company (50%)
- Amount of the acquisition: 74.4 million euros net selling price

Acquisition before completion of the roof extension – Extension Val d'Europe (Cour du Danube)
Date of signature: November 29, 2013
- Parties: SCI Secovalde (buyer) and Demathieu et Bard Immobilier (seller)
- Purpose: acquisition before completion of roof extension
- Amount of the acquisition: 19.5 million euros, excluding taxes

Partial sale promissory agreement of the leaseholding on the properties at Aubervilliers
Date of signature: November 29, 2013
- Parties: SCI du Bassin Nord (Klépierre – Icade 50-50/seller) and SCI 68 Victor Hugo (Icade group/buyer)
- Purpose: sale commitment of the leaseholding on 3 office buildings and 378 parking spaces
- Amount of the disposal: 80.2 million euros net selling price

Acquisition of 16.70% of Italian company Immobiliare Gallerie Commerciali (IGC)
Date of signature: December 5, 2013
- Parties: Klépierre Luxembourg (buyer) and Finiper S.p.a (seller)
- Purpose: acquisition of equities in accordance with the agreement between the parties
- Amount of the acquisition: 44.11 million euros net selling price

Signature of a protocol of intention on a portfolio of 127 shopping centers
Date of signature: December 16, 2013
- Parties: Klépierre Group companies (seller) and COVICAR 23 (buyer)
- Purpose:disposal of 57 shopping centers in France, 63 in Spain and 7 in Italy
- Amount of the disposal: 2.01 billion euros (including tax)

Disposal of an office building at Neuilly-sur-Seine, avenue Charles-de-Gaulle
Date of signature: December 20, 2013
- Parties: Klépierre (seller) and Acep Invest 2 CDG Neuilly (buyer)
- Purpose: disposal of an office building
- Amount of the disposal: 75 million euros net selling price

Disposal of an office building in Paris, rue Meyerbeer
Date of signature: December 27, 2013
- Parties: Klépierre (seller) and SNC 7 rue Meyerbeer (buyer)
- Purpose: disposal of an office building
- Amount of the disposal: 77 million euros net selling price

Significant financing contracts

Year 2012

Credit opening agreement of March 8, 2012
- Purpose: opening of a line of credit in the maximum amount of 500 million euros
- Lender: BNP Paribas
- Method of repayment: in totality by the maturity on March 8, 2016
- Use in the form of drawdowns
- Interest: interest is indexed on the three-month Euribor plus a fixed margin
- Non-use fees, if any
- Primary financial covenants:
  - a Loan-to-Value ratio limited to 65%
  - coverage of financial expenses by the EBITDA of at least 1.8
  - and a percentage of securitized debts compared to the revalued assets limited to 20%

Credit opening agreement of March 8, 2012
- Purpose: opening of a line of credit in the maximum amount of 500 million euros
- Lender: BNP Paribas
- Method of repayment: in totality by the maturity on March 8, 2018
- Use in the form of drawdowns
- Interest: interest is indexed on the three-month Euribor plus a fixed margin
- Non-use fees, if any
- Primary financial covenants:
  - a Loan-to-Value ratio limited to 65%
  - coverage of financial expenses by the EBITDA of at least 1.8
  - and a percentage of securitized debts compared to the revalued assets limited to 20%

Updating 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 bn
- Place of listing: Paris
- Law: French
- Dealers: BNP Paribas, ING, BoA Merrill Lynch, Crédit Mutuel, HSBC, Natixis, Intesa, BBVA, Den Norske Bank, Deutsche Bank, Goldman Sachs
- 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-

As part of this program, the company has issued 2 new bond issues respectively of 500 million and 50 million euros at a fixed rate and also matched 3 other existing issues taken for a total amount of 450 million euros.

Year 2013

Syndicated credit opening agreement of June 3, 2013

- Purpose: opening of a line of credit in the maximum amount of 750 million euros
- Lenders: syndicate of 16 banks
- Method of repayment: in totality by the maturity on June 3, 2018
- Use in the form of drawdowns
- Interest: interest is indexed on the three-month Euribor plus a fixed margin and 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 assets 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 October 18, 2013

- Purpose: opening of a line of credit in the maximum amount of 150 million euros
- Lender: BNP Paribas
- Repayment method: in totality by the maturity on October 18, 2019
- Use in the form of drawdowns
- Interest: interest is indexed on the 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 assets 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 13, 2013

- Purpose: opening of a line of credit in the maximum amount of 75 million euros
- Lender: Société Générale
- Repayment method: in totality by the maturity on November 13, 2018
- Use in the form of drawdowns
- Interest: interest is indexed on the 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 two
  - a percentage of securitized debts compared to the revalued assets 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 29, 2013

- Purpose: opening of a line of credit in the maximum amount of 75 million euros
- Lender: BECM
- Method of repayment: in totality by the maturity on May 29, 2020
- Use in the form of drawdowns
- Interest: interest is indexed on the 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 assets 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

Updating 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 bn
- Place of listing: Paris
- 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
- 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-

8.4.2. List of regulated agreements

Previously authorized regulated agreements remaining effective in 2013

Date of the authorization granted by the Supervisory Board	Authorization granted by the Supervisory Board		
	Date	Purpose	Parties to the agreement
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
June 5, 2009	June 15, 2009	Intra-group loan agreement	Le Havre Lafayette and RPFFB Holding France SARL
June 5, 2009	June 15, 2009	Intra-group loan agreement	Le Havre Vauban and RPFFB Holding France SARL
June 5, 2009	June 15, 2009	Share pledge	Le Havre Lafayette, Le Havre Vauban, RPFFB Holding France SARL and Westdeutsche Immobilienbank AG
June 5, 2009	June 29, 2009	Opening of credit agreement	BNP Paribas
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 Strategic 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
December 13, 2011	December 20, 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
February 3, 2012	March 7, 2012	Bank facilities agreement (new facility maturing 2016)	BNP Paribas
February 3, 2012	March 7, 2012	Bank facilities agreement (new facility maturing 2018)	BNP Paribas
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
April 18, 2012	April 27, 2012	Dealer agreement, known as the "amended and restated dealer agreement"	BNP Paribas – Banca IMI S.p.A. – Banco Bilbao Vizcaya Argentaria SA – CM-CIC Securities – Deutsche Bank AG, London Branch – DnB NOR Bank ASA – Goldman Sachs International – HSBC Bank plc – ING Belgium SA/NV – Merrill Lynch International - Natixis - UBS Limited
April 18, 2012	April 27, 2012	Financial services contract, known as the "amended and restated agency agreement"	BNP Paribas Securities Services

Regulated agreements authorized in 2013

Date of the authorization granted by the Supervisory Board	Authorization granted by the Supervisory Board		
	Date	Purpose	Parties to the agreement
March 22, 2013	April 4, 2013	Custodian account agreement as part of the squeeze-out of SCA Klémurs shares.	BNP Paribas Securities Services
April 11, 2013	April 29, 2013	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 – 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
April 11, 2013	April 29, 2013	Financial services contract, known as the "amended and restated agency agreement"	BNP Paribas Securities Services
May 23, 2013	June 3, 2013	Revolving syndicated credit of 750 000 000 euros	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

9

GENERAL MEETING

9.1. REPORT OF THE SUPERVISORY BOARD

Approval of financial statements for the year ended December 31, 2013

Dear Shareholders,

Pursuant to the provisions of article L. 225-68 of the French Commercial Code, we are required to make our observations concerning the Executive Board report which has just been read to you as well as concerning the corporate and consolidated financial statements for the year ended December 31, 2013.

The Supervisory Board has been kept regularly up to date by the Executive Board about the Group's business and has carried out the required audits and controls.

To do this as part of its mission, the Supervisory Board called on the services of the special-purpose committees: the Investment Committee, the Audit Committee, the Nomination and Compensation Committee and the Sustainable Development Committee.

The Supervisory Board has no special observations to make concerning the Executive Board's report and the results of fiscal year 2013. It therefore invites you to approve the financial statements and the resolutions proposed.

The Supervisory Board wishes to thank the Executive Board and all Company staff for their work and effort in 2013.

The Supervisory Board

9.2. REPORT OF THE CHAIRMAN OF THE SUPERVISORY BOARD

Meeting of the Supervisory Board on January 30, 2014 concernning the 2013 financial year

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 at its meeting on January 30, 2014 on the 2013 financial year. It includes information about:

- the composition and application of the principle of gender balance on the Supervisory Board and the preparation and organization of the Supervisory Board's work;
- the internal control and risk management procedures implemented by the Klépierre Group(1);
- corporate governance;
- arrangements for shareholders to participate at the Company's annual General Meetings;
- and publication of information concerning factors that may have an impact in the event of a public offer.

The Corporate governance code to which the Group has voluntarily referred for the purpose of drafting this report is the Corporate governance code for listed companies published in December 2008 and amended in April 2010 and June 2013 by AFEP (French association of private businesses) and MEDEF (French employers association).

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 separation between management of the Company and oversight of this management by the Supervisory Board(2).

I – Composition and application of the principle of gender balance on the Supervisory Board – preparation and organization of the Supervisory Board's work

The primary role of the Supervisory Board is to exercise permanent control of the Executive Board's management. To this end, at all times of the year, it carries out the checks and controls it deems appropriate and may ask for any documents that it deems useful for this task to be communicated to it.

The Executive Board must report to it on its management at least once every quarter and submit the financial statements for verification and inspection.

The Supervisory Board authorizes the transactions and agreements referred to in Articles L. 225-68 para. 2 and L. 225-86 of the French Commercial Code.

(1) The Klépierre Group refers to all the subsidiaries of the Group in France and abroad, including Steen & Strøm, subject to the specific organizational features described below.
(2) AFEP-MEDEF Corporate Governance Code (Point 3).

Pursuant to Article 16 of the Articles of Association[3], it also authorizes:

- transactions likely to affect the strategy of the Company and its Group and to have an impact on their finances and the scope of their business;
- issues of negotiable securities, irrespective of their nature, which may lead to a change in the Company's capital stock;
- the following transactions where their unit amount exceeds €8 million or an equivalent amount in any other currency;

a) acquiring or selling any shareholdings in any companies incorporated or to be incorporated, except for Klépierre Group companies to which properties belonging to the Klépierre Group are contributed or sold;
b) acquiring or selling any real property assets, except where they are sold or contributed to a company belonging to the Klépierre Group;
c) in the event of a dispute, entering into any agreement or settlement, and accepting any arbitration agreements.

The Supervisory Board has granted powers to its Chairman to authorize the Executive Board to carry out the transactions referred to in paragraphs a), b) and c) above where these individually do not exceed 46 million euros or an equivalent amount in any other currency.

The Chairman of the Supervisory Board and the Executive Board report to the Supervisory Board on the use made of these powers.

Composition of the Supervisory Board

The Supervisory Board has at least 3 members and no more than 12 members who are appointed by shareholders at the Ordinary General Meeting for a term of three years[4].

Each member of the Supervisory Board must hold at least 60 shares throughout his/her term in office.

The Supervisory Board chooses a Chairman and a Vice-Chairman from among these members.

During the 2013 financial year, the Supervisory Board had 9 members, namely Messrs. David Simon (Chairman), Vivien Lévy-Garboua (Vice-Chairman), Bertrand de Feydeau, Steven Fivel, Bertrand Jacquillat, François Kayat, and Mrs. Dominique Aubernon, Mrs. Catherine Simoni and Mrs. Rose-Marie Van Lerberghe.

The renewal and ratification of the terms in office approved by the General Meeting of the shareholders on April 11, 2013 did not alter the Supervisory Board's gender balance, with the percentage of women at 33.33%[5].

Brief resumes of Supervisory Board members are provided in the Governance section of the 2013 Registration Document, and their appointments and duties are listed in the Corporate governance section of this document.

A member of the Supervisory Board is considered as independent when s/he has no relationship whatsoever with the Company, its Group or its management liable to compromise his/her freedom of judgment. According to the definition laid down in the AFEP-MEDEF Code, 4 of the 9 Supervisory Board members are independent based on the criteria presented, namely Messrs. Bertrand de Feydeau[6] and Bertrand Jacquillat, and Mrs. Catherine Simoni and Mrs. Rose-Marie Van Lerberghe[7], (i.e. 44.44%).

BNP Paribas held a majority interest in Klépierre until March 14, 2012 when it sold a 28.7% interest in Klépierre's capital stock to Simon Property Group. Since then, given the absence of a majority shareholder, half of the members of the Supervisory Board should have been independent, which is not yet the case. That said, to move closer towards this threshold, 2 additional independent members were appointed, namely Mrs. Catherine Simoni and Mrs. Rose-Marie Van Lerberghe.

The Supervisory Board will continue to move in the direction of compliance with the AFEP-MEDEF Code as soon as the number of Supervisory Board members whose term of office comes up for renewal allows for making such change without significantly altering the number of representatives of major shareholders on the Board.

Meetings of the Supervisory Board

The Supervisory Board meets as often as the interests of the Company require.

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

(3) AFEP-MEDEF Corporate Governance Code (Point 4).
(4) Because of the dates on which the Supervisory Board members were appointed, their terms of office are in fact staggered.
(5) AFEP-MEDEF Corporate Governance Code (Point 6).
(6) AFEP-MEDEF Corporate Governance Code (Point 9): While Mr. Bertrand de Feydeau has held his office for more than twelve years, the Supervisory Board considers that Mr. de Feydeau has always shown complete independence in his contribution to the Board's work. Because he is at an advanced stage in his career, there is no risk that Mr. de Feydeau's independence will be reduced in the future and he cannot be deemed to have developed any close ties with the Company or its executive management that would be liable to compromise his independence in the future.
(7) AFEP-MEDEF Corporate Governance Code (Point 9).

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.

In accordance with the provisions of Article L. 823-17 of the French Commercial Code, the Company's Statutory Auditors are asked to attend Board meetings reviewing or approving the annual or interim financial statements.

The Board met 10 times during the 2013 financial year, with an attendance rate of 93.33%[8].

The main points debated during these meetings were:

- the 2012 annual and consolidated financial statements and the corresponding management report;
- the Executive Board's quarterly business review;
- the interim individual and consolidated financial statements;
- the management documents used for budgeting and forecasting purposes;
- the report of the Chairman of the Supervisory Board;
- the renewal of the terms in office and appointment of Supervisory Board members;
- the renewal of the term in office of the Vice-Chairman of the Supervisory Board;
- the renewal of the term in office of Executive Board members;
- the renewal of the term in office of the Chairman of the Executive Board;
- the compensation paid to Executive Board members;
- the simplified public tender offer for Klémurs shares, squeeze-out procedure and delisting;
- the composition of the specialized committees;
- a bonus share allotment plan;
- investments and disposals in France and abroad;
- financing transactions;
- the operation of the Supervisory Board;
- the authorization granted annually to the Executive Board to issue guarantees and endorsements;
- related party agreements.

The Supervisory Board decided at its meeting on January 30, 2014, in advance of the annual board appraisal provided for in the AFEP-MEDEF Code of Corporate Governance, to ask each of its members to complete an evaluation questionnaire. The results of this questionnaire will be reviewed at a forthcoming meeting, during which the aforementioned appraisal will be carried out.

The work of the Supervisory Board and that of the specialized committees is prepared and organized by their respective Chairmen.

Organization and operation of the specialized committees assisting the Supervisory Board

To fulfil its duties, the Supervisory Board has set up specialized committees[9]. Within its area of expertise, each Committee issues proposals, recommendations and opinions, where required, and reports on its duties to the Supervisory Board.

Additional information about the duties and operation of these Committees is provided in the "Committees" section of the business review.

The Committees are:

The Investment Committee

This committee has at least 3 and no more than 6 members chosen by the Supervisory Board from among its members.

During the 2013 financial year, the Investment Committee consisted of Messrs. David Simon (Chairman of the Investment Committee), Bertrand de Feydeau, Steven Fivel, François Kayat, and Mrs. Dominique Aubernon and Mrs. Catherine Simoni. 2 of its 6 members (ratio of 33.33%) are considered as independent, namely Mr. Bertrand de Feydeau and Mrs. Catherine Simoni.

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.

It met 6 times during the 2013 financial year, with an attendance rate of 88.89%[10].

(8) AFEP-MEDEF Corporate Governance Code (Point 11).
(9) AFEP-MEDEF Corporate Governance Code (Point 15).
(10) AFEP-MEDEF Corporate Governance Code (Point 11).

The most significant proposals related to:

- the sale of a portfolio of 127 shopping malls located in France, Spain and Italy;
- the sale of 4 shopping centers (Norway) and of the Chalon-sur-Saône (France) retail park;
- the sale of office properties on rue Meyerbeer (Paris), at 21 avenue Kléber/21 rue La Pérouse (Paris), boulevard de Grenelle (Paris) and 192 avenue Charles-de-Gaulle (Neuilly-sur-Seine);
- the extension of the Field's shopping center (Denmark) and of the Val d'Europe shopping center (France);
- the acquisition of a further 50% interest in the Odysseum shopping center (France).

The Audit Committee(11)

This committee has at least 3 and no more than 6 members chosen by the Supervisory Board from among its members.

During the 2013 financial year, it consisted of Messrs. Bertrand Jacquillat (Chairman of the Audit Committee – independent member), François Kayat, Vivien Lévy-Garboua and of Mrs. Rose-Marie van Lerberghe. 2 of its 4 members (ratio of 50%) are considered as independent, namely Mr. Bertrand Jacquillat and Mrs. Rose-Marie Van Lerberghe(12).

The committee meets at least twice per year based on a schedule of meetings determined by the Supervisory Board. Even so, the Committee may meet at the request of at least 2 of its members.

For it to be able to deliberate validly, at least half of the committee's members must be present. One Committee member cannot be represented by another. Those attending committee meetings are the Chairman of the Executive Board, Executive Board members, representatives of the Statutory Auditors and any other persons from whom the committee wishes to hear.

The Audit Committee has been entrusted by the Supervisory Board with the following tasks:

- review and assessment of the financial documents distributed at the end of accounting periods;
- review and assessment of the conclusions and recommendations of the Statutory Auditors, as well as appointing them and determining their fees;
- review and assessment of internal control systems and how the Company discharges its regulatory internal control obligations.

To help it fulfil its tasks, the committee may ask the Executive Board to conduct any interviews and provide it with any information it requires.

It met 3 times during the 2013 financial year, with an attendance rate of 83.33%(13). Its work focused mainly on:

- reviewing the annual and interim individual and consolidated financial statements and the subsequent events and their impact;
- monitoring the principal indicators, such as cash flow, net asset value and EPRA earnings;
- tracking bank covenants;
- keeping track of areas of expertise and expert methodology;
- conducting a tax review of the Group;
- reviewing the audit conclusions issued by the Statutory Auditors, their budgets for 2013 and 2014 and their declaration of independence;
- examining the report by periodic control and permanent control and risk management on their activities during 2013 and validating their action plan for 2014.

The Nomination and Compensation Committee(14)

This committee has at least 2 and no more than 5 members chosen by the Supervisory Board from among its members.

During the 2013 financial year, the Nomination and Compensation Committee consisted of Messrs. Bertrand de Feydeau (Chairman of the Nomination and Compensation Committee – independent member), Steven Fivel, Vivien Lévy-Garboua and Mrs. Rose-Marie Van Lerberghe. 2 of its 4 members (ratio of 50%) are considered as independent, namely Mr. Bertrand de Feydeau and Mrs. Rose-Marie Van Lerberghe(15).

This committee, which meets at least once every year, prepares recommendations for the Supervisory Board concerning the nomination and compensation of Executive Committee members, pension and personal protection plans, benefits in kind, and stock option plans and bonus share plans.

(11) AFEP-MEDEF Corporate Governance Code (Point 16).
(12) AFEP-MEDEF Corporate Governance Code (Point 16): the composition of the Audit Committee is not fully compliant with the Code, which recommends that independent members should account for at least two-thirds of its members. The departure from these recommendations is justified by the change in the composition of the Supervisory Board during 2012 following the sale by the BNP Paribas Group of a 28.7% interest in Klépierre's capital stock to Simon Property Group. Nonetheless, the Supervisory Board ensured that the Audit Committee had 2 independent members since 2012 and will continue moving in the direction of compliance as soon as the number of Supervisory Board members whose term of office comes up for renewal allows for making such change.
(13) AFEP-MEDEF Corporate Governance Code (Point 11).
(14) AFEP-MEDEF Corporate Governance Code (Points 17 and 18).
(15) AFEP-MEDEF Corporate Governance Code (Points 17 and 18): The composition of the Nomination and Compensation Committee is not fully compliant with the Code, which recommends that independent members should account for a majority of members. The departure from these recommendations is justified by the change in the composition of the Supervisory Board during 2012 following the sale by the BNP Paribas Group of a 28.7% interest in Klépierre's capital stock to Simon Property Group. Nonetheless, the Supervisory Board ensured that the Nomination and Compensation Committee had 2 independent members since 2012 and will continue moving in the direction of compliance as soon the number of Supervisory Board members whose term of office comes up for renewal allows for making such change.

It met 3 times during the 2013 financial year, with an attendance rate of 83.33%[16]. Its work focused mainly on:

- the 2012 variable compensation of Executive Committee members as well as arrangements for determining their 2013 variable compensation (Executive Board members included);
- a review of the terms in office of Supervisory Board members due to expire;
- the composition of the specialized committees;
- the nomination of Executive Board members and the nomination and the compensation of the Chairman of the Executive Board;
- the level of attainment of performance conditions of the stock option plans granted in respect of previous years;
- review of a 2013 bonus share allotment plan;
- possible extension of the exercise period for the stock options plan of May 30, 2006;
- "say-on-pay" amendments to the AFEP-MEDEF Code concerning executive pay.

The Chairman of the Executive Board participated in the work of the Nomination Committee.

The compensation paid to Executive Board members in 2013 is disclosed in section "Corporate officers" of the 2013 Registration document.

The Sustainable Development Committee

This Committee has at least 2 and no more than 4 members chosen by the Supervisory Board from among its members.

During the 2013 financial year, it consisted of Messrs. Steven Fivel (Chairman of the Sustainable Development Committee), François Kayat and Vivien Lévy-Garboua and of Mrs. Catherine Simoni. One of its 4 members (i.e. independence ratio 25%) is regarded as independent, namely Mrs. Catherine Simoni.

This Committee, which meets at least twice every year, is tasked 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.

It met 3 times during the 2013 financial year, with an attendance rate of 83.33%[17]. Its work focused mainly on:

- extra-financial performance: 2012 results;
- Klépierre's commitments for the 2013 to 2020 period: action plan and objectives;
- sustainable development performance: principal extra-financial ratings for 2013;
- main projects launched.

II – 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.

I) 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;
- safeguarding the reliability of information provided to internal and external users;
- 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;

(16) AFEP-MEDEF Corporate Governance Code (Point 11).
(17) AFEP-MEDEF Corporate Governance Code (Point 11).

- 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.

II) 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 risk factors likely to affect attainment of its objectives and compromise 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[18] and the controllable risks;
- learn lessons from incidents and risks that have arisen and continuously improve the internal control framework;
- reeinforce and share a common vision of risks within the Group.

During 2013, the Group began a new drive to update the risk mapping in order to take into account the impact of the ERP (Enterprise Resource Planning) system implemented across Europe at all subsidiaries (Scandinavia is in the final phase of deployment). The ERP software has transformed the overall information system, modernized processes at every level of the business lines and functions, enhanced the fluidity of data flows by providing a unified platform and made the organization more effective and secure.

The system has also helped to strengthen the internal control framework by introducing unified terminology and processes, together with common Group-wide rules. It has automated a large number of first-level controls, so teams can concentrate their efforts on second-level controls.

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 play 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 them 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 two assignments during 2013.

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.

(18) It is worth noting that the risks described in the "Risk Factors" section of the management report correspond more to the risks inherent in Klépierre's business activities arising from the market, macroeconomic conditions and changes in the regulatory framework.

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 2013 and the action plan for 2014.

Under the responsibility of the Internal Control division, the Risk and Internal Control Committee meets at least twice 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.

III) Control measures addressing major risks

The control measures are described by major risk area:

a) 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. Klépierre requires its suppliers to declare all their subcontractors, which are subject to Klépierre's approval. In addition, it has a compliance charter, and the compliance clause is incorporated in all contracts with suppliers.

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.

An incident database has been implemented across the shopping centers in France, Norway and Denmark. Paper records are kept in other countries and will be replaced shortly with electronic systems. These databases, which are updated on a daily basis, help to monitor the risks associated with the safety and 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 France of compliance with the regulations and internal procedures in connection with the management of shopping malls 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.

b) 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 Development Committee. Next the Development Committee selects projects for further analysis and approves a research budget. For transactions of less than €8 million, the decision is made by the Executive Board. Transactions in excess of €8 million 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.

c) 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 at the owner's request, and an action plan is then drawn up.

The inter-business Letting Committee meets every 2 weeks to review all the projects, discuss difficulties and make the appropriate decisions. A rental grid and management chart are prepared with indicators used to monitor project lettings. The Development Committee approves the budget and rental grid for the project and makes any requisite adjustments in the event of warnings about the level of the occupancy cost ratio and financial terms.

Lease renewals and vacant properties are reported on a weekly basis in a commercial forecasting system. A specific management chart listing the measures to be carried out is validated by the Executive Committee.

d) 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.

In 2013, the Group updated its business continuity plan (BCP) again. 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;
- the Group's server room is damaged;
- a pandemic is declared.

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

e) 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 and the Office Property Segment (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 (except for Steen & Strøm). 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 close of bank accounts for the whole Group.

f) 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 on drafting a European-type lease 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 the 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.

g) Information system

Advances in information technology have paved the way for significant development of corporate information systems. Good information systems governance enhances the efficiency of internal control rules.

Klépierre has rolled out an ERP system at its subsidiaries. This new software:

- provides investors with reliable and consistent business and financial information;
- harmonizes and aligns processes to enhance the Group's image and create shared terminology and also facilitates the integration of new units;
- simplifies the architecture of the corporate information system by placing restrictions on local systems and facilitating data exchanges;
- delivers operational improvements through automated transactions and greater organizational efficiency.

The principal control measures implemented by Klépierre in its projects are:

- the use of an ERP system with a single data repository to eliminate the majority of interfaces between business lines and accounting and to protect data integrity;
- the activation of critical controls in the system to safeguard the consistency of repositories in particular, thereby curbing manual inputs and guaranteeing the unicity of records;
- the segregation of input and validation duties for transactions, a principle supported by the system through authorization profiles. Every time data considered as sensitive is created or edited, it has to be validated before it can be used in operations (bank data, commitments, etc.);
- the development of reporting supplements control measures that cannot be automated. Use of this reporting is incorporated in the operational procedures;
- the core model concept guarantees the consistency of the framework across all the countries in which the Group is present, thereby making the higher-level controls more reliable.

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

IV) 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 2 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 accounts, 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 helps 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.

III – Corporate Governance

At its meeting on December 19, 2008, the members of the Supervisory Board confirmed that the Company had agreed to adopt the corporate governance rules laid down in the AFEP/MEDEF[19] Code (available on the web site at www.medef.fr).

Compensation of Supervisory Board and specialized committee members[20] :
The compensation paid to Supervisory Board and specialized committee members comprises attendance fees.

The overall allocation of attendance fees set aside for Supervisory Board members stood at €270 000 for 2013, to be paid out based on the following conditions:

- €72 000 as a fixed allocation to be distributed evenly among Supervisory Board members;
- €108 000 as a combined variable allocation divided into 2 equal portions as compensation for (i) actual attendance at Supervisory Board meetings by its members, and (ii) actual attendance by Supervisory Board members at meetings of the special committees.

In addition, a combined fixed amount of €90 000 is allocated as compensation for the specific duties of the Chairman and Vice-Chairman of the Supervisory Board and those of the Chairman of the special committees.

The share of the attendance fees paid individually to each member of the Supervisory Board in 2013 is shown in the Compensation and benefits paid to corporate officers section of the 2013 Registration Document.

Internal rules governing the Supervisory Board and its Committees
The internal rules of the Supervisory Board and each of its committees are part of a transparency-based approach, in line with the corporate governance principles applicable to listed companies.

These internal rules lay down the duties and *modus operandi* of the Supervisory Board and the various committees. They were reviewed by the Supervisory Board on March 14, 2012 when the Simon Property Group became a shareholder to facilitate meetings of the Committees and of the Supervisory Board.

IV – 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 Articles of Association and in the General Information section of the 2013 Registration Document.

V – 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 disclosed in the General Information section concerning the capital stock in the 2013 Registration Document (capital structure/delegations of powers and authorizations granted to the Executive Board by the General Meetings of the shareholders on April 7, 2011, April 12, 2012 and April 11, 2013) and in the notes to the consolidated financial statements – Note 8.2. Liquidity risk (agreements entered into by the Company that may be terminated in the event of a change in control: bonds if the change in control leads to a downgrade in the Company's credit rating to non-investment grade status).

David Simon,
Chairman of the Supervisory Board

(19) AFEP-MEDEF Corporate Governance Code (Point 25). The table tracking the application of AFEP-MEDEF Code recommendations appears in section 4.3.
(20) AFEP-MEDEF Corporate Governance Code (Point 21).

9.3. 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

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, 2013.

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 5, 2014

The Statutory Auditors
French original signed by

Mazars	**Deloitte & Associés**	
Gilles Magnan	José-Luis Garcia	Joël Assayah

9.4. 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 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 agree 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. BNP Paribas Securities Services

Members of the Supervisory Board concerned
Mrs. Dominique Aubernon and Mr. Vivien Lévy-Garboua.
This relates to an agreement indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On March 22, 2013, your Supervisory Board authorized an account custodian agreement with BNP Paribas Securities Services in the squeeze out of Klémurs shares that were not tendered to the simplified offer.

Terms and conditions
The agreement was signed between Klépierre and BNP Paribas Securities Services on April 4, 2013. The compensation from this agreement totaled 15 000 euros in respect of 2013.

2. With BNP Paribas

Members of the Supervisory Board concerned
Mrs. Dominique Aubernon and Mr. Vivien Lévy-Garboua.
This relates to an agreement directly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On April 11, 2013, 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 between Klépierre, BNP Paribas and other dealers on April 29, 2013. No compensation was paid in respect of this agreement in 2013.

3. BNP Paribas Securities Services

Members of the Supervisory Board concerned
Mrs. Dominique Aubernon and Mr. Vivien Lévy-Garboua.
This relates to an agreement indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On April 11, 2013, 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, who 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 29, 2013. The compensation from this agreement totaled 3 050 euros in respect of 2013.

4. With BNP Paribas

Members of the Supervisory Board concerned
Mrs. Dominique Aubernon and Mr. Vivien Lévy-Garboua.
This relates to an agreement directly involving BNP Paribas, a shareholder with 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 years 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 margin which may vary depending of the Klépierre rating and the use of the loan. On May 23, 2013, your Supervisory Board authorized the maximum amount of this loan from 600 000 000 euros to 750 000 000 euros.

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 euros. The 2013 charges related to this agreement correspond to issuing commission and agent's commission totaled 4 517 000 euros and 25 000 euros respectively and non-use commission for 0.4810% of the nominal amount totaled 2 124 416.67 euros.

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

Members of the Supervisory Board concerned
This relates to an agreement indirectly involving BNP Paribas, a shareholder with 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 euros. As part of this program, your Company signed on March 13, 2006, the contract "Subscription Agreement" with BNP Paribas, HSBC France and The Royal Bank of Scotland. Through this contract, your Company agrees to issue the bonds and syndicate agrees to purchase such obligations.

Terms and conditions
No compensation was paid in respect of this agreement in 2013.

2. With BNP Paribas Securities Services and BNP Paribas Securities Services Luxembourg Branch

This relates to an agreement involving BNP Paribas, a shareholder with 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 0000 euros. As part of this program, your company signed on March 16, 2006, a contract "Fiscal Agency Agreement" with BNP Paribas Securities Services and BNP Paribas Securities Services Luxembourg Branch. It is a financial services contract which organizes the relationship between the Issuer, the Principal Paying Agent, any other Paying Agents and Agent says "Covenant and Put Agent" throughout the life of the bonds.

Terms and conditions

No compensation was paid in respect of this agreement in 2013.

3. With Nordica Holdco AB, a 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%.

Terms and conditions

This loan was granted on October 6, 2008. Interest received in respect of 2013 totaled 5 905 530.03 euros.

4. With Storm Holding Norway AS, a 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%.

Terms and conditions

A loan in an amount of NOK 1 822 786 000 was granted on October 7, 2008. Interest received in respect of 2013 totaled 14 519 015.01 euros.

5. With Le Havre Lafayette, a subsidiary of Klépierre

This relates to an agreement involving Le Havre Lafayette, a subsidiary of your Company.

Nature and purpose

On June 5, 2009, your Supervisory Board, approved the granting of an inter-group loan by Le Havre Lafayette to Klépierre for a maximum amount of 10 511 752.67 euros.

Terms and conditions

As at December 31, 2013 this loan amounted to 10 411 752.67 euros. The loan carries interest of 5.50% and the interest recorded in respect of fiscal year 2013 totaled 580 599.82 euros. The loan contract was signed on June, 15th, 2009.

6. With Le Havre Vauban, a subsidiary of Klépierre

This relates to an agreement involving Le Havre Vauban, a subsidiary of your Company.

Nature and purpose

On June 5, 2009, your Supervisory Board approved the granting of an inter-group loan by Le Havre Vauban to Klépierre for a maximum amount of 268 591.39 euros. The loan contract was signed on June, 15th, 2009.

Terms and conditions

As at December 31, 2013, this loan was repaid in full. The loan carries interest of 5.50% and the interest recorded in respect of 2013 totaled 34 255.96 euros.

7. With Le Havre Lafayette and Le Havre Vauban, subsidiaries of Klépierre

This relates to an agreement involving Le Havre Lafayette and Le Havre Vauban, subsidiaries of your Company.

ature and purpose

On June 5, 2009, your Supervisory Board approved the pledging by Klépierre of all of the shares that it owns in Le Havre Lafayette and Le Havre Vauban in favor of the Westdeutsche Immobilienbank AG bank and all beneficiaries as such term is defined in the loan agreement.

Terms and conditions

The loan agreement between Le Havre Lafayette, Le Havre Vauban and the Westdeutsche Immobilienbank AG bank was signed on June 15, 2009 and Article 12.6 provides that Klépierre shall pledge all of the shares that it owns in these two companies.

8. With BNP Paribas SA

Members of the Supervisory Board concerned

Mr. Vivien Lévy-Garboua

This relates to an agreement indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose

On June 5, 2009, your Supervisory Board authorized the signature of a loan for a maximum amount of 2 400 000 000 euros that bears interest at 3-month Euribor plus a margin from 120 to 180 bps of up to 65% based on the LTV price grid mechanism.

Terms and conditions

This loan was granted on June 29, 2009 in the amount of 2 100 000 000 euros. The outstanding debt is 800 000 000 euros and the non-use commission totaled 3 893 333.34 euros in 2013.

9. With Storm Holding Norway, a subsidiary of Klépierre

This relates to an agreement involving Storm Holding Norway, 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%.

erms and conditions

The SEK 635 478 025 loan agreement was signed on March 25, 2011. Interest recorded for fiscal year 2013 totaled 4 529 017.55 euros.

10. With Klémurs, a subsidiary of Klépierre

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 euros, for a term of 3 years expiring on July 28, 2014 and bearing interest at 3-month Euribor plus a margin of 200 basis points.

Terms and conditions

A 50 000 000 euros loan agreement was signed on July 25, 2011. Interest recorded for fiscal year 2013 totaled 1 120 030.56 euros.

11. With Klémurs, a subsidiary of Klépierre

This relates to an agreement involving Klémurs, a subsidiary of your Company.

Nature and purpose

On December 13, 2011, your Supervisory Board approved the granting of a loan from Klépierre to Klémurs in an amount of 250 000 000 euros, for a term of 3 years ending on December 31, 2013 and bearing interest at 3-month Euribor plus a bi-annual revisable margin according to the LTV ratio.

Terms and conditions

The 250 000 000 euros, loan agreement was signed on December 20, 2011. The interest due in respect of fiscal year 2013 totaled 5 397 375.00 euros.

12. Avec BNP Paribas et SCI Kléprim's

Members of the Supervisory Board concerned
Mrs. Dominique Aubernon and Mr. Vivien Lévy-Garboua
This relates to an agreement directly involving BNP Paribas, a shareholder with 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 euros. 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 euros to BNP Paribas. The remuneration for fiscal year 2013 totaled 81 979.17 euros.

13. With BNP Paribas

Members of the Supervisory Board concerned
Mrs. Dominique Aubernon
This relates to an agreement directly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On February 3, 2012, your Supervisory Board authorized Klépierre to enter into a 4-year loan agreement with BNP Paribas for a total amount of 500 000 000 euros, payable on maturity and bearing interest at 3-month Euribor plus a margin of 230 basis points.

Terms and conditions
The agreement was signed between Klépierre and BNP Paribas on March 7, 2012. This loan was repaid in 2013. Non-use commission totaled 2 118 156.25 euros in 2013.

14. With BNP Paribas

Members of the Supervisory Board concerned
Mrs. Dominique Aubernon
This relates to an agreement directly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On February 3, 2012, your Supervisory Board authorized Klépierre to enter into a 6-year loan agreement with BNP Paribas for a total amount of 500 000 000 euros, payable on maturity and bearing interest at 3-month Euribor plus a margin of 240 basis points.

Terms and conditions
The agreement was signed between Klépierre and BNP Paribas on March 7, 2012. This loan was repaid in 2013. Non-use commission totaled 2 742 750.00 euros in 2013.

15. With Simon Property Group

Members of the Supervisory Board concerned
Mr. David Simon, Mr. Steven Fivel and Mr. François Kayat.
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 with a collateral joint and several guarantee granted by Simon Property Group.

Terms and conditions
Guarantees were granted by Simon Property Group to Klépierre on April 23, 2012.

16. With BNP Paribas

Members of the Supervisory Board concerned
Mrs. Dominique Aubernon and Mr. Vivien Lévy-Garboua.
This relates to an agreement directly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On April 18, 2012, 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 between Klépierre, BNP Paribas and other dealers on April 27, 2012. No compensation was paid in respect of this agreement in 2013.

17. BNP Paribas Securities Services

Members of the Supervisory Board concerned
Mrs. Dominique Aubernon and Mr. Vivien Lévy-Garboua.
This relates to an agreement indirectly involving BNP Paribas, a shareholder with more than 10% of the voting rights in your Company.

Nature and purpose
On April 18, 2012, 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, who 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 27, 2012. No compensation was paid in respect of this agreement in 2013.

Paris La Défense and Neuilly-sur-Seine, March 5, 2014

The Statutory Auditors

Mazars	**Deloitte & Associés**	
Gilles Magnan	José-Luis Garcia	Joël Assayah

Gilles Magnan Joël Assayah José-Luis Garcia

9.5. SPECIAL REPORT BY THE EXECUTIVE BOARD TO THE GENERAL MEETING CONCERNING TRANSACTIONS CARRIED OUT PURSUANT TO THE PROVISIONS PROVIDED FOR IN ARTICLES L. 225-197-1 TO L. 225-197-3 OF THE FRENCH COMMERCIAL CODE (ARTICLE L. 225-197-4, SUB-PARAGRAPH 1 OF THE FRENCH COMMERCIAL CODE)

Shares granted free of charge to corporate officers

Executive Board members	Date of grant[1]	Number of shares granted free of charge[2]	Vesting period and holding period	Value by share at February 25, 2013 *(in euros)*
Laurent Morel Chairman of the Executive Board	February 25, 2013	35 000	Vesting period: from February 25, 2013 to February 25, 2016 Holding period: from February 25, 2016 to February 25, 2018	14.19[3]
Jean-Michel Gault Executive Board member	February 25, 2013	30 000	Vesting period: from February 25, 2013 to February 25, 2016 Holding period: from February 25, 2016 to February 25, 2018	14.19[3]
Jean-Marc Jestin Executive Board member	February 25, 2013	30 000	Vesting period: from February 25, 2013 to February 25, 2016 Holding period: from February 25, 2016 to February 25, 2018	14.19[3]

(1) Date of the EGM at which the Executive Board was authorized to allot bonus shares: April 12, 2012.
(2) In accordance with Article L. 225-185 of the French Commercial Code, the shares allotted are subject to a holding obligation as bearer shares in respect of 50% of the gain on acquisition net of tax and charges calculated upon delivery of the shares.
(3) Program France – 100% of the shares allotted are subject to performance conditions, as defined below.

Number and value of the shares allotted free of charge in 2013 by the Executive Board on February 25, 2013 to each of the 10 employees not corporate officers to whom the highest number of shares was granted free of charge

Number of shares allotted free of charge	Value by share at February 25, 2013 *(in euros)*
6 employees allotee each 11 500 shares 1 employee allotee 6 000 shares 2 employees allotee each of 3 500 shares	14.19[1] or 13.65[2]
i.e. a total of 82 000 shares	14.19[1] or 13.65[2]

(1) Program France – 100% of the shares allotted are subject to performance conditions, as defined below.
(2) Program abroad – 100% of the shares allotted are subject to performance conditions, as defined below.

Number and value of the shares allotted free of charge in 2013 to all beneficiary employees and corporate officers by the Executive Board on February 25, 2013

	Number of beneficiaries	Total number of shares allotted	Value by share at February 25, 2013 *(in euros)*
Executive Board Laurent Morel (corporate officer not employee) Jean-Michel Gault Jean-Marc Jestin	3	95 000	14.19[1]
Executive Committee (excl. Executive Board)	6	69 000	14.19[1]
Other employees (excl. the Executive Board, excl. the Executive Committee)	42	91 000	14.19[2] or 13.65[3]
TOTAL	**51**	**255 000**	–

(1) Program France – The allotted shares are subject to performance conditions, as outlined below.
(2) Program France – This value covers 66 000 shares allotted and subject to performance conditions, as defined below.
(3) Program abroad – This value covers 25 000 shares allotted are subject to performance conditions, as outlined below.

Performance condition

For certain Beneficiaries, Vesting of the Performance Shares is subject to meeting the Performance Condition assessed based on the following 2 criteria:

(i) the absolute performance of the Klépierre share assessed relative to its Total Shareholder Return ("TSR"):

This criterion affects 30% of the number of Performance Shares granted.

The "TSR" of the Klépierre share is equal to the sum of (i) the difference between the Final Price and the Reference Price plus (ii) the Dividends distributed by Klépierre over the course of that period, expressed relative to the Reference Price, or in other words:

$$\frac{\textbf{(Final Price – Reference Price) + Dividends}}{\textbf{Reference Price}}$$

For the purposes of the comparison described below, the result obtained is multiplied by one hundred in order to yield a percentage.

The rights to the Performance Shares will vest based on the TSR level of the Klépierre share in accordance with the following scale:

Absolute performance:
Total Shareholder Return of the Klépierre share

Concerns 30% of the number of Performance Shares

TSR Level	# of vested Performance Shares
≤20%	0.0%
24%	33.3%
27%	50.0%
30%	66.7%
33%	83.3%
≥36%	100.0%

(ii) the relative performance of the Klépierre share assessed based on the FTSE EPRA EURO ZONE index:

This criterion affects 70% of the number of Performance Shares granted.

The performance of the Klépierre share and that of the index will be each calculated in the following way:

$$\frac{\textbf{(Final Price – Reference Price)}}{\textbf{Reference Price}}$$

For the purposes of the comparison described below, the result obtained is multiplied by one hundred in order to yield a percentage.

The rights to benefit from the Performance Shares will vest based on the level of progression of the Klépierre share relative to the FTSE EPRA EURO ZONE index in accordance with the following scale:

Relative Performance:
Level of the Klépierre share relative to the FTSE EPRA EURO ZONE index

Concerns 70% of the number of Performance Shares

Klépierre share relative to the Index	# of vested Performance Shares
Index -1%	0.0%
Index	33.3%
Index +1%	50.0%
Index +2%	66.7%
Index +3%	100.0%

9.6. SPECIAL REPORT FROM THE EXECUTIVE BOARD TO THE GENERAL MEETING CONCERNING TRANSACTIONS MADE PURSUANT TO PROVISIONS IN ARTICLES L. 225-177 TO L. 225-186 OF THE FRENCH COMMERCIAL CODE (ARTICLE L. 225-184 OF THE FRENCH COMMERCIAL CODE)

Number and price of shares subscribed or purchased in 2013 by corporate officers following the exercise of one or several options held on the Company, its affiliates or companies under its control

Members of the Executive Board	Date of grant	Exercise period	Exercise price *(in euros)*	Number of options exercised in 2013	Options remaining to be exercised
Laurent Morel Chairman of the Executive Board	May 30, 2006	May 31, 2010 to May 30, 2014	29.49	22 000	9 021
Jean-Michel Gault Member of the Executive board	May 30, 2006	May 31, 2010 to May 30, 2014	29.49	5 000	26 021
Jean-Marc Jestin Member of the Executive board	–	–	–	–	–

Number, exercise price and expiry dates of options to suscribe for or to purchase shares granted in 2013 to each corporate officer by the Company, its affiliates or companies under its control

None.

Number and price of shares suscribed or purchased in 2013 following the exercise of one or several options by each of the 10 employees – not including corporate officers – for which the number of shares suscribed or purchased this way is the highest

	Date of grant	Exercise period	Exercise price *(in euros)*	Number of options exercised in 2013
Employee 1	May 30, 2006 April 6, 2009	May 31, 2010 to May 30, 2014 April 6, 2013 to April 5, 2017	29.49 22.60	21 715 8 750
Employee 2	May 30, 2006 April 6, 2009	May 31, 2010 to May 30, 2014 April 6, 2013 to April 5, 2017	29.49 22.60	9 307 7 500
Employee 3	May 30, 2006 April 6, 2009	May 31, 2010 to May 30, 2014 April 6, 2013 to April 5, 2017	29.49 22.60	9 307 7 500
Employee 4	May 30, 2006 April 6, 2009	May 31, 2010 to May 30, 2014 April 6, 2013 to April 5, 2017	29.49 22.60	6 205 4 500
Employee 5	May 30, 2006 April 6, 2009	May 31, 2010 to May 30, 2014 April 6, 2013 to April 5, 2017	29.49 22.60	6 205 4 500
Employee 6	May 30, 2006 April 6, 2009	May 31, 2010 to May 30, 2014 April 6, 2013 to April 5, 2017	29.49 22.60	6 205 4 500
Employee 7	May 30, 2006 April 6, 2009	May 31, 2010 to May 30, 2014 April 6, 2013 to April 5, 2017	29.49 22.60	6 205 4 500
Employee 8	May 30, 2006 April 6, 2009	May 31, 2010 to May 30, 2014 April 6, 2013 to April 5, 2017	29.49 22.60	6 205 4 500
Employee 9	April 6, 2009	April 6, 2013 to April 5, 2017	24.86[1] 22.60	1 250 8 750
Employee 10	May 30, 2006 April 6, 2009	May 31, 2010 to May 30, 2014 April 6, 2013 to April 5, 2017	29.49 22.60	6 205 4 500

(1) Price taking account of the degree to which performance conditions were met.

Number, exercise price and expiry dates of options granted in 2013 to all beneficiary employees by the Company, its affiliates or companies under its control

None.

9.7. 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 10, 2014 ("the 2014 Share Buyback Program")

1. Date of the General Meeting of shareholders called to approve the 2014 Share Buyback Program

April 10, 2014

2. Shares held by the Company at February 28, 2014

At February 28, 2014, Klépierre directly or indirectly holds 3 743 586 shares, representing 1.88% of its share capital for an overall amount of 89,62 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 28, 2014 i.e. 199 470 340.

3. Breakdown by objective of shares held by Klépierre at February 28, 2014

At February 28, 2014,

- 3 641 639 shares are allocated to any stock option plans the Company offers and to the award of bonus shares, and
- 101 947 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 2014 Share Buyback Program

The objectives of the 2014 Share Buyback Program are the following:

- to stimulate the secondary market – or the liquidity of Klépierre stock, through an investment services provider, within the framework of a liquidity agreement that complies with the ethics charter recognized by the AMF; or
- to remit shares (in exchange, payment or otherwise) as part of an acquisition, merger, spin-off or partial business transfer; or
- to implement any stock option plan the Company offers in accordance with the provisions of articles L. 225-177 et seq of the French Commercial Code or any similar plan; or
- in general, to honor obligations linked to stock option plans or other employee or corporate officer stock allocation, of the Company or any affiliates; or
- to remit shares in connection with the exercise of rights attached to securities convertible into the Company's shares, by way of redemption, ordinary conversion, exchange, presentation of a warrant or any other manner; or
- to cancel all or some of these repurchased shares, subject to adoption by the Extraordinary General Meeting of shareholders, on April 10, 2014, of the eleventh resolution submitted to a shareholder vote and under the terms indicated therein; or
- to allocate bonus shares pursuant to the provisions of articles L. 225-197-1 et seq of the French Commercial Code; or
- to grant or sell shares to employees in connection with profit-sharing programs offered by the Company or in connection with the implementation of any employee sponsored savings plan in accordance with the law, in particular articles L. 3332-1 et seq of the French Labor Code, through the transfer of shares acquired previously by the Company under the tenth resolution presented at the Ordinary General Meeting of April 10, 2014 or providing for a free grant of shares in respect of a contribution in shares by the Company and/or to replace the discount.

5. Maximum portion of the capital to be acquired and maximum number of shares that may be acquired under the 2014 Share Buyback Program

The number of shares that the Company will be authorized to purchase cannot exceed 5% 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 28, 2014 minus the 3 743 586 shares held at that date, the maximum number of shares that can be purchased is 6 229 930.

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 28, 2014, the maximum number of shares that can be held totals 19 947 034.

6. Maximum authorized purchase price per share

The maximum purchase price is 45 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 2014 Share Buyback Program is estimated at 448 808 265 euros, calculated on the basis of a maximum purchase price of 45 euros per share and the share capital of Klépierre on February 28, 2014.

7. Duration of the 2014 Share Buyback Program

Under the tenth resolution that will be submitted to the General Meeting of shareholders for a vote on April 10, 2014, the share buyback program can be implemented over a period of 18 months following that date, i.e., until October 10, 2015.

9.8. PROPOSED RESOLUTIONS TO BE SUBMITTED TO THE NEXT GENERAL MEETING OF THE SHAREHOLDERS ON APRIL 10, 2014

Ordinary General Meeting

FIRST RESOLUTION
(Approval of the Company's financial statements for the financial year ending 31 December 2013)

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings, having taken into account the reports of the Executive Board, of the Supervisory Board, and of the statutory auditors, approves the Company's annual financial statements as they have been presented for the financial year ending December 31, 2013, including the balance sheet, the income statement and the annex, resulting in a profit of 75 526 031.90 euros.

It also approves the transactions reflected in those financial statements and summarized in these reports.

It notes that the financial statements for the financial year 2013 do not reflect expenses and charges referred to in article 39-4 of the French General Tax Code.

SECOND RESOLUTION
(Approval of the consolidated Company's financial statements for the financial year ending 31 December 2013)

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings, having taken into account the reports of the Executive Board, of the Supervisory Board, and of the statutory auditors, approves the Company's consolidated financial statements as they have been presented for the financial year ending December 31, 2013, including the balance sheet, the income statement and the annex, resulting in a profit of 137 020 000.00 euros.

It also approves the transactions reflected in those financial statements and summarized in those reports.

THIRD RESOLUTION
(Allocation of income for the financial year ending 31 December 2013 and determination of the amount of the dividend)

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings, resolves to allocate as follows the income of the financial year, which amounts to 75 526 031.90 euros, as follows:

Profits	75 526 031.90 euros
Retained earnings	629 296 104.50 euros
	--
Distributable earnings	**704 822 136.40 euros**
Dividends to shareholders	**309 179 027.00 euros**
– Tax-exempt dividends	185 507 416.20 euros
– Taxable dividends	123 671 610.80 euros
(resulting in a distribution of 1,55 euro per share)	--
Balance of retained earnings	**395 643 109.40 euros**

The dividend amount of 309 179 027.00 euros, which represents a dividend of 1.55 euro per share, constitutes revenue eligible for an allowance at a rate of 40% (as stated in article 158-3-2° of the French General Tax Code) up to 0.62 euro per share. The balance (which would be 0.93 euro per share) corresponding to the exempted activity dividend is not eligible for this tax deduction.

These figures were calculated using the total number of shares making up the capital stock at December 31, 2013 and could vary if the number of shares entitled to dividends changes between January 1, 2014 and the ex-dividend date.

In accordance with the provisions of article L. 225-210 of the French Commercial Code, the General Meeting determines that the amount corresponding to treasury shares at the dividend payment date, as well as the amount shareholders may waive, will be allocated to "retained earnings". Such sums will reduce the distribution deducted from the results of the exempted activity and of the taxable activities, in the same proportions as those indicated above (i.e., 0.93 euro per share for the results of exempted activity and 0.62 euro per share for the results of taxable activities).

Dividend will be detached from the share on April 14, 2014 and paid in cash on April 17, 2014.

As a reminder, according to article 243 bis of the French General Tax Code, the dividends of the last three financial years were as follows:

Fiscal year	Total dividends to shareholders	Net dividend per share	Amount eligible for exemption under article 158-3-2° of the French General Tax Code	Amount not eligible for exemption under article 158-3-2° of the French General Tax Code
2010	256 025 124.00	1.35	256 025 124.00	-
2011	274 989 948.00	1.45	91 031 155.20	183 958 792.80
2012	299 205 510.00	1.50	25 931 144.20	273 274 365.80

(in euros)

The General Meeting grants all necessary powers to the Executive Board to determine, considering in particular the number of shares held by the Company at the dividend payment date and, where appropriate, the number of shares canceled before that date, the total amount of dividends and, accordingly, the amount of distributable earnings to be allocated to "retained earnings."

FOURTH RESOLUTION
(Approval of transactions and agreements referred to in article L. 225-86 of the French Commercial Code)

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings, having taken note of the special report of the statutory auditors on the agreements referred to in article L. 225-86 of the French Commercial Code and relating to the financial year ending December 31, 2013, approves such report and all of its provisions, as well as any new agreements that are referred to therein, in accordance with the provisions of article L. 225-88 of said Code.

FIFTH RESOLUTION
(Renewal of the term of office of Dominique Aubernon as member of the Supervisory Board)

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings, noting that the term of office of Dominique Aubernon as a member of the Supervisory Board expires today, renews her term of office for a duration of three years, which shall end at the close of the General Meeting convened to vote in 2017 on the financial statements for the financial year ended December 31, 2016.

Dominique Aubernon announced her acceptance of the renewal of her term of office and that she neither performed a function nor was subject to any action that would prevent her from carrying out this role.

SIXTH RESOLUTION
(Renewal of the term of office of Catherine Simoni as member of the Supervisory Board)

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings, noting that the term of office of Catherine Simoni as a member of the Supervisory Board expires today, renews her term of office for a duration of three years, which shall end at the close of the General Meeting convened to vote in 2017 on the financial statements for the financial year ended December 31, 2016.

Catherine Simoni announced her acceptance of the renewal of her term of office and that she neither performed a function nor was subject to any action that would prevent her from carrying out this role.

SEVENTH RESOLUTION
(Non-binding vote by the Ordinary General Meeting on the conditions of the compensation package of Laurent Morel, Chairman of the Executive Board, for the financial year ending 31 December 2013)

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings and in accordance with the AFEP-MEDEF Corporate Governance Code for listed companies which is the corporate governance code by which the Company abides in accordance with article L.225-68 of the French Commercial Code, approves the conditions of the compensation package of Laurent Morel, Chairman of the Executive Board, for the financial year ended December 31, 2013 as they are presented in section 4.2 of the *"document de référence"* for financial year 2013 and as referred to in the Executive Board's report.

EIGHTH RESOLUTION
(Non-binding vote by the Ordinary General Meeting on the conditions of the compensation packages of Jean-Michel Gault and Jean-Marc Jestin, members of the Executive Board, for the financial year ending 31 December 2013)

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings and in accordance with the AFEP-MEDEF Corporate Governance Code for listed companies which is the corporate governance code by which the Company abides in accordance with article L.225-68 of the French Commercial Code, approves the conditions of the compensation packages of Jean-Michel Gault and Jean-Marc Jestin, members of the Executive Board, for the financial year ended December 31, 2013 as they are presented in section 4.2 of the *"document de référence"* for financial year 2013 and as referred to in the Executive Board's report.

NINTH RESOLUTION
(Determination of attendance fees allocated to members of the Supervisory Board)

Pursuant to the quorum and majority requirements applicable to Ordinary General Meetings, the General Meeting determines the attendance fees allocated to members of the Supervisory Board to amount to a total of 300 000.00 euros per financial year.

This amount will remain valid for the following financial years until a decision is made to the contrary.

TENTH RESOLUTION
(Delegation of authority to be given to the Executive Board for a period of 18 months to deal in the Company's own shares)

The General Meeting, acting in accordance with the quorum and majority requirements for Ordinary General Meetings, having examined the report of the Executive Board, authorizes the Executive Board, with the power to sub-delegate under the conditions provided by law, in accordance with the provisions of articles L. 225-209 et seq. of the French Commercial Code, to purchase or arrange for the purchase of the Company's shares, in particular for the following purposes:

- to engage in market making activities with respect to Klépierre shares through an investment services provider, in the context of a liquidity contract conforming to the professional-conduct rules approved by the French Financial Market Authority *(Autorité des marchés financiers);* or
- to deliver shares (by way of exchange, payment, or otherwise) within the context of acquisitions, mergers, spin-offs or contributions; or
- to implement any stock option plan in respect of the Company's shares in accordance with the provisions of articles L. 225-177 et seq. of the French Commercial Code, or any other similar plan; or
- in general, to fulfill obligations relating to share options programs or other allocation of shares to employees or officers of the issuer or of an affiliate; or

- to deliver shares upon the exercise of rights attached to securities giving access to the Company's share capital by way of repayments, conversion, exchange, exercise of a warrant or in any other manner; or
- to cancel all or part of the repurchased shares; or
- to allocate performance shares in accordance with the provisions of articles L. 225-197-1 et seq. of the French Commercial Code; or
- to allocate or sell shares to employees in order to allow them to participate in the Company's growth or to implement any employee savings plan as provided for by law, in particular article L. 3332-1 et seq. of the French Labor Code, through the transfer of shares acquired previously by the Company under this resolution, or providing for a free grant of shares in respect of a contribution in shares by the Company and/or to replace the discount.

This program is also intended to allow the implementation of any market practices that may subsequently be admitted by the French Financial Market Authority *(Autorité des marchés financiers)* or, more generally, the execution of any operation that complies with the applicable regulations. In such circumstances, the Company will inform its shareholders by means of a press release.

The number of shares purchased by the Company is subject to the following limitations:

- on each redemption date, the total number of shares bought by the Company since the beginning of the redemption program (including those subject to the aforementioned redemption) may not exceed 5% of the Company's share capital, this percentage being applied to a share capital figure adjusted to reflect transactions affecting the share capital subsequent to this General Meeting, i.e for information only, 9 973 517 shares as at 31 December 2013. It is specified that (i) the number of shares acquired by the Company for the purpose of being kept and being remitted in payment or in exchange of other shares, in a merger, split or contribution, cannot be more than 5% of the share capital and (ii) where the shares are bought in order to favor liquidity under those conditions defined by the French Financial Market Authority *(Autorité des marchés financiers),* the number of shares taken into account for the calculation of the 10% limit, as provided for above, corresponds to the number of shares acquired, after deducting the number of shares resold over the duration of the authorization;
- the number of shares that the Company holds at any time may not exceed 10% of the Company's share capital on the date in question.

Shares may be bought, sold or transferred at any time (including in pre-offering periods but not during the period of a takeover bid) to the extent permitted by current legal and regulatory provisions, as well as to the extent permitted by this resolution, and such transactions may be carried out by any means, on regulated markets, in multilateral trading systems, with systematic internalizers or in privately-negotiated transactions, including by the block trading of securities (with no limit on the proportion of the share repurchase program that may be carried out by this method), by public offers to purchase or exchange shares, or through the use of options or other future instruments traded on regulated markets, in multilateral trading systems, with systematic internalizers or in privately-negotiated transactions, or through delivery of shares following the issue of securities giving access to the Company's share capital by way of conversion, exchange, redemption, exercise of a warrant or otherwise, either directly or indirectly through an investment services provider.

The maximum purchase price of the shares pursuant to this resolution shall be forty-five (45) euros per share (or the equivalent of that amount in any other currency on the same date), such maximum price being applicable only to purchases decided upon as from the date of this Meeting and not to future transactions entered into pursuant to an authorization granted by a previous General Meeting providing for purchases of shares after the date of this Meeting.

The total amount allocated to the share repurchase program authorized above may not exceed 448 808 265 euros.

With effect from the date hereof, this authorization cancels any unused portion of any earlier authorization granted to the Executive Board to trade in the Company's shares. This authorization is granted for a period of eighteen months from the date hereof.

In the event of alteration of the nominal value of the shares, capital increase through the capitalization of reserves, allocation of free shares, stock split or reverse stock split, distribution of reserves or any other assets, amortization of capital or any other transaction affecting the equity capital, the General Meeting grants the Executive Board, with power to sub-delegate as provided by law, the power to adjust the aforementioned maximum purchase price to take account of the impact of such transactions on the value of the shares.

The General Meeting grants all necessary powers to the Executive Board, with power to sub-delegate as provided by law, to decide upon and implement this authorization, to specify, if necessary, the terms and to determine the manner of implementation thereof, to carry out the share repurchase program, in particular, by placing any stock exchange orders, entering into any agreement, allocating or re-allocating the shares acquired for the objectives pursued in accordance with the applicable law and regulation, to determine, if necessary, the conditions and manner of safeguarding the rights of the holders of the securities or options, in accordance with applicable legal, regulatory or contractually applicable provisions, to make any declarations to the French Financial Market Authority *(Autorité des marches financiers)* and any other competent authority, carry out any formalities and, generally, take any necessary action.

Extraordinary General Meeting

ELEVENTH RESOLUTION
(Delegation of authority to be given to the Executive Board for a period of 26 months to reduce the share capital by cancellation of treasury shares)

The General Meeting, acting in accordance with the quorum and majority requirements for Extraordinary General Meetings, having taken into account the report of the Executive Board and the special report of the statutory auditors, authorizes the Executive Board to reduce the share capital, at once or in several stages, in the proportions and according to the timing as decided by the Executive Board, by cancelling a quantity of treasury shares in its discretion, within the limits set forth by applicable law, in accordance with the provisions of article L.225-209 et seq. of the French Commercial Code and article L. 225-213 of the same Code.

At the time of each cancellation, the maximum number of shares cancelled by the Company during the 24-month period preceding the cancellation, including the shares being cancelled, may not exceed ten per cent (10%) of the total number of shares that constitute the share capital at this date, i.e for information only, 19 947 034 shares at December 31, 2013, this limit being applied to the Company's share capital which will be, if necessary, adjusted to take into account transactions affecting the share capital following this General Meeting.

With effect from the date hereof, this authorization cancels any as yet unexercised part of any previous authorization granted to the Executive Board authorizing the reduction of the share capital by the cancellation of treasury shares. This authorization is given for a period of twenty six months with effect from the date hereof.
The General Meeting grants all necessary powers to the Executive Board, with power to sub-delegate as provided by law, to charge the difference between the book value of any cancelled shares and their nominal value to any reserve or premium account, to carry out the cancellation or capital reduction transactions authorized hereby, to change the articles of Association accordingly, to file all declarations with the French Financial Market Authority *(Autorité des marches financiers)* and accomplish all formalities.

TWELFTH RESOLUTION
(Delegation of authority to be given to the Executive Board for a period of 38 months to allot performance shares to some or all salaried employees and executive officers of the Group)

The General Meeting, acting in accordance with the quorum and majority requirements for Extraordinary General Meetings, having taken into account the report of the Executive Board and the special report of the statutory auditors and under the terms of article L. 225-197-1 et seq. of the French Commercial Code:

1. authorizes the Executive Board, with the power to sub-delegate as provided by law, under the conditions set forth hereafter and subject to the prior authorization of the Supervisory Board, to allot on one or more occasions, at its discretion, existing performance shares of the Company resulting from a share buyback carried out by it, or performance shares to be issued (other than preference shares) to beneficiaries or categories of beneficiaries chosen among members of the Company's salaried employees or companies or groups affiliated with the Company subject to the conditions stipulated in article L. 225-197-2 of the aforementioned Code and executive officers of the Company or companies or groups affiliated with the Company subject to the satisfied conditions stipulated in article L. 225-197-1, II of the aforementioned Code;
2. resolves that the existing or new shares that are granted pursuant to this authorization may not represent more than 0.5% of the share capital on the date of the Executive Board's decision to grant them, subject to the possible adjustments of the rights which can be made on the basis of point 5 below; it being specified that the number of performance shares allocated pursuant to this authorization shall count towards the ceiling amount of 1% of the share capital provided in the twelfth resolution of the General Meeting dated April 12, 2012, or where applicable, towards the ceiling amount provided in another resolution of the same nature that may later supersede the said resolution during the validity period of this authorization;
3. resolves that it will be up to the Executive Board to determine the date on which the shares will be acquired by their beneficiaries, and at its discretion, for all or part of the shares granted, following a minimum acquisition period of either four or two years.
   The shares will be accompanied by an obligation to retain them for a minimum period of two years from the end of the acquisition period. However, this obligation to retain the shares may be cancelled for those shares whose acquisition period has been set for a period of at least four years. In any event, if the legal conditions are met, in the event of a beneficiary's disability, the acquisition period shall terminate prematurely, regardless of the duration set by the Executive Board, and the shares will become freely transferable;
4. resolves that:
   - the total number of shares granted to the Company's executive officers, which count towards the 0.5% ceiling mentioned in point 2 above, may not exceed 0.2% of the Company's capital on the date of the Executive Board's decision to grant them;
   - the final allocation of such shares to the Company's executive officers shall be subject to performance criteria;
5. notes that if the allocations are granted to executive officers referred to in article L. 225-197-1 II, paragraphs 1 and 2 of the French Commercial Code, the conditions provided by article L. 225-197-6 of this Code shall apply;
6. the Company may adjust, if necessary, the number of performance shares allocated on the basis of this resolution in order to preserve the rights of the beneficiaries, depending on any transactions affecting the Company's share capital. It is specified that the shares allocated pursuant to these adjustments will be considered as allocated on the same day as the shares were initially allocated;
7. formally notes that in the event of the allocation of new performance shares, when such shares are definitively allocated, this authorization will entail a capital increase through the incorporation of reserves, profits or share premiums in favor of the beneficiaries of such shares and the corresponding waiver of the shareholders in favor of the beneficiaries over their preferential subscription rights with respect to such shares, and to the portion of the reserves, profits and share premiums thus capitalized in respect of these definitive allocations;
8. grants full powers to the Executive Board to implement this authorization, and in particular to:
   - determine whether the performance shares shall be newly issued shares or existing shares;
   - select the beneficiaries, or the categories of beneficiaries for share allocations, from among the employees and executive officers of the Company or of the aforementioned companies or groupings, and decide on the number of shares to be allotted to each;
   - set the conditions and, where applicable, the criteria for share allocation, in particular any performance conditions, the acquisition period and the holding period required of each beneficiary under the conditions defined above, with the understanding that, with regards to any performance shares granted to executive officers, the Supervisory Board shall either (a) decide that the performance shares granted may not be transferred by the interested parties before the termination of their functions or (b) define the quantity of performance shares granted that such parties are required to hold in registered form until the termination of their functions;
   - in the event of an issuance of new shares, charge, as it sees fit, any sums required to fully pay up such shares against reserves, profit or share premiums, determine the dividend entitlement date of the new shares, which may be backdated, resulting from the allocation of performance shares;
   - record the completion of the capital increases carried out pursuant to this resolution, amend the bylaws accordingly and generally carry out all necessary acts and formalities;
9. resolves that this authorization cancels effective immediately, if necessary, any unused portion of any previous delegation of authority granted to the Executive Board to allot existing or new performance shares to some or all salaried employees and executive officers of the Group;
10. resolves that this authorization is granted for a period of 38 months from the day of this General Meeting.

THIRTEENTH RESOLUTION
(Amendment of articles 26 “Right of Access – Representation – Quorum” and 28 “Voting Rights” of the article of Association)

The General Meeting, acting in accordance with the quorum and majority requirements for Extraordinary General Meetings, having taken into account the report of the Executive Board, resolves to:

- modify articles 26 “Right of Access – Representation – Quorum” and 28 “Voting Rights” of the bylaws and word them as follows:

“Article 26
RIGHT OF ACCESS – REPRESENTATION – QUORUM

The right to attend shareholders’ meetings is contingent upon formal registration of the shares owned, either in nominative accounts maintained by the Company, or in security accounts maintained by a duly qualified intermediary, within the deadlines and in accordance with the conditions stipulated in regulations in force. If the shares are bearer shares, registration is evidenced by a certificate of participation delivered by the duly qualified intermediary.

The representation of the shareholders at the meetings shall be ensured in accordance with applicable laws and decrees.

The same applies for the communication of information to be provided or sent to shareholders.

The owners of securities mentioned in the seventh paragraph of Article L. 228-1 of the French Commercial Code may be represented under the conditions provided for by law, by a registered intermediary.

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. If applicable, this decision shall be indicated in the notice of meeting and in the convening notice published in the Bulletin d’annonces légales obligatoires *(Balo).*

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.

Proxies or votes expressed electronically in this way before the meeting, and the confirmation of receipt given in reply, shall be regarded as irrevocable written instructions enforceable on all parties, it being stipulated that if the shares are sold before the time limit referred to in article R. 225-85 of the French Commercial Code, the company shall invalidate or amend accordingly the proxies or votes expressed before such date and time.

If the Executive Board or the Supervisory Board decides it, at the time of the notice of meeting, the shareholders may take part in the meeting by videoconference or through any other telecommunication and remote transmission means that permit them to be identified, including the Internet, within the limits and under the conditions set by applicable legislation and regulations. As the case may be, such decision shall be communicated in the notice of meeting published in the Bulletin d’annonces légales obligatoires *(Balo). The shareholders who take part in the meeting using these means shall be considered as present for calculating the quorum and voting majority.*

The Ordinary And Extraordinary shareholders’ Meetings validly act only if they meet the quorum provided for by law. Such quorum shall be calculated compared to the total number of existing shares, subject to legal exceptions.

Should the Executive Board or the Supervisory Board decide it at the time of the calling of the meeting, the public retransmission of the entirety of the meeting by videoconference or through any telecommunication and remote transmission means, including the Internet, shall be authorized within the limits and under the conditions set by applicable legislation and regulations. If necessary, such decision shall be communicated in the notice of meeting and in the convening notice published in the Bulletin d’annonces légales obligatoires *(Balo).*

Article 28
VOTING RIGHTS

In all meetings, and subject to the restrictions resulting from applicable laws and decrees, each member of the meeting has as many votes as he/she owns or represents shares, without restriction.

The votes shall be expressed either by show of hands, or by nominal call or by any means indicated in article 26 above, as well as by any other means enabling to count them.”

FOURTEENTH RESOLUTION
(Powers for formalities)

The General Meeting, acting in accordance with the quorum and majority requirements for Extraordinary General Meetings grants all powers to the bearer of an original or copy of the minutes of these deliberations to carry out all legal filings and other formalities required by law.

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ADDITIONAL INFORMATION

10.1. COMPETITIVE POSITION

Main competitors of Klépierre

(in billions of euros)	**Klépierre**	Unibail-Rodamco	Corio	Eurocommercial Properties	Mercialys
Market capitalization at December 31, 2013	**6.7**	18.1	3.2	1.3	1.4
Value of the property portfolio (excluding duties) at December 31, 2013	**16.0**	32.1[1]	7.0	2.7	2.5[1]

Breakdown of consolidated lease income per country/region

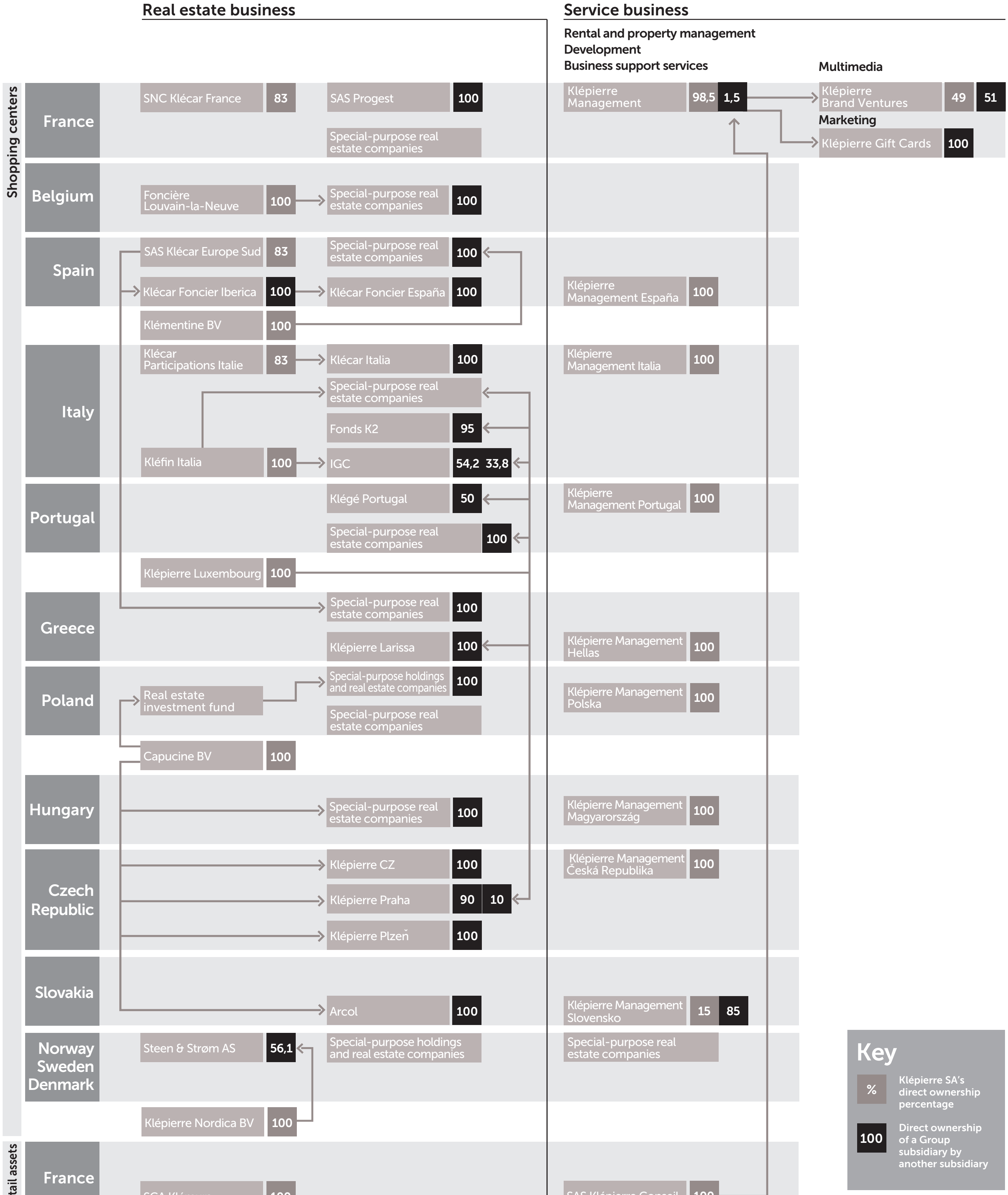
(in millions of euros)	**Klépierre**		Unibail-Rodamco[2]		Corio		Eurocommercial Properties[3]		Mercialys	
France	479.0[4]	47.5%	948.0	60.5%	92.0	20.2%	57.7	33.4%	149.0	100.0%
Scandinavia	234.2	23.2%	112.8	7.2%	–	–	41.5	24.0%	–	–
Italy	124.2	12.3%	–	–	84.0	18.4%	73.4	42.5%	–	–
Spain and Portugal	88.7	8.8%	165.9	10.6%	52.1	11.4%	–	–	–	–
Netherlands	–	–	82.2	5.2%	132.2	28.6%	–	–	–	–
Other countries	83.2	8.2%	257.9	16.5%	95.0	20.9%	–	–	–	–
Consolidated lease income	**1 009.2**	**100.0%**	**1 566.8**	**100.0%**	**455.3**	**100.0%**	**172.6**	**100.0%**	**149.0**	**100.0%**
Other income	78.2		85.8		6.9		–		–	
Consolidated revenues	**1 087.4**		**1 652.6**		**462.2**		**172.6**		**149.0**	

Breakdown of consolidated rental income per activity

(in millions of euros)	**Klépierre**		Unibail-Rodamco		Corio		Eurocommercial Properties[3]		Mercialys	
Shopping centers and/or retail assets	996.3	98.7%	1 223.9	78.1%	462.2	100.0%	172.6	100.0%	149.0	100.0%
Offices	13.0	1.3%	171.2	10.9%	–	–	–	–	–	–
Other activities	–	–	171.7	11.0%	–	–	–	–	–	–
Consolidated lease income	**1 009.2**	**100.0%**	**1 566.8**	**100.0%**	**462.2**	**100.0%**	**172.6**	**100.0%**	**149.0**	**100.0%**
Other income	78.2		85.8		–	–	–	–	–	–
Consolidated revenues	**1 087.4**		**1 652.6**		**462.2**		**172.6**		**149.0**	

(1) Including duties.
(2) Excluding contribution of affiliates.
(3) Over 12 months at 06/30/2012.
(4) Including Belgium.
Source: Thomson Reuters, Companies.

10.2. ORGANIZATIONAL CHART



Information at 12/31/2013.

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 2013.

Reference documents and general principles

We confirm that our valuations were undertaken in accordance with the appropriate sections of the 8th 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 authorizations 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
President
DTZ Valuation France

Mike MORRIS
President
Jones Lang LaSalle Expertises

Jean-Claude DUBOIS
President
BNP Paribas Real Estate Valuation France

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:

21 avenue Kléber – 75116 Paris (France)
Tel.: +33 (0)1 40 67 55 50

Copies of this registration document are available free of charge from Klépierre (21, avenue Kléber – 75116 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 72 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.

Paris, March 10, 2014

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

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

Person responsible for financial disclosures

Jean-Michel GAULT
Member of the Executive Board – Deputy CEO
Tel.: +33 (0)1 40 67 55 05

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, 2012 and the corresponding Statutory Auditors' report, set out respectively on pages 144 to 205 and 206 of the registration document filed with the AMF under number D. 13-0167 on March 18, 2013;
- the consolidated financial statements for the fiscal year ended December 31, 2011 and the corresponding Statutory Auditors' report, set out respectively on pages 159 to 223 and 224 of the registration document filed with the AMF under number D. 12-0230 on March 28, 2012.

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GLOSSARY

Ademe *(Agence de l'environnement et de la maîtrise de l'énergie)*
This French agency was created in 1990. It offers businesses, local governments and individuals sustainable development solutions.

Agenda 21
A concrete action plan intended to make sustainable development a reality in the field. The method was initiated by the Rio Earth Summit in 1992, and has since been widely developed locally.

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.

Bilan Carbone®
A tool for measuring greenhouse gas emissions that enables an accurate assessment of the individual contribution to climate change and dependency on fossil fuels.

Biodiversity
Biodiversity, or biological diversity, includes all of the living species that live on earth (plants, animals, microorganisms, 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. The Klépierre development pipeline is generally set out over a five-year period and is broken down into 3 categories:

- committed operations: operations in progress, in which Klépierre has land ownership and has obtained all the required administrative authorizations;
- controlled operations: 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);
- identified operations for which deal arrangements and negotiations are underway.

Directory
Information panel showing the location of all stores and services offered in a shopping center to assist customers in finding their way around. The information may also be displayed in the form of an interactive touch-screen.

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 3 areas of sustainable development: economic, environmental and social. They provide investors with a grid for assessing businesses from an extra-financial perspective.

Financial occupancy rate (vacancy rate)
The financial occupancy rate is the ratio of annual contractual rents occupied to total contractual rents occupied plus target rents for all vacant spaces (the latter are estimated on the basis of market data). A corollary to the financial occupancy rate, the vacancy rate expresses the percentage of vacant properties. Klépierre measures these rates by using the notion of minimum guaranteed rent (MGR) for occupied properties and not the market rents. The EPRA uses the latter for its definition of vacancy rate.

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 5 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-profit 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.

HQE® *(Haute Qualité Environnementale)*
This label was first rolled out in 1996 to limit the environmental impacts of construction or renovation projects: natural resource consumption, waste management, noise pollution, etc. The label has identified 14 requirements, which pertain to respect for and protection of the outside environment and the creation of a satisfactory interior environment.

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 (French Cost of Construction index – *Indice du coût de construction)*
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.

ICSC (International Council of Shopping Centers)
The International Council of Shopping Centers was founded in 1957 and groups more than 75 000 players in 80 countries. It seeks to promote and develop shopping centers.

ILC (French Commercial Rent Index –*Indice des loyers commerciaux)*
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 *Journal officiel* (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). If subordinated debt is included in the calculations it is called total LTV, otherwise it is senior LTV.

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.

Personal shopper
A personal adviser assisting customers with their purchases or making such purchases on their behalf.

Protected sector
In France, the sector that allows people with disabilities to exercise a professional activity under conditions adapted to their possibilities. In France, this activity may be carried out in an ESAT *(Établissements et services d'aide par le travail)* or an EA *(Entreprise adaptée)*. Similar sectors exist in Klépierre's other countries of location.

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'investissement immobilier 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, 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 1 January 2012 anymore. Further provisions, commonly referred as SIIC 4 and SIIC 5 which went into effect on 1 January 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.).

Sustainable development

Development that meets the needs of the present without compromising the ability of future generations to meet their needs. Development that is economically efficient, ecologically sustainable and socially equitable.

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.).

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AUTORITÉ DES MARCHÉS FINANCIERS

AMF

This registration document was filed with the *Autorité des marchés financiers* ("the AMF") on March 10, 2014, 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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KLEPIERRE