

Retail only

Klépierre
2014 Annual Report



With retail facilities in 57 metropolitan areas spanning 16 countries, and privileged access to 150 million consumers, Klépierre is Continental Europe's specialist in shopping center properties.

Its property portfolio was valued at 21 billion euros on December 31, 2014. For leading retailers, Klépierre offers an unrivaled platform of shopping centers, which draw more than 1.2 billion visitors each year.

02

Only at Klépierre

The Klépierre experience in the eyes of our customers

03—17

Keep retail moving forward

Editorial by David Simon & Laurent Morel

Governance

Stock performance and shareholder base

Operating and financial performance

Environmental, societal and social performance

EPRA performance indicators

18—25

We are retail

An efficient business model

Bringing the best retailers together

Customer satisfaction: a plus that benefits retail brands

26—35

A new dimension for growth

Leading centers in leading regions

The Corio acquisition: a strong growth lever

A broader portfolio for stronger growth

The outlook for selective development

Our development projects

36—43

Our good choices

A sustainable development strategy at the heart of the business

A strong ambition, clear objectives

Managing competencies to achieve excellence

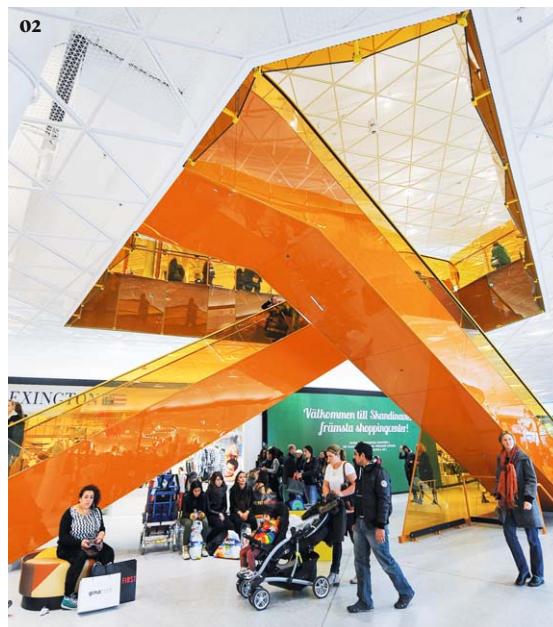
44—48

Finance

Balance sheet and income statement

01
St. Lazare, Paris, France

02
Emporia, Malmö, Sweden



Don't miss a minute of the 2014 Klépierre annual report experience! Go to www.klepierre.com/ra2014/en/



To download the entire 2014 financial report, go to: www.klepierre.com/en/finance/investor-relations/reports

Key figures Klépierre⁽⁰¹⁾

178

shopping centers

21.4 Bn

euros, total value of property portfolio on 12/31/2014

1.2 Bn

visitors in 2014

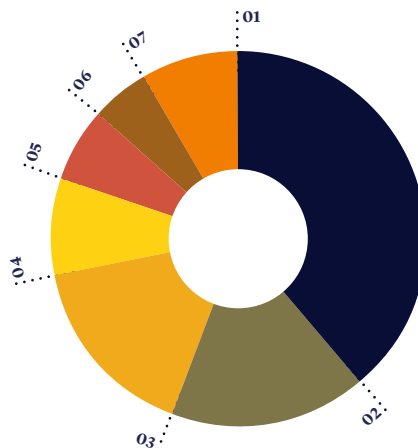
1,240 M

euros, total gross rents

⁽⁰¹⁾ Proforma the Corio 93.6% acquisition in January 2105.
Value of holdings including transfer duties.

Shopping center breakdown by region

- 01. France-Belgium: **39.1%**
- 02. Scandinavia: **16.8%**
- 03. Italy: **16.2%**
- 04. The Netherlands: **8.3%**
- 05. Iberia: **6.3%**
- 06. Germany: **5.2%**
- 07. Others: **8.1%**



Leading centers in Continental Europe

Klépierre shopping centers give retailers access to nearly 150 million consumers living in the most promising catchment areas.

01 • France

Paris, Bordeaux, Toulouse, Montpellier, Lyon, Marseille

02 • Belgium

Brussels

03 • Sweden

Malmö, Gothenburg, Örebro

04 • Norway

Oslo, Bergen, Stavanger, Larvik

05 • Denmark

Copenhagen, Aarhus, Vejle

06 • Italy

Milan, Rome, Venice, Turin, Naples, Bologna

07 • The Netherlands

Amsterdam, Utrecht, Rotterdam

08 • Spain

Madrid, Barcelona, Tenerife, Valencia

09 • Portugal

Lisbon, Porto, Portimão

10 • Germany

Berlin, Dresden

11 • Turkey

Istanbul, Ankara

12 • Czech Republic

Prague

13 • Poland

Warsaw, Krakow, Poznan

14 • Hungary

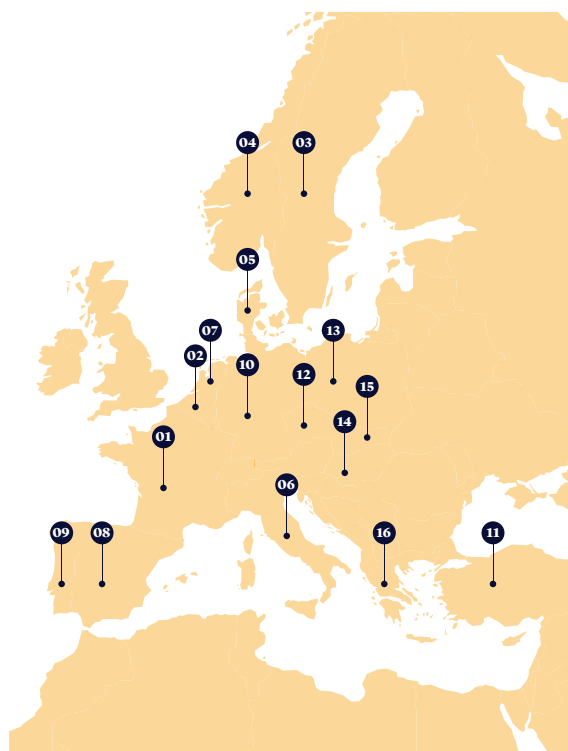
Budapest

15 • Slovakia

Bratislava

16 • Greece

Thessaloniki



Pure player positioning, adding greater value for stakeholders



Only at Klépierre

Klépierre puts retailers in contact with their customers. We offer retailers a solution to the new demands of retail that ensures a comfortable buying experience, a fluid shopping experience, and a pleasant emotional experience. Creative added value has become legendary Klépierre's trademark.

+
3,392
retail tenants in Klépierre
shopping centers
across Europe

97%
That's the average occupancy
rate for Klépierre shopping
centers at year-end 2014

“Rendezvous with successful brands”

Make a good first impression, win loyalty and inspire confidence: Klépierre provides the fundamentals of retail by offering the most attractive and top-performing retailers the best shopping center platform.

+

3,200
sq.m., that's the size of Zara's latest concept store, newly opened at Créteil Soleil. Their largest store in France

33%
that's the contribution of apparel/ready-to-wear retailers to Klépierre's total rents

Check out major brand products sold in Klépierre shopping centers at: klepierre.com/ra2014/en/#leadingbrands



“Leave with the dream of a whole day”

An updated recreational experience, a gourmet food court offering, facilities and animations that appeal to everyone... The spirit of retail is, above all, extreme devotion to customer care so that shoppers feel right at home when they are with us!



View the unique
Clubstore® experience at:
klepierre.com/ra2014/en/#clubstore



ClubStore®

An exclusive concept rolled out in Klépierre shopping centers as part of an approach that is 100% customer-centric

76%

of the customers who shop at Les Passages, the first ClubStore® center, find the center very friendly and feel good about their buying experience



“Directly in line with sustainable development”

Improving the environmental,
social and societal performance of
shopping centers boosts their ability
to compete and to attract customers.
It is also intrinsic to the business
and subject to strict monitoring
at the Group level.



Find key sustainable
development figures at:
[www.klepierre.com/ra2014/
en/#sustainability](http://www.klepierre.com/ra2014/en/#sustainability)



N° 1

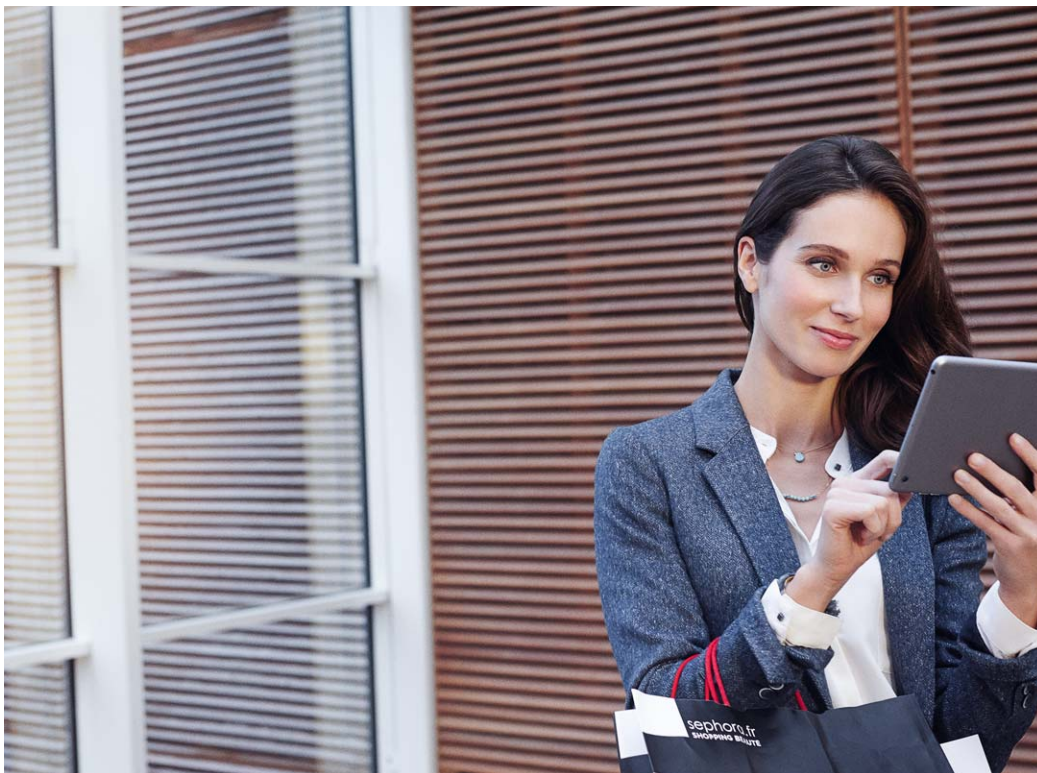
of major sustainable
development indices

GRESB

World leader in retail sector
via Steen & Strøm

DJSI

Leader in France
Co-leader in Europe



“Desire begins at the fingertips”

Effective marketing requires digital solutions that help create and sustain buzz. By offering a single platform that provides access to the retailers' catalogues, we are in sync with the expectations of connected customers.



Skim the directory of the websites of all of Klépierre's shopping centers at:
klepierre.com/ra2014/en/#webecosystem



50%
of the total traffic to Klépierre shopping center websites is via a smartphone or a tablet device

82%
of all shoppers prepare for their trip to the center via a smartphone or a computer

“A natural place in the physiognomy of cities”

Anchored in their urban setting and the local economy, places where people live and work and where wealth is created, shopping centers are key drivers of metropolitan vitality.



Rediscover our most beautiful architectural projects in video form at: klepierre.com/ra2014/en/#architecture

+
12,000 sq.m.
of green space around
the canals of the
Le Millénaire center

32%
of Odysseum's visitors
(Montpellier) travel
by light rail to the
shopping center

“Sometimes, a break is in order”

The shopping center is no longer an anonymous place where people go to do their shopping. It has become a genuine space for living. Klépierre enhances the customer experience by equipping its shopping centers with rest areas and food courts. To prolong the time spent shopping and test new concepts.

+
10%

That's the contribution
of restaurants and cafés to
Klépierre's total rents

15

cafés and restaurants at Field's,
Denmark's preferred shopping
destination. At Val d'Europe,
the shopping destination that
is a rising star to the east of
Paris, the food court's floor
area is 5,600 sq.m.



Discover what online
reviewers have to say about
our food court offerings at:
[klepierre.com/ra2014/
en/#lunchbreak](http://klepierre.com/ra2014/en/#lunchbreak)

“Shop the brands that create the event”

Those who make fashion, those who bring totally new concepts, but also the must-haves between retailers and their public, Klépierre is the link. A surprising, innovative and lively atmosphere: is there a better way to showcase retail?



View the most innovative brands on display in Klépierre centers at: klepierre.com/ra2014/en/#nextbrands



+

1st

and only Primark accessible via the subway in the Greater Paris Area: the ready-to-wear specialist chose Créteil Soleil in 2014 to pursue its European expansion. Klépierre is Primark's 1st lessor in Continental Europe

1,200

sq.m. dedicated to the Japanese retailer Uniqlo, which opened its new store at Belle Épine in October 2014

“The more intense emotions create the more lasting memories”

It is not enough to make the visitor feel special. It is also vital to offer the services that he or she wants. This is how an authentic, engaged and trusting relationship is built. With that little extra something that makes all the difference.



Revisit the visual highlights of 2014's events at: klepierre.com/ra2014/en/#lookback



11

European centers will roll out the Let's Play® concept in 2015, following the initial launch at Val d'Europe in 2014

7

Klépierre shopping centers hosted the exclusive “La Semaine des Femmes en or” event in 2014

Keep retail moving forward

From its roots as a commercial real estate group, Klépierre has become – in just a few years – a retail powerhouse. This strategic transformation, like the refocus on compelling expertise, is reflected today in improved performances across the board.

“Klépierre is now the undisputed shopping center specialist in Continental Europe”

More convinced than ever of the relevance of Klépierre's economic model, the chairmen of its Supervisory Board and its Executive Board dialogue. On the agenda: the company's performances over the year ended and the prospects that have opened up thanks to the merger with Corio.

In 2014, Klépierre accelerated the rollout of its strategic focus on shopping centers, aimed at positioning the Group as the leading pure player in Europe. What benefits has this brought?

Laurent Morel: We have evolved on several fronts. With the disposal of the last of the office properties and the sale of 126 shopping malls, Klépierre completed the task of refocusing on destination shopping centers located in urban areas that are undergoing rapid demographic growth, connected to infrastructures. Secondly, this allowed us to optimize our balance sheet, with our loan-to-value ratio lowered to around 40%. This in turn resulted in a better rating for us – in the A category for Standard & Poor's – and to obtain financing at historically low rates, illustrated in particular by a 500 million euro bond senior note issue with a 1.75% coupon in November 2014. Lastly, Klépierre continued to work on its organization with the goal of improving our operational performance. As a result, we are seeing very good results in terms of leasing and operational improvement: for the second year in a row, net revenue growth reached more than 3%.

The needs and expectations of retailers are evolving. What choices has Klépierre made in order to best respond?

L.M: With respect to its retail tenants, Klépierre's number one responsibility is to ensure that they occupy high-quality premises: location, management, flows,

“Being a specialist allows us to be better: better at selecting our assets and better at optimizing, managing and leasing our portfolio of assets.”

Laurent Morel,
Chairman of
the Executive
Board

safety, animation, etc. To help them turn a profit, we also owe it to them to offer a good merchandising mix, i.e., the assurance that the other retailers in their midst are complementary and high-performing. From this point of view, Klépierre stands out in its capacity to anticipate how the retail landscape is evolving and thus maintain a head start when it comes to selecting retailers. This is the result of a corporate culture that is based on proximity with retailers that has been reinforced in the last two years thanks to recruiting efforts and improved commercial teams.

Generally speaking, how can the good performances of last year be appropriately leveraged given the pockets of uncertainty in the European environment?

David Simon: After the effort undertaken in the last eighteen months to refocus the portfolio, the transaction involving the integration of the Dutch player Corio to create the number one pure player in the European commercial real estate landscape was made public in July of 2014. The shareholders of Corio and Klépierre showed their strong support for this ambitious strategic project, as well as confidence in the management of Klépierre to carry it out: Klépierre and Corio will merge on March 31, 2015. This combination is a new and crucial step for the Group and the last step in making Klépierre the uncontested specialist in shopping center properties in Continental Europe, with the resources needed to fund future growth.



Above left
Laurent Morel
 Chairman of
 the Executive
 Board

Above right
David Simon
 Chairman of
 the Supervisory
 Board



In your view, what are the principal strengths of the new whole comprised with Corio?

D.S: The Group will have a scope of action that is truly pan-European, with operations in 16 countries and a portfolio of 178 shopping centers whose total value is 21 billion euros. What I see is a unique opportunity to continue to drive change in the real estate sector, to anticipate the standards of tomorrow, and to create additional value for the Group's shareholders as well as for all of its stakeholders.

L.M: The merger with Corio is perfectly consistent with our strategy. It will help us to speed up our refocus on the must-visit retail areas. It is part of a broader strategy of overall complementarity, not just geographic and in terms of assets but also operational, in combining the local savoir-faire of our teams. Lastly, it will lead to the emergence of significant synergies. The related gains have been assessed at 60 million euros a year within the next three to five years, as we actively share the best practices on display in the portfolio.

To continue to deliver growth in the period ahead, what are the levers of value creation?

D.S: I think that the quality and coherence of the Klépierre portfolio, combined with expertise of the first rank in the field of shopping centers, represent a very compelling value proposition. Our offer is innovative, flexible, and consistent across Europe: this is precisely what retailers are looking for when they scout and select locations.

"The combined Group gives us the opportunity to continue to anticipate the retail standards of tomorrow and create additional value for all stakeholders."

David Simon,
 Chairman of
 the Supervisory
 Board

L.M: The second key is to continue to work on operational performance. Constantly strive to improve the quality of our teams, our management and our training in order to deliver better performances: this is how we achieve steady growth in net revenues and dividends over time, year after year.

"Our offer is innovative, flexible, and consistent across Europe: this is precisely what retailers are looking for when they scout and select locations."



The Executive Board

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

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-Michel Gault

Deputy CEO

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

Above left
Laurent Morel
Above right
Jean-Michel Gault
Below right
Jean-Marc Jestin

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.

Jean-Marc Jestin

Chief Operating Officer

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 Management Team

This team, that gathers the members of the Executive Board and the main executives of the Company, takes part in developping Klépierre's strategy.

Group Functions

Marie-Thérèse Dimasi
Legal and Human Resources

Frédéric Fontaine
Developpement

Frédéric de Klopstein
Investments

Beñat Ortega
Operations

Sandrine Quesnel
Communication and Marketing

Gontran Thüring
Commercial Group

Bruno Valentin
Finance and Information Systems

Regions

Guillaume Lapp
France-Belgium

Philippe Grenet
Scandinavia

Ermanno Niccoli
Italy

Jan Willem Weissink
The Netherlands



The Supervisory Board

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.

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.

“The Group’s portfolio is perfectly positioned to offer the best growth performances and outperform the sector.”

David Simon
Chairman of the Supervisory Board
Chairman of the Investment Committee



From left to right

Bertrand de Feydeau
Chairman of the Nomination and Compensation Committee, Independent member

Jeroen Drost



From left to right

Rose-Marie Van Lerberghe
Independent member

John Carrafiell
Independent member



“We will achieve our ambitious objectives by practicing disciplined asset selection that does not compromise with the fundamentals of our business.”



From left to right

Dominique Aubernon
Vice-Chairman of the Supervisory Board



Steven Fivel
Chairman of the Sustainable Development Committee

François Kayat



85%

attendance rate

11

meetings in 2014



From left to right

Bertrand Jacquillat
Chairman of the Audit Committee, Independent member

Catherine Simoni
Independent member



See chapter 4 of 2014 Financial Report for more information.

“Klépierre has a vision, an ambition, and a detailed plan of action that marshal all of the Group’s competencies.”

Stock performance and shareholder base

Klépierre's market capitalization grew by 4.5 billion euros following the acquisition of Corio in January 2015, leading to a significant improvement in the profile and liquidity of its stock.

2015 financial communication agenda

2014 Full Year Earnings⁽⁰¹⁾	February 12, 2015
General Meeting of shareholders	April 14, 2015
Ex-dividend date⁽⁰²⁾	April 17, 2015
Dividend payment⁽⁰²⁾	April 21, 2015
2015 1st Quarter Revenues⁽⁰¹⁾	April 29, 2015
2015 Half Year Earnings⁽⁰¹⁾	July 29, 2015
2015 3rd Quarter Revenues⁽⁰¹⁾	October 29, 2015

⁽⁰¹⁾ Press release after market close.

⁽⁰²⁾ Submitted to a vote of the shareholders at their April 14, 2015 General Meeting.

Stock information

ISIN Code	FR0000121964
Mnemonic Code	LI
Market	Euronext Paris – Compartiment A, Euronext Amsterdam
Number of shares	307 036 886 ⁽⁰¹⁾
Indexes	CAC Next 20, CAC Large 60, SBF80, SBF120, SBF250, Euronext 100, SIIC FRANCE, CACALLSHARES, CAC FINANCIALS, CAC REAL ESTATE, DJSTOXX 600, EPRA Euro Zone, GPR 250 Index
Sustainable development indexes	DJSI World et Europe, FTSE4Good, STOXX®, Global ESG Leaders, Euronext Vigeo France 20, Eurozone 120 and World 120

⁽⁰¹⁾ As of January 19, 2015, after the acquisition of 93.6% of Corio ordinary shares.



KLEPIERRE

Keep retail moving forward.

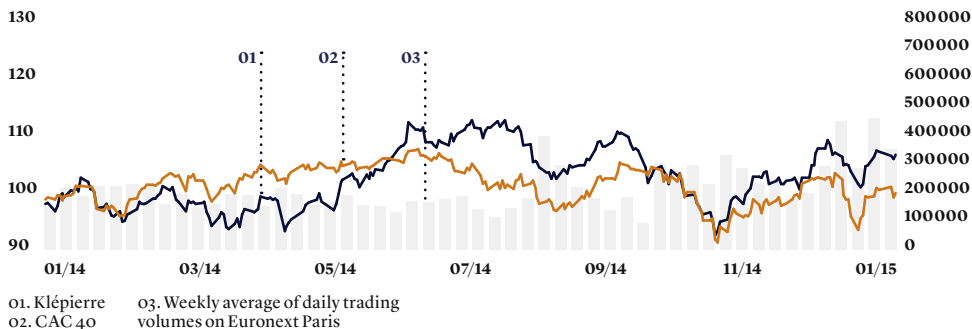
Keep retail moving forward.



KLEPIERRE

Klépierre share performance

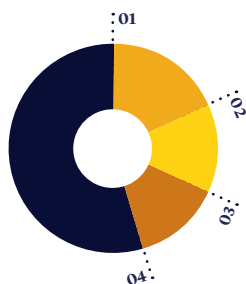
over one year (Source: Thomson Reuters base 100 at 12/30/2013).



	2008	2009	2010	2011	2012	2013	2014
Close price (in euros)	17.50	28.39	27.00	22.04	30.02	33.69	35.73
Year-on-year change (%)	-48.6%	+62.2%	-4.9%	-18.4%	+36.2%	+12.2%	+6.1%
Change in CAC 40 index (%)	-42.7%	+22.3%	-3.3%	-17.0%	+15.2%	+18.0%	-0.5%

(Source: Thomson Reuters)

Shareholder breakdown ⁽⁰¹⁾



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.

⁽⁰¹⁾ Proforma figures as of March 31, 2015 after merger with Corio.

- 01. Simon Property Group: **18.3%**
- 02. APG Group: **13.5%**
- 03. BNP Paribas Group: **13.5%**
- 04. Others shareholders (free float including treasury shares): **54.7%**

Operating and financial performance

Swift execution of the repositioning strategy: create Europe's leading pure player in shopping centers and robust performances in 2014.



1st half of 2014:
Optimization and refocus
of portfolio through
disposals

€2.3 Bn

Disposals of retail galleries in France,
Italy, Spain and Sweden

131 centers

disposed in 2014

**Full exit from the office
property business**



2nd half of 2014:

July. Announcement of the public
exchange offer of Klépierre on Corio
October. Launch of the tender
offer on Corio shares



January. As of 01/16/2015,
Klépierre owns

93.6%

of Corio ordinary shares and
becomes the leading pure player
retail property company in
Continental Europe

Keep retail moving
forward.

**Net Rental
Income
performance**

+3.1%

**Shopping center
like-for-like Net
Rental Income**

**Strong
reduction in net
cost of debt**

-50 bps

**3.0% on average
for the year**

**Credit
rating**

A-

**Best in-class in
the industry**

Net debt

-€1.8 Bn

Reduction over 12 months

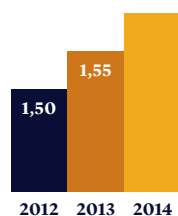
**Strong
cash-flow
generation**

€2.07

**Net current cash-flow
per share, above target**

Dividend
(in euros per share)

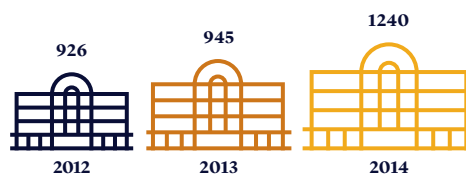
⁽⁰¹⁾ Submitted to a vote
of the shareholders at
their April 14, 2015
General Meeting.



→ 1.60⁽⁰¹⁾

Gross rents
(total share, in millions
of euros)

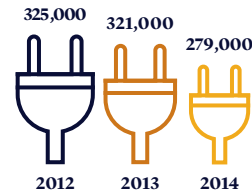
— 2012 and 2013 rents
retreated following the
adoption of IFRS 10/11.
— 2014 proforma the
acquisition of Corio.



Environmental, societal and social performance

The environmental, societal and social initiatives undertaken by the Group help to create value for its assets as well as establishing more responsible relationships with its stakeholders. As the results produced in 2014 attest, Klépierre occupies a position of determined and dynamic leadership in these areas.

Environmental data



Strong decrease in energy consumption

(Like-for-like basis, in MWh)

The 14% reduction over the past 2 years attests to the Group's operational performance.

68%

of the holdings equipped with real-time energy measurement systems

€5.3M

savings on energy costs over the past 2 years

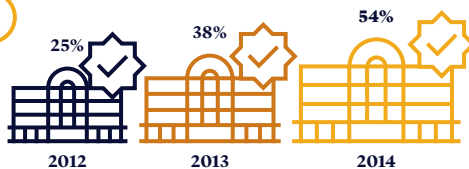
40%

of the energy from renewable sources

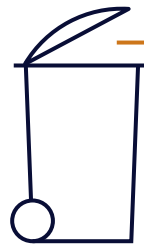
KLEPIERRE

Environmental data

42 centers certified at the end of 2014
(Part in value of the centers certified)



Proportion of waste recovered



65%

of waste recovered

36%

of waste recycled, reused or composted

Extra-financial ratings

Best in class

DJSI

82/100

+ 30% vs. 2012
Co-leader
in Europe



GRESB

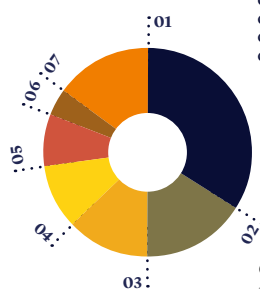
78/100

+ 59% vs. 2012
Corio score:
76/100



Social data combined for Klépierre and Corio on 12/31/14

Breakdown of workforce by region ⁽⁰¹⁾



- 01. France-Belgium: 34%
- 02. Scandinavia: 16%
- 03. Italy: 13%
- 04. The Netherlands: 10%
- 05. Iberia: 8%
- 06. Germany: 4%
- 07. Others: 15%

⁽⁰¹⁾ Breakdown on 12/31/2014 pro-forma the acquisition of Corio.

95%

of employees with
an open-ended contract

Societal data

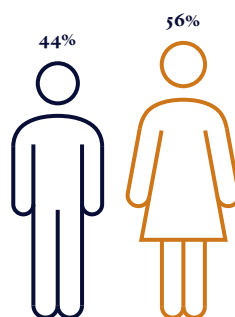
€178M

purchased for the operational management
of the Group's shopping centers. 63% with
providers that have a daily presence on site

€49M

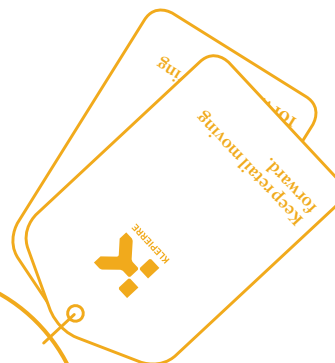
of local taxes paid in 2014 by
the Group's shopping centers

Breakdown of workforce by gender



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 net initial yield



2014



2013

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 Earnings

(in millions of euros)



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 "topped-up" net initial yield



2014



2013

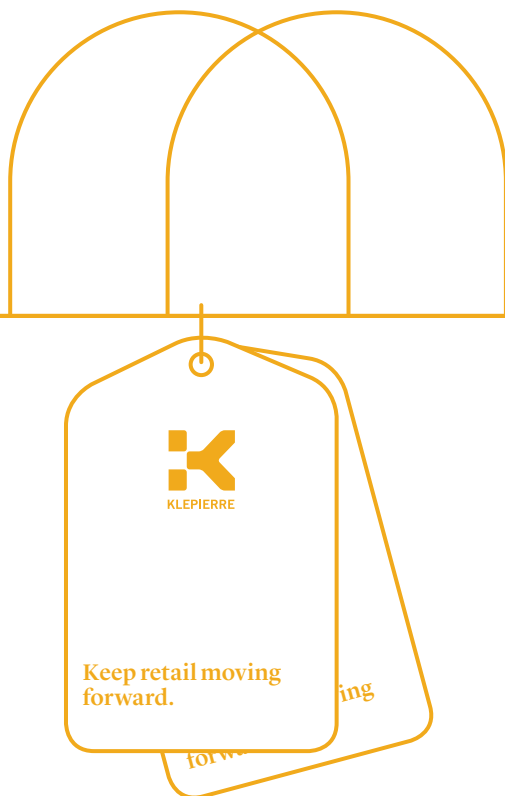
Ratio calculated by making an adjustment to EPRA Net Initial Yield in respect of the expiration of rent free periods (or other unexpired lease incentives such as discounted rent free periods and step rents).

(incl) "Retail" refers to Klémurs, which accounts for 3.7% of Klépierre's total real estate holdings (excluding transfer duties) on 12/31/2014.

EPRA vacancy rate

3.0%

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, 2014.



EPRA NAV

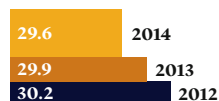
(in euros per share)



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 euros per share)



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

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.

17.7%

Excluding direct vacancy costs

19.5%

Including direct vacancy costs



Find EPRA performance indicators on Chapter 1 of 2014 Financial Report.

We are retail

To anticipate retail change, Klépierre proposes a pan-European platform of destination shopping centers whose appeal is multi-level: a portfolio concentrated on regions of the first rank, a retail mix that is constantly enhanced and upgraded, and differentiating marketing concepts. This winning combination offers retailers unique opportunities for development.



9,137

leases in Klépierre shopping
centers, of which nearly
1,700 leases signed
in 2014

11%

That's the contribution
of the top 10 retail tenants
to Klépierre's rents



An efficient business model

With the property portfolio optimized through non-core disposals and the acquisition of Corio, the year 2014 was both remarkable and structuring for Klépierre. Today, the Group is the leading pure player in Europe's shopping center market, and its enhanced platform offers retailers the best format for their growth.



Creating value in a rapidly-evolving retail world

Klépierre operates in an environment where performance differentiation is becoming more accentuated. For Jean-Marc Jestin, COO, "in this context, if we want to continue to create value, we have to specialize and sharpen our focus at every level." On the geographic level, this means targeting the most dynamic and connected regions. In terms of property management, it means giving preference to the top-performing retailers as we continuously renew the merchandising mix. In the area of consumer relationships, it means looking to enrich the purchasing experience by offering new programs and events as well as through improved services. As for capital allocation, it means building a consistent portfolio of destination shopping centers.

An optimized portfolio profile

Over the course of last year, Klépierre completed the programmed disposal of non-core assets that began in early 2012. A total of 126 retail galleries attached to Carrefour superstores located in France, Spain, and Italy were sold for 2 billion euros. The net proceeds of the sale (1.5 billion euros) were used directly to pay down debt and optimize Klépierre's financial profile. Standard & Poor's raised Klépierre's credit rating from BBB+ to A- after this transaction was completed. A few months

"Owning the most relevant assets in their catchment area: voilà the winning model."

Jean-Marc Jestin,
COO

later, five shopping centers located in Sweden were sold for a total of 354 million euros. In addition to the disposal of these centers, Klépierre has now sold all of its office properties, with the last three buildings in its portfolio going for a total of 122 million euros. In parallel, Corio was also refocusing on its leading assets, selling 31 properties between 2013 and 2014.

Industrial logic, market vision

Once Klépierre decided to position itself as a pure player, the selection of shopping centers and retailers became even more important. "Owning the most relevant assets in their catchment area, which means owning those that correspond to the development needs of nationwide and global retailers as part of a broader pan-European strategy: voilà the winning model," notes Jean-Marc Jestin. The level of purchasing power, the demographic energy, the competitive landscape, the connection to mass transit and overland infrastructures – these are all important analytic criteria. On the retailer side, Klépierre seeks to forge ties with brands that have the ability to grow in its various markets. "The ideal scope is between 50 and 200 points of sale in common," estimates Jean-Marc Jestin. Another prerequisite: high sensitivity to e-commerce and an omni-channel development strategy. A successful union between a shopping center and a major retailer is one where the former becomes a genuine medium for the latter, via spaces that are large

01
Superdry

02
Let's Play®
advertising
campaign



02



Let's Play®: shaking up retail and fashion codes

Inaugurated with the new customer experience ClubStore®, the movement of transformation sweeping across Klépierre shopping centers continues with the Let's Play® concept. A fun approach to shopping, an inventive style, and exclusive brand events (Nickelodeon, The Voice, Les Femmes en Or, etc.): the malls are creating a buzz and recreating fun. The Let's Play® concept is adapted by each shopping

center to suit its unique personality. Annual or one-off events, free animations, and digital experiments are being rolled out one after another to help retailers promote their products. Launched at Val d'Europe in September of 2014, the advertising campaign told the story of Alice in shopping wonderland. Let's Play® will be deployed in 11 shopping centers across Europe throughout 2015.



+3.1%

That's the rate of increase in net rents for Klépierre in 2014 (on a like-for-like basis, i.e., excluding centers that were sold, acquired, or recently opened)

3.6 Bn

euros worth of assets were sold by Klépierre between 2012 and 2014 to optimize the portfolio



04

03
Bershka

04
Let's Play®
advertising campaign
for Val d'Europe,
Marne-la-Vallée,
France



enough to accommodate the emblematic stores, digital tools designed to accelerate the moment of contact with customers, and promotional events.

A model scaled to grow with retailers

Opting for a model that is 100% retail means acquiring the resources that make it possible to select only the best shopping centers and partners; it also means being able to build – asset by asset – a vision, an ambition, and a detailed action plan aimed at combining and leveraging all of the competencies of the business. This will culminate in a better symbiosis between the expertise of Klépierre, on the one hand, and the needs of retail tenants and their customers, on the other. A major effort is already underway to adapt existing assets (see inset). By building an expanded platform with Corio, Klépierre will be able to go further in its discussions with retailers on a significant number of points from the perspective of the medium to long term.

With Corio, a more attractive platform

After the successful public exchange offer launched in October of 2014, Klépierre acquired a 93.6% stake in Corio on January 16, 2015. Corio is one of the major players in the European commercial real estate market, and this acquisition makes Klépierre Europe's leading pure player in shopping centers. "This offers us the chance to gain a solid foothold in new countries for us, like the Netherlands and Germany, but also to consolidate our positions in France, as well as in Italy, Spain and Portugal," says Jean-Michel Gault, Deputy CEO. Thanks to this enhanced presence in regions with high demographic growth and/or substantial purchasing power, the Group will be able to capitalize on the most promising consumer trends and create a wider and more attractive offer for leading retailers. Doing so will ensure that the latter enjoy the right conditions for growth while also giving Klépierre greater visibility.

Bringing the best retailers together

The retail world is undergoing a remarkable acceleration as trends and fashion become increasingly ephemeral and the internet plays a growing role in purchasing practices. Against this backdrop, Klépierre stands apart, offering the best possible support for retailers while constantly updating its retail mix.

Supporting retailers in their development

Klépierre works continuously to strike the just right balance between the historic retail powerhouses, the new concepts, and the exclusive brands. “Shopping centers are no longer just places where people go to do their shopping and have become spaces where they stroll and socialize. To attract customers, shopping centers need to have a fashion tonality,” stresses Guillaume Lapp, Managing Director for French shopping centers. In order to keep up with the latest trends while also appealing to different catchment areas, the rotation of retail brands is becoming more frequent, which enables Klépierre to respond to the evolving needs of the top-performing retailers. For example, offering bigger retail spaces for Zara and H&M has helped these retailers increase sales revenue or roll out new concepts.

Rewarding differentiating concepts

A few years ago, Klépierre shopping centers were the first to feature Kiko cosmetics. With its attractively priced products and high quality packaging, the Italian retailer is a prime example of commercial success founded on an innovative concept. This is the kind of profile that Klépierre seeks out when scouting for new retail tenants for its shopping centers. The arrival at Créteil Soleil

“In every subsidiary, work is being done to identify those nationwide retailers that are good candidates for export.”

Gontran Thüring,
Chief Leasing
Officer

of Primark (see inset), the Irish textile giant with unbeatable prices, is an example of this logic, as is the confidence placed in the retail chain Hema or in Undiz, a brand of Etam Lingerie. By erecting pop-up stores, Klépierre is able to efficiently detect ideas that are in tune with contemporary needs. Several spectacular successes of this kind marked the year 2014, such as the glamor collection proposed by Tati and Chantal Thomass at St. Lazare Paris.

Ways of anticipating trends

Being close to the world of retail is part of Klépierre's DNA. For the last two years, this corporate culture has been getting even stronger through efforts in the area of recruitment and sales teams. One of the results of this effort is the rollout of an ongoing market intelligence system focused on consumer patterns and retailers. “We are fortunate to be present across Europe, a situation that will be further improved by combining forces with Corio. In every subsidiary, work is being done to identify those nationwide retailers that are good candidates for export,” explains Gontran Thüring, the Group's VP of sales. The presence of Corio in the Netherlands, Germany, and Turkey, not to mention its deep knowledge of the distribution landscape will help to improve sourcing in these three countries. An additional bonus of the merger is the enhanced cultural melting pot, which lends the Group credibility with its retailers.

01
Kiko
02
Primark
03
Undiz



Retailers on the rise

M.A.C. is one of the aspirational brands that made its début at Klépierre shopping centers in 2014. Three of its stores were inaugurated in France (Val d'Europe), in Belgium (L'esplanade) and in the Czech Republic (Prague). A fourth is set to open in Italy (Milan). Also in the spotlight: the Italian retailer

Pitta Rosso, a specialist in leather footwear and accessories, which opened its first retail outlet in France in Toulouse (Grand Portet). Among retailers already operating in the Klépierre portfolio, Uniqlo (now at Belle Épine), Kiko, Tati, and Kiehl's significantly increased their visibility over the course of last year.



Looking for knock-on effects

How can a shopping center that already attracts 18 million visitors a year bring in even more? Faced with this challenge at Créteil Soleil, Klépierre responded by offering Primark the chance to create a flagship store covering nearly 5,500 sq.m. while also taking advantage – for the first time – to

direct subway access from Paris. By expanding the Zara store, rotating retailers, and installing a food court, the section of the shopping center where Primark is located became more dynamic. For the shopping center as a whole, daily footfall is up by 15% since June of 2014.



Brands, yes, but that's not all

To ensure that each center offers an experience that is empowering for brands and consumers alike, retail spaces must do more than evolve: they must be located in settings that make people want to return and stay longer when they do. This explains why Klépierre has opted to focus on developing services and events that are accessible to every customer segment, families in particular. One of its priorities, for example, is to evolve the food court offering toward greater quality, by combining good taste and good nutrition. Several successful and innovative concepts have already been identified. Improving the comfort of buying, offering freedom of movement and recreation, featuring facilities that are in sync with changing tastes and lifestyles, creating spaces where people meet and interact, taking steps to banish sources of stress for consumers: this is how Klépierre sees its role as a creator of flows. Success in this endeavor means not just being above reproach when it comes to retail fundamentals, it also means daring to be bold and determined, opening up new avenues for novel, necessary services.



Customer satisfaction: a plus that benefits retail brands

Responding to the development ambitions of retailers means offering them the best possible conditions under which to stage their product. It means paying attention to every detail in the purchasing process and making quality services and hospitality a top priority without forgetting to strengthen the connection between the physical and digital environments. By deploying these talents, Klépierre can attract and retain the best-performing partners.

ClubStore®, squarely customer-centric

Klépierre promotes the shopping experience through original design. The challenge? Offer a little extra something by making each point of sensorial contact memorable. This was the impetus behind the ClubStore® concept, which has won enthusiastic praise from customers. The experience unfolds in four sequences: Good Impression (to facilitate access to brands and services), Respiration (to encourage relaxation through the use of staged spaces), Connection (to promote exchanges and innovative experiences), and Recreation (with events and décor designed to offer surprises and fun). The desire to stand out does not preclude Klépierre from aspiring to zero defect when it comes to hospitality, safety, cleanliness, and easy purchase.

Making malls more digital

Klépierre offers an array of brands that are as diversified and adapted to consumer tastes as possible. But it is just as important to promote this portfolio via the use of digital channels because, today, 82% of all shoppers prepare for their trip to the mall from their smartphone or their computer. "The reality of the customer experience is as virtual as it is physical, which is why we have reinforced our digital arsenal to boost the sales revenue of our retailers," explains Sandrine Quesnel, Chief Communication and Marketing Officer.

"The reality of the customer experience is as virtual as it is physical."

Sandrine Quesnel,
Chief Communication and Marketing Officer

Since early 2014, Klépierre has been using an innovative digital solution based on a shared web platform that manages content that is generated for and adapted to the needs of each shopping center (see inset).

Another initiative designed to create traffic is the launch of a click & collect service, which allows e-shoppers to come to their local mall and rapidly retrieve items they have paid for online.

A trailblazing experience for merchandisers

By experimenting with Inspiration Corridor, Klépierre has opened the way to a new profile for digital solutions that meets the needs of retail. The visitor enters a shopping corridor where he or she is analyzed by a system that detects gender, age group, and clothing style before recommending certain products. Customers can also start a window-shopping session, synchronize their selection with Klépierre's mobile app in order to locate the article using GPS, or scan the bar code of an item purchased in the shopping center to find other products that go with it. "For the users, there is the satisfaction of seeing that the physical world features e-commerce practices that have become familiar to them. For retailers, this offers yet another way to appeal to customers and build loyalty," notes Sandrine Quesnel. The concept is scheduled for rollout in the first half of 2015.



01



95%
of customers applaud
the ClubStore®
concept*

60
websites share
a single, new
generation platform

82%
of consumers use the
internet to prepare
for their visit

*Source: customer
survey, Les Passages
(Boulogne),
November 2013



02



03



Internet: products and brands in the spotlight

New shared platform,
new design, new features...
The websites of Klépierre's
shopping centers are
getting a whole new look
and making life easier for
shoppers. In addition to
catalogues for all of the
retailers present in each
center, the websites contain
information on fashion
trends, gift ideas, and
brands' best deals.

In the first quarter of 2013,
60 new generation websites
will be operational.
Moreover, directories
– the information panels
stationed at mall entrances
– will be connected
to the digital platform.
Since the month of
February, twelve of them
are up and running,
offering shoppers their
center's latest news.



04

01
Uniqlo
02
Kusmi Tea
03-04
L'esplanade, in the
region of Brussels,
Belgium



A new dimension for growth

The alliance with Corio gives rise to the leading shopping center pure player in Europe. The good geographic fit and a shared strategic vision combine to accelerate the effort to reposition portfolios and create new opportunities for development over the medium and long term.



21 Bn

euros, total value of the property portfolio at the end of January 2015 after the acquisition of Corio

16

countries in Continental Europe in which a retailer or a customer can find a Klépierre shopping center

01
Emporia, Malmö,
Sweden



01

Leading centers in leading regions

Once again, Klépierre's expanded pan-European strategy demonstrated its relevance in 2014, with all of the regions in which the Group is located making a positive contribution to its growth.

The top 15 assets



01 • Créteil Soleil

(Paris area, France)
19.3 million visitors
123,400 sq.m.

02 • Val d'Europe

(Paris area, France)
16.5 million visitors
82,900 sq.m.

03 • Field's

(Copenhagen, Denmark)
7.9 million visitors
87,400 sq.m.

04 • Hoog Catharijne

(Utrecht, Netherlands)
24.0 million visitors
89,500 sq.m.

05 • Porta di Roma

(Rome, Italy)
18.4 million visitors
130,000 sq.m.

06 • Emporia

(Malmö, Sweden)
6.2 million visitors
65,800 sq.m.

07 • Grand Littoral

(Marseille, France)
13.0 million visitors
110,500 sq.m.

08 • Blagnac

(Toulouse, France)
7.1 million visitors
48,400 sq.m.

09 • Rives d'Arcins

(Bordeaux, France)
5.5 million visitors
52,500 sq.m.

10 • Le Gru

(Turin, Italy)
12.3 million visitors
78,500 sq.m.

11 • Campania

(Naples, Italy)
11.6 million visitors
108,000 sq.m.

12 • Boulevard Berlin

(Berlin, Germany)
11.2 million visitors
87,100 sq.m.

13 • L'esplanade

(Brussels area, Belgium)
8 million visitors
55,700 sq.m.

14 • Bruun's Galleri

(Århus, Denmark)
10.3 million visitors
34,900 sq.m.

15 • La Gavia

(Madrid, Spain)
12.9 million visitors
86,400 sq.m.

"The development strategy is disciplined and selective. Its purpose is to enhance the value of assets that must meet at least three criteria: a good location, a growing catchment area with strong purchasing power, and a protected competitive environment."

Bernard Deslandes,
Deputy Chief
Development Officer



www.kleppierre.com/en/property/



01

France-Belgium

The disposal of retail galleries in April of 2014 and the acquisition of centers through the Corio transaction reshape the contours of the portfolio, now tilted toward assets located in the most dynamic urban and suburban areas, such as Paris, Bordeaux, Toulouse, Lyon, Marseille, and Brussels.

01
St. Lazare,
Paris,
France

02
Odysseum,
Montpellier,
France



02

1.2 million people, including 500,000 travelers, transit daily through the Saint-Lazare station. As the entryway to one of Europe's biggest retail districts, the shopping center is designed to meet the needs of consumers who are increasingly mobile and interested in optimizing their time.

47

Number of centers in the region

7,936M

euros, total value excluding transfer duties of the region's shopping centers (39.1% of the total value of the combined property portfolio)

397.3M

euros in net rents for the region (36.8% of total combined net rents)

01
Emporia, Malmö,
Sweden

02
Field's, Copenhagen,
Denmark

Scandinavia

Present in Norway, in Sweden, and in Denmark, Klépierre maintains its leading position in Scandinavia thanks to the good performances of this portfolio, recently refocused on the best assets in the region.



20

Number of centers in the region

3,413M

euros, total value excluding transfer duties of the region's shopping centers (16.8% of the total value of the combined property portfolio)

162.1M

euros in net rents for the region (15.0% of total combined net rents)

Emporia's impressive façade is curled like a giant wave. Each one of its three floors has a specific retail focus: from the basics on the ground floor to the latest trends on the top floor. Its terrace, perfect for a break mid-shopping, is also physically compelling.



Italy

Combining the strategic positions of Klépierre in the region surrounding Milan with those of Corio in the regions surrounding Rome, Venice and Naples, the Group becomes the country's biggest operator of shopping centers and offers retailers a unique development platform.

37

Number of centers in the region

3,288M

euros, total value excluding transfer duties of the region's shopping centers (16.2% of the total value of the combined property portfolio)

181.5M

euros in net rents for the region (16.8% of total combined net rents)

Porta di Roma is the largest shopping center in Italy located within Rome's urban area. This 97,000 sq.m. GLA facility is one of the most modern in Europe and attracts 18.4 million visitors a year.



01-02
Romagna
Shopping Valley,
Rimini

03
Porta di Roma,
Rome



The Netherlands

01
Markthal,
Rotterdam

02
Alexandrium
Shopping Center,
Rotterdam

Thanks to the Corio portfolio, Klépierre has been hoisted to the number one position in the Dutch market. Historically present in this market, the Group operates shopping centers in the major cities that lead their respective catchment areas.

13

Number of centers in the region

1,693M

euros, total value excluding transfer duties of the region's shopping centers (8.3% of the total value of the combined property portfolio)

94.9M

euros in net rents for the region (8.8% of total combined net rents)

Hoog Catharijne forms the retail heart of Utrecht, attracting 26 million visitors each year. With the acquisition of Corio, its extension-refurbishment becomes the biggest project in the new pipeline.



01



Iberia

Wholly reconfigured since the disposal of 63 retail galleries in 2014, the portfolio is now organized around its two leading assets and has acquired new strategic positions in Madrid and Barcelona thanks to the Corio transaction.

The La Gavia and Meridiano centers turned in very positive performances, boosted by favorable macroeconomic conditions, confirming their leadership positions in this region.

23

Number of centers in the region

1,273M

euros, total value excluding transfer duties of the region's shopping centers (6.3% of the total value of the combined property portfolio)

85.6M

euros in net rents for the region (7.9% of total combined net rents)

01

La Gavia, Madrid, Spain

Central Europe

Poland, Hungary, and the Czech Republic all reported higher net rental income, outperforming index-linked rent adjustments.

26

Number of centers in the region

1,095M

euros, total value excluding transfer duties of the region's shopping centers (5.4% of the total value of the combined property portfolio)

71.8M

euros in net rents for the region (6.7% of total combined net rents)

The capital cities Budapest and Warsaw have joined the ranks of the most popular tourist destinations.

The Corvin center drove the performance of Hungary, with retailer revenues up by 13.8%.



02

02
Nový Smíchov,
Prague,
Czech Republic

Germany

Gateway to Europe's biggest economy, with annual GDP growth of just above 1.6%, the acquired portfolio assets are mainly located in the flourishing regions and metropolitan areas of Germany.

01-02
Boulevard Berlin,
Berlin



01

5

Number of centers in the region

1,052M

euros, total value excluding transfer duties of the region's shopping centers (5.2% of the total value of the combined property portfolio)

56.3M

euros in net rents for the region (5.2% of total combined net rents)

Boulevard Berlin is one of Germany's largest urban shopping centers. Centrally located, it is one of the Schloßstraße's defining elements. The decision to clad an older building in a bold and contemporary architectural design makes this a unique landmark in the landscape of Berlin shopping centers.



02

Turkey

The Corio acquisition gives the Klépierre Group access to a country that has more than 80 million inhabitants and a foothold for its centers in the country's major cities, including Istanbul and Ankara.

Located on the European banks of the Bosphorus strait in Istanbul, in an exceptional residential area, the Akmerkez center is nothing less than a phenomenon, combining upscale shops and retailers with nationwide and global reach.

03
Tarsus, Tarsu

7

Number of centers in the region

528M

euros, total value excluding transfer duties of the region's shopping centers (2.6% of the total value of the combined property portfolio)

29.7M

euros in net rents for the region (2.8% of total combined net rents)



03



RETAIL MOVING FORWARD

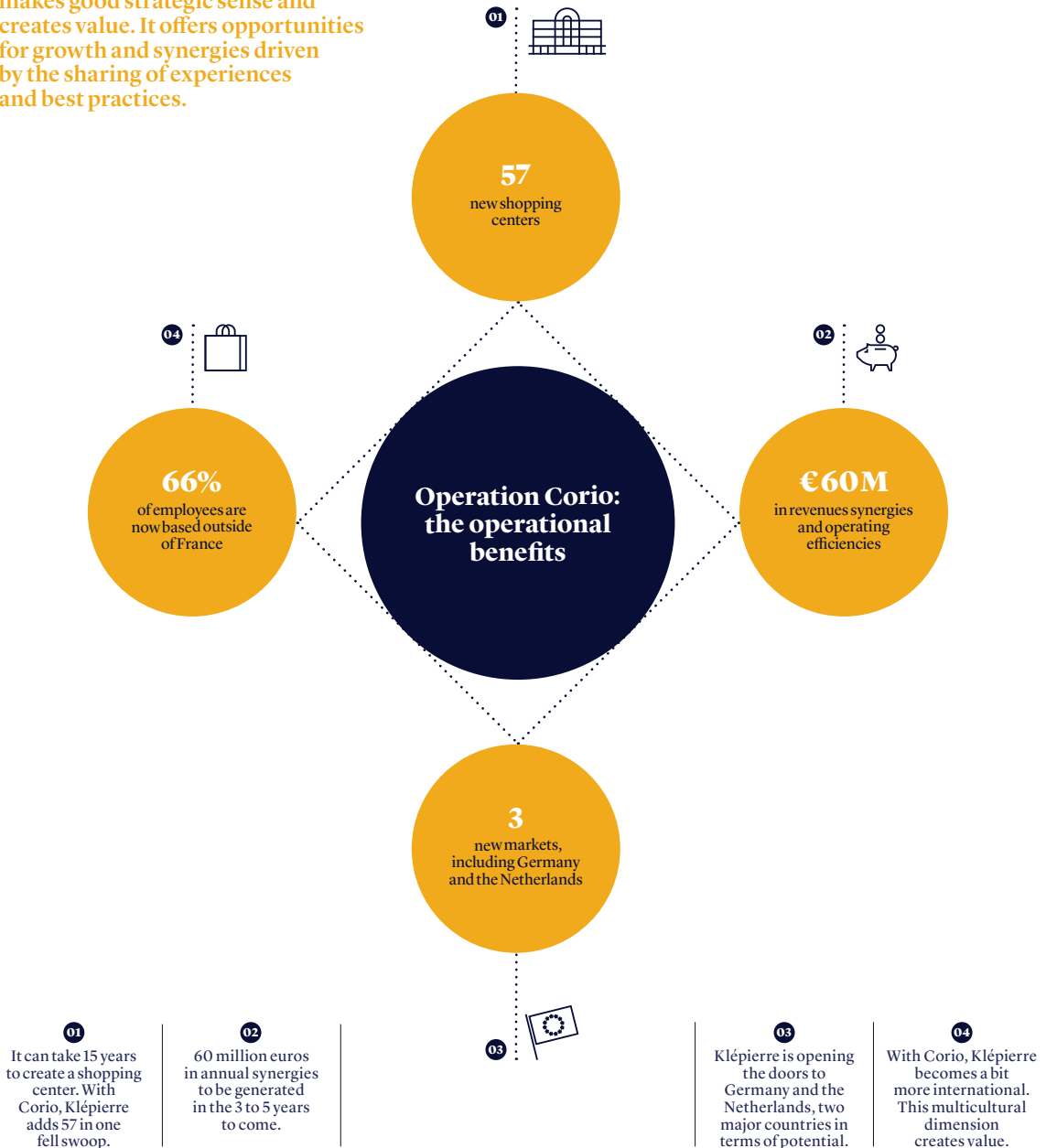
FORWARD

KEEP

MOVING

The Corio acquisition: a strong growth lever

Corio and Klépierre have parallel histories. Both are specialists in retail properties; their alliance makes good strategic sense and creates value. It offers opportunities for growth and synergies driven by the sharing of experiences and best practices.





01
Le Millénaire,
Aubervilliers, France

02
Val d'Europe,
Marne-la-Vallée,
France

03
Bruun's Galleri,
Aarhus,
Denmark

Attracting and retaining the best names in retail

Klépierre has forged broad and deep relationships with numerous retailers. Thanks to the merger, the Group becomes a landlord of choice for international retail players looking for the best conditions for controlled development in Europe and a top quality environment. With an expanded platform of 178 shopping centers located in strategic regions of Continental Europe that combine demographic growth and economic strength, the Group is unrivaled in its capacity to offer this many leading shopping destinations in terms of number and quality to the best retailers for the development of their business. This more attractive platform further enhances the quality of the commercial offering by multiplying the opportunities for updating concepts and upgrading the merchandising mix for each asset based on the catchment area for the target clientele.

A value-creating alliance

Klépierre has developed recognized savoir-faire in terms of management, leasing, marketing and shopping center animation. Because Corio's core business is the same, the coordinated deployment of best practices and successful experiments procures the immediate benefit of increasing efficiency and generating economies of scale. Nearly 60 million euros worth of annual

"Being a partner of retailers means being able to offer them the best locations and also being able to say, for example, to Camaieu: Are you interested in expanding into Italy? Here's our portfolio."

Guillaume Lapp,
Managing Director
French Shopping
Center Division



Sharing best marketing practices

The Group identifies the best marketing solutions and deploys them across its portfolio of shopping centers. It plans to accelerate the dissemination of digital tools and will roll out special programs on a grand scale – at a larger number of sites – with the best retail brands:

- Initiatives centered on improving the customer experience and loyalty programs,

with greater attention to customer well-being.

- Unique and unforgettable animations that help to enrich the customer experience will be developed.
- Innovative Digital Solutions* will be further deployed at shopping centers.
- All shopping centers and mobile devices will be connected to a single digital platform.



synergies have been identified and will be effective in the three to five years to come. Half will come from these operational improvements, particularly via efforts to share expertise and lower operating costs through bulk procurement that benefits the retail tenants. The rest will come, in particular, through higher rental income thanks to the rollout of an array of improvements in rental management, re-tenanting, marketing, and specialty leasing. In the hands of teams of seasoned professionals, the alliance offers a unique opportunity to drive major changes in the industry for the benefit of customers, employees and shareholders alike.

Integrating new markets in Continental Europe

In forging this alliance with Corio, Klépierre takes yet another step in its international development. The Group formed with Corio becomes the dominant player in Italy, with a unique portfolio of must-visit shopping destinations. It consolidates and expands the Group's positions in France and in Iberia. Lastly, it offers access to two major countries in terms of purchasing power, stability and dynamic demographics: Germany and the Netherlands, where Corio is the leader. Turkey is also an opportunity to explore a new and growing market by benefiting from Corio's achievements there.

A broader portfolio for stronger growth

The creation of the leading pure player in the Continental European shopping center landscape increases Klépierre's visibility with respect to the major global retailers. It also helps to strengthen the global quality of the real estate holdings thanks to greater flexibility in terms of choosing which assets to hold.

01

The partner of choice for leading retailers

In a market where acquiring a leading destination for shoppers is expensive, the transaction with Corio is, for Klépierre, a unique and historical opportunity to enrich its portfolio of 57 shopping centers, most of which figure among the leaders in Europe. With a value of more than 21 billion euros, the combined portfolio substantially increases the Group's footprint in Continental Europe. This transaction strengthens the Group in France, in Italy, and in Iberia, and gives it solid footing in three new countries – Germany, the Netherlands, and Turkey. Present in 16 countries of Continental Europe, the Group offers retailers an expanded platform of attractive shopping destinations and confirms its role as a partner of choice for the best retail brands. It has achieved the critical mass needed to wield clout in the market and support retailers' sales revenue growth by supporting their development plans. The merger is an opportunity to deploy a dynamic rental management and retensing strategy whose aim is threefold: to offer the top-performing retailers the format best suited to their concept, to accelerate the growth of global retailers across Europe, and to accompany that of new retail concepts. The platform offers privileged access to the European market and to more than 1,200 million visitors a year.

+

1,200M
visitors a year

21Bn
euros, value of
the new combined
portfolio

A platform of even greater quality

Since 2012, Klépierre has carried out the programmed disposal of 3.6 billion euros worth of non-strategic assets. The success of this program attests to the efficiency of the Group's operational management. The recent improvement in its property portfolio will allow, with the support of its leading shareholders, the rapid deployment of an operating efficiency plan for the Corio assets and a repositioning of the portfolio to focus on the shopping center assets with the best growth prospects. The Group is focusing on shopping centers



- 01
Maremagnum,
Barcelona, Spain
- 02
Sephora
- 03
Príncipe Pio, Madrid,
Spain
- 04
Calzedonia
- 05
Créteil Soleil,
Créteil, France



located in the most dynamic regions of Europe and in the metropolitan areas with strong demographic growth and substantial purchasing power, with the aim of gaining recognition as Europe's most attractive European platform. With respect to selectivity criteria, the quality of connections to public transportation is a key success factor. The alliance with Corio also brings greater agility in terms of asset rotation and in terms of upgrading the offer for retail tenants.

Steady rise in market capitalization

Klépierre's ambitious strategy of active operational management, the continuous improvement of its holdings, and the optimization of its financial management is bearing fruit. The combined Group presents a financial profile that is in line with the highest standards for the real estate industry, in particular a Standard & Poor's credit rating of A. Strong growth in liquidity via the public exchange offer with Corio improves Klépierre's stock market profile. Since January 2015, the Group is listed on Euronext Amsterdam in addition to Paris. Investors now benefit from a liquid investment vehicle that is entirely devoted to shopping centers in Europe. Its weighting in several benchmark indices has increased and, with a combined Loan-to-Value ratio of 40% and a credit rating of A-, the level of debt remains moderate, in line with the Klépierre strategy.

"The size of the property portfolio is important in two respects: in terms of the relationship with leading retailers and on the financial level, in terms of market capitalization and access to capital markets."

Jean-Michel Gault,
Deputy CEO

Access to the best financing

In a capital intensive business, access to financing resources at the lowest possible cost is a key factor in determining success. This access depends largely on how sound a Group's financial structure is. The strength of the combined Group's balance sheet, the weight of the new market capitalization, and the maintenance of a 40% gearing ratio only serve to reinforce this position. Taking advantage of the low interest rate and credit environment, the Group will ensure active management of Corio's debt. The strength of the model lies in the construction of a portfolio of quality assets with a relatively moderate risk profile, which conditions access to the financial markets at a lower cost of debt.



Asset rotation: active, qualitative management of the portfolio

Klépierre conducts an active asset rotation strategy for its holdings, which enables the Group to allocate the proceeds from the sale of mature centers to the financing of its development pipeline and to the acquisition of selected assets that are more

contributive to growth. This strategy is based on regular arbitrages that ground the decision to hold or sell based on each shopping center's size, profitability, catchment area, development capacity, and the competitive environment in which it operates.

The outlook for selective development

The combined Group supports an ambitious development program worth 3,7 billion euros, with most of the projects located in France, in Scandinavia, and in the Netherlands. This program in turn supports a broader strategy of upgrading the portfolio to further enhance the value of its assets.

Enhancing the existing portfolio

Klépierre and Corio have demonstrated their unique talent for selecting, managing and leasing development projects. In the mature markets of Europe, which are globally well equipped, the development business is primarily focused on enhancing the value of existing assets. The challenge is not to win the race for size but, rather, to refurbish and upgrade the shopping center assets in the portfolio in order to create uncontested leaders in their respective catchment areas. Accordingly, most of the projects under development involve extensions and/or refurbishments designed to attract new retailers and thus ensure a more rapid evolution of the retail mix.

Project selection criteria

The priority focus on asset upgrades does not exclude the launch of new projects, such as the emblematic Prado shopping center located in the heart of Marseille or the Besançon project. Faced with the increasing complexity of the construction business, these projects must satisfy more exacting profitability criteria. For this reason, the more than 200,000 sq.m. of additional retail space programmed between now and 2018 is located in Europe's most economically and demographically dynamic regions and metropolitan areas. Within these large metropolises, which are confronted with the challenges of mobility and the energy transition, the quality

"There is no race to be the biggest; the race is for the best assets."

Bernard Deslandes,
Deputy Chief
Development Officer

of mass transit access and connections is a decisive criterion. Nonetheless, all development decisions are primarily guided by retailer demand, and these decisions must also factor in the administrative and political timetable specific to each development project as well as the duration of the construction work. Reconciling the long-tail nature of real estate development with the increasingly short-tail nature of retail is one of the challenges of the business that is pushing both Klépierre and Corio to select shorter-term projects that meet more demanding profitability requirements.

Pipelines: a good fit in terms of geography and approach

One of the principal reasons behind the merger was the good geographic fit between the two portfolios. This fit should lead to the delivery of higher growth from the combined whole, in line with the existing portfolio. In Italy, for example, Klépierre is located in Milan and its surrounding region, while Corio is number 1 with leading shopping centers in Venice, Turin, Rome, Bologna, and Naples. In Marseille, Grand Littoral, Bourse and, soon, the Prado shopping centers offer optimal geographic coverage of the city from the working class neighborhoods in the north to the touristic downtown area to the affluent neighborhoods in the south. The portfolio reviews underway will continue to focus on identifying the strongest assets after examining the position each center has acquired within its catchment area.



See chapter 1.4.2
of the 2014 Financial
Report for more
information.



+200,000
sq.m. of new retail
space by 2018

17,000
sq.m. additional
GLA in 2017 at
Val d'Europe

2.4Bn
euros, size of
committed and
controlled develop-
ment pipeline*

*As of 12/31/2014,
proforma the
acquisition of Corio.
Projects that are
in the process of
completion, for which
Klépierre has obtained
the administrative
approvals and permits
and projects that
are in advanced
review for which
Klépierre has control
over the land.



Retail ambitions reaffirmed

After the recent
inaugurations of Vinterbro
in Oslo, Jaude in
Clermont-Ferrand, and
Bègles Rives d'Arcins,
several projects are under
development:

Bourse (Marseille)

2,700 sq.m. GLA
extension / 3 mid-sized units
and 10 additional shops.

Val d'Europe (Paris)

17,000 sq.m. GLA
extension / 4 more
mid-sized units and
25 additional shops.

Les Passages Pasteur

(Besançon)

15,000 sq.m. GLA /
Monoprix, 20 shops and
4 mid-sized units.

Galleria Boulevard

(Kristianstad - Sweden)

27,000 sq.m. GLA /
70 shops.

Field's (Copenhagen

- Denmark)

8 500 sq.m. /
1 movie theater and
adjacent shops.

Økern (Oslo - Norway)
50,000 sq.m. / 150 stores.



01
Rives d'Arcins,
Bègles, France

02
Økernsenteret, Oslo,
Norway

03
Romagna Shopping
Valley, Rimini,
Italy

04
Pasteur, Besançon,
France

Our development projects

Of all the projects inscribed in the Klépierre and Corio development pipeline, four illustrate particularly well their shared vision of upgrading the portfolio in the most promising retail catchment areas.

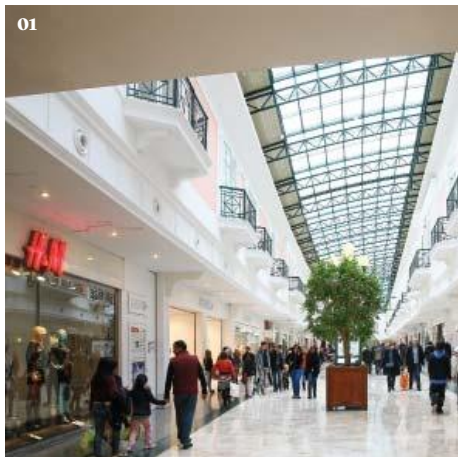
Val d'Europe, a spectacular metamorphosis

A regional center that draws international visitors, located in the heart of Europe's number one tourist destination

Situated 40 minutes from Paris, with Disneyland Paris® close by, Val d'Europe is an exceptional shopping center ideally accessible by car and by train – both the regional RER and the TGV high-speed rail lines. Since it opened, this center has posted the most dynamic retail growth in France, attracting more than 16 million visitors a year. In 2017, with its revisited customer experience, Val d'Europe will reinforce its leadership with the addition of several new global retailers, including Primark and Uniqlo. The extension project is anchored around a majestic glass canopy that looms over a monumental square. Over more than 17,000 sq.m., 29 stores will join the 160 shops that already cover the existing 120,000 sq.m. space. Parking capacity will also increase to accommodate the growing number of shoppers. Work on the project began in early June of 2014.



For more information:
www.club-onlyyou.com/Val-d-Europe



01



02



Field's

7.2 M
visitors

91,400
sq.m.

8,500
sq.m. of additional
space

3,000
parking slots

01

Val d'Europe,
Marne-la-Vallée,
France

02

Field's, Copenhagen,
Denmark

Field's, Denmark's emblematic shopping center, gets a refurbishment-extension

The preferred destination of Denmark's shoppers gets a complete facelift

In the heart of Greater Copenhagen, Field's imposing architecture is a perfect alliance of Scandinavian design and comfort. Just a 10-minute trip from the Danish capital by subway, train, bus or car, with direct freeway access, this shopping center – with its 150 retailers, 15 coffee shops and restaurants, 2 levels of parking, play areas for kids, and a fitness space for adults – is Denmark's preferred shopping destination. The 8,500 sq.m. extension will enhance the retail mix and the quality of customer care thanks to the rollout of the latest Klépierre ClubStore® and Let's Play® concepts. Opening scheduled for the second quarter of 2015.



For more information:
dk.club-onlyyou.com/Fields



03

Le Prado in Marseille, an emblematic destination

Le Prado intends to become Marseille's "must visit" shopping destination

In November, Klépierre entered into an agreement to acquire a 60% stake in Massalia Shopping Mall, the investment company in charge of developing the Le Prado shopping center. This new shopping center, which extends over four levels, is ideally located in the very heart of Marseille, France's second largest city. Near the Vélodrome stadium and the beaches, the facility enjoys unrivaled accessibility: the point of convergence for several subway lines, it is also served by thirteen bus lines and a tunnel that links the three main freeways going into and out of the city. Le Prado will feature around fifty stores, including the premium department store anchor Galeries Lafayette, which has already signed a nine-year lease on a 9,400 sq.m. space. The best international retailers are expected to follow suit, attracted by the catchment area's wealth and population density, not to mention the project's environmental aspect. The center has been designed to receive a BREEAM rating of excellent for its environmental performance and is expected to be ready to open in the second half of 2017.



For more information:
prado-shopping.fr



04

03-04
Prado, Marseille,
France

05-06
Hoog Catherijne,
Utrecht, The
Netherlands



05



06

Hoog Catherijne, an ambitious project in Utrecht

This leading urban project in the Netherlands offers a perfect illustration of the excellent fit between the development strategies of Klépierre and Corio

Hoog Catherijne is a shopping center located in Utrecht, a city in the center of the country. Directly linked to the station, it attracts nearly 26 million visitors a year. The extension-refurbishment project is part of a vast urban renewal plan that also calls for an expansion of the train station that will enable the latter to accommodate 100 million passengers a year by 2030, compared with 65 million today. Access to the shopping center will be further improved by an overhaul of the bus station and light rail system. Movie theaters, several towers and a casino will also enhance this shopping destination.



For more information:
www.hoogcatherijne.nl



Hoog Catherijne

26M
visitors a year

89,500
sq.m.

100M
passengers in 2030
for the refurbished
and expanded
station

Our good choices

A person is riding a bicycle from right to left across the frame. The background is a building with a facade of horizontal orange slats. The scene is slightly blurred, suggesting motion. The title 'Our good choices' is overlaid in large white serif font at the top.

The choices that guide the Group in the area of CSR are consistent with a vision that is resolutely business based and as close as possible to daily management of shopping centers. Operational excellence and environmental, social and societal performance are indissociable.



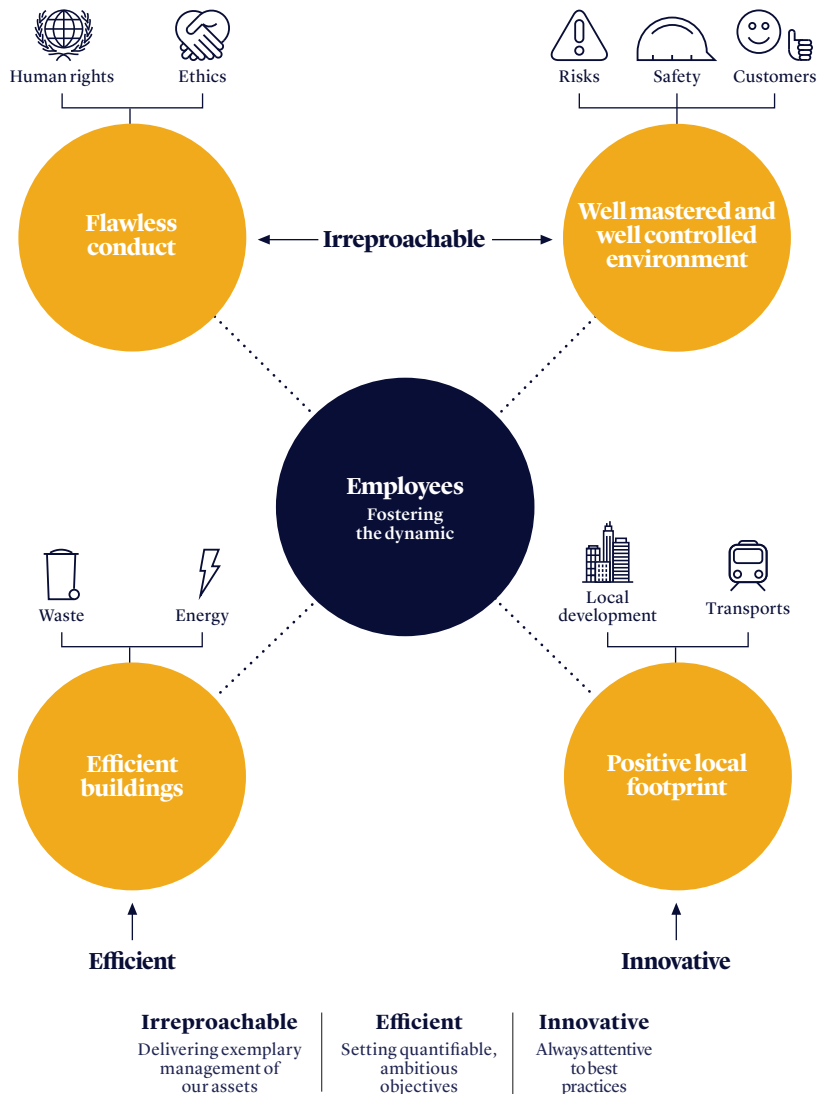
68%
of the holdings equipped
with real-time energy
measurement systems

5.3M
euros saved on
energy costs over
the last 2 years



A sustainable development strategy at the heart of the business

Shopping centers operate as catalyzers in their urban surroundings. Guided by pragmatism, Klépierre works to ensure that they generate positive and durable impacts locally.



01
Créteil Soleil,
Créteil, France

02
Work meeting
at the new
headquarters



Taking action that is relevant, simple and efficient

Klépierre's approach is based on three strong convictions. The best environmental performance is the result of operational excellence in the daily management of assets. Shopping centers that are well integrated into their settings, with a positive local footprint, are also the most appealing to retailers and visitors. Lastly, the development of talents and skills ensures collective performance and dynamism. On the strength of such convictions, the Group conducted an analysis in 2013 to assess the relevance of its actions in the area of CSR with respect to its own challenges, those of its shopping centers, and those of all its stakeholders. These challenges were then organized around 20 themes. The Group is focusing on 9 of these, having chosen the most significant and the most germane to shopping center management. The goal is to be impeccable, efficient and innovative in these areas. This concept of Good Choices® structures its strategy and the development of action plans.

Creating value for all

Shopping centers are places where people meet and interact; they are also a source of economic wealth and jobs that drive deep change in the urban environments in which they are located. A key player in local and regional development, Klépierre creates value for all of its stakeholders.

**"Sustainable
development starts
in the field with
operational
excellence."**

Christophe
Moureaux,
Head of Sustainable
Development

A pragmatic approach, continuous improvement

3 successes in 2014

Inclusion of sustainable development as a key performance indicator and improvement in extra-financial ratings.

Deployment of consistent and robust tools throughout the Group, in particular for talent assessment and management, and intensification of the environmental and societal monitoring of assets.

Strides made for Group assets in the areas of energy efficiency and certification.

3 of 2014's projects await completion

Step up the deployment of energy measurement system across Europe.

Increase waste recycling.

Roll out an employee satisfaction survey.

3 challenges for 2015

Work on the merger of operations and the integration of Corio teams.

Adapt the Good Choices® concept to other Group issues.

Open Klépierre University to everyone as a place for sharing ideas and expertise.



At year-end 2014, its shopping centers generated around 50,000 jobs. It also pays €49 M in local taxes, which support local governments, and offers financial support totaling more than €710,000 in contributions to various charitable organizations.

In parallel, following the acquisition of Corio completed in January 2015, the Group now counts 178 shopping centers that together represent, for its shareholders and financial partners, a portfolio of holdings valued at 21 billion euros. Present in 57 metropolitan areas and 16 countries, Klépierre develops trust-based relationships with 3,100 retailers and the 1.2 billion visitors who frequent its centers.

Solid anchorage at the operational level

Klépierre has put a solid organization in place to ensure that environmental, societal, and social concerns are shared by one and all across the Group. The Corporate Sustainable Development Department is assisted by a network of 40 local correspondents whose role is to relay the approach at the ground level wherever Klépierre operates shopping centers.

A strong ambition, clear objectives

For Klépierre, making a commitment to responsible development means combining irreproachability, efficiency and innovation.

Irreproachable

Manage our assets in exemplary fashion

Guaranteeing a safe environment for the visitors and employees who frequent its shopping centers is Klépierre's top priority. Determined to set the example in its risk prevention and management policy, the Group works on two levels: on the global level, by updating its risk mapping, asset by asset, and its business continuity plans, and by reinforcing its control mechanisms; and on the local level, with the deployment of web systems for reporting incidents and crisis center management in place at the shopping centers.

This exemplarity also concerns the relationships the Group maintains with its service providers and suppliers, of which 84% are ISO 14001 or 9001 certified. In France, Klépierre has set up a procurement department with international scope to optimize its purchasing processes and improve operating margins. By evaluating and securing its pool of suppliers, the Group can make its procurement process more sustainable and efficient.



For more information:
www.klepierre.com/en/sustainable-development/environmental-responsibility



01



02



100%
 of the Scandinavian shopping centers certified ISO 14001 since early 2014

0.64
 kWh/visit, down by 13% like-for-like since 2012

01
 St. Lazare, Paris, France

02
 Odysseum, Montpellier, France

Efficient

Set quantifiable and ambitious objectives

Klépierre has been working to improve its energy efficiency for several years now. In 2014, the Group reduced its energy bill by 11% in one year and lowered its consumption over the same period by 13% on a constant portfolio basis. For 279,000 MWh consumed, this decrease represents €3.6 M of savings achieved thanks to energy conservation measures, improvements in technical facilities, investments in existing assets, and a constructive dialogue with retail tenants. In the overall energy mix, which is 76% electrical, 40% of the energy used was from a renewable source. These efforts helped the Group reduce its greenhouse gas emissions by 12%.

In the area of waste treatment, progress has been steady. Out of a total of 38,000 tons of waste, 65% were enhanced and 36% were recycled.



- 03**
Field's, Copenhagen,
Denmark
- 04**
Passages,
Boulogne-
Billancourt, France
- 05**
Emporia, Malmö,
Sweden
- 06**
Le Millénaire,
Aubervilliers, France



Innovative

Pay continuous attention to best practices

Attentive to the positive local footprint of its shopping centers, Klépierre is committed to ensuring that they are accessible and that connections with public transportation are of high quality. As for the new centers opened in the last five years, the growing percentage of visitors who use mass transit attests to this determination to carve out positions in highly integrated urban settings. In all, 98% of Klépierre's shopping centers are now accessible via public transportation, 95% are equipped with reserved parking for bicycles, and 46% (versus 35% in 2013) are equipped with charging stations for electric cars.



Measurement and action

Stronger tools to turn ideas about sustainable development into action

When it conducted a review of strategy and materiality, the Group also rolled out stronger tools. To facilitate their appropriation by employees, these tools were grouped under four broad headings: definitions, monitoring, analysis, and actions. Indicators, clearly defined and communicated to employees, serve as the backbone of the Group's commitment. The performances of the top 50 assets are monitored quarterly by the Executive Board and the Supervisory Board. In 2014, a quantitative and qualitative scoring tool was developed to measure the intrinsic quality of the building, as well as the maturity level of teams on issues related to sustainable development and the efforts being deployed. On the basis of the results, targeted and ambitious action places were put forth.



For more information:
[www.klepierre.com/en/sustainable-development/
operational-excellence/our-objectives](http://www.klepierre.com/en/sustainable-development/operational-excellence/our-objectives)

Visitor breakdown by means of transportation used

17% of visitors walk or
bicycle (+1% vs. 2013)



23% of visitors use
public transportation
(+3% vs. 2013)



60% of visitors drive
(-4% vs. 2013)



Managing competencies to achieve excellence

A preferred partner of retailers in Europe, Klépierre is strengthening its expertise and its retail culture by integrating sophisticated competencies in this area. The goal is to progress together and become the best, achieving excellence in each one of its core business areas.

Retail culture

Klépierre's policy of talent and competency management is aligned with its retail strategy. Increasingly important, this retail strategy clearly dictated the decision to locate the new corporate headquarters in the heart of the top retail district of Paris, near the major department stores and St. Lazare Paris. Day to day, it is reflected in what the organization expects of its 1,137 employees: passion for their business and rapid execution, agility, creativity, engagement, and a digital mindset, so that they will find ways to constantly improve the shopping experience, for retailers and their customers alike.

"We have to put a sustainable and efficient organization in place, one that will empower our teams so we can move forward together."

Marie-Thérèse Dimasi,
Group General Counsel and Head of Human Resources

foster the dissemination of a retail culture by organizing retailer reviews twice a month. These gatherings, which are well attended, give employees the tools and information they need to stay on top of the big trends in retail. Focused on operational efficiency, Klépierre prefers internal mobility, both functional and geographic, as a way of offering exciting career opportunities. This effort includes customized support and an adapted training program that enables employees in search of mobility to be immediately operational. Training, via Klépierre University, and opportunities to network thanks to internal mobility are essential levers that will play a key role in the integration process.

Training and mobility

To support this transformation, Klépierre is maintaining its investment in training – with nearly 20,000 hours of training provided in 2014 – in particular through its corporate campus. With a curriculum featuring nearly 80 different courses, Klépierre University has recently extended its global reach by adapting or rolling out special modules that meet the Group's new needs. This very active campus hosted nearly 490 participants and reached 28% of Klépierre's employees from outside of France. The model's strength lies in employee involvement: more than one-third of all trainings are conducted by employees, to promote the dissemination and sharing of best practices. In addition to training, Klépierre University also helps

"More than ever, the HR policy is a contributor to the corporate strategy, while giving the corporation the resources needed to remain responsible."

Marie-Pierre Cheroux, Employee Relations Manager

To develop the level of competencies among employees and optimize their career paths, Klépierre University devises training courses that are adapted to the Group's strategy and business. This in-house training facility with international scope supports employees as

their jobs evolve by offering them a system of customized learning. The array of classes, which is regularly expanded and which can take the form of traditional classroom learning or e-learning, allows participants to share knowledge and expertise. Employees work in teams on common projects.



Klépierre University, accelerating the acquisition of competencies

- 01**
Connect, a place
where visitors are
welcomed and where
employees relax
- 02**
Break area
- 03**
Work areas



Corio, an additional multicultural dimension

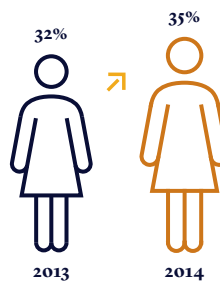
With Corio, Klépierre becomes more international. More than half of its assets are now outside of France. This international dimension will make it possible to promote talent from different countries and will encourage the development of a promising melting pot.

In the face of big clients, international retailers with European reach, being able to count on multicultural teams is an additional strength. One of the challenges of the merger will be to build a shared common culture that fosters innovation and leverages know-how efficiently.



01

Percentage of women in management



Attesting to the Group's engagement, Klépierre was ranked 21st and received the "best improve" award from the Ethics & Boards ranking for the Ministry for Women's Right on gender equality among SBF120 companies.

02



Organizational transformations

In 2014, Klépierre stepped up its effort to refocus the portfolio on a more homogenous platform of leading shopping centers. These asset sales and the preliminary integration of Corio teams in 2013 have resulted in conservative management of staffing levels. Depending on the situation specific to each country, the Group made the responsible decision to adopt the necessary HR support measures while pursuing a targeted recruitment policy in line with its retail strategy.

A new way of working

On September 8, 2014, the challenge of regrouping all headquarters staff was successfully met. In all, 480 employees moved to the Edouard VII, a BREEAM In-Use rated business center. The quality of the premises, entirely reconfigured to reflect the Klépierre identity, was perceived as a sign of gratitude and recognition. Spearheaded by executive management, the project was conducted so as to facilitate the transition to an open workspace environment and a new way of working. The entire process was devised to ensure success. There was a dedicated project team, newsletters, task forces, IT equipment options, etc. Occupations and functions are now laid out to encourage information flow and improve operating efficiency on the job. The building, modern and connected, offers breakout and rest spaces on every floor, as well as technologies that favor individual mobility.

03

Finance

01



01
Zara

02



02
Aigle

03
Le Tanneur

03



04
Uniqlo

04



05



05
Les Secrets
du Chef

06



06
Cabiron

07



07
Passages,
Boulogne-
Billancourt,
France



08

08
Kusmi Tea



09

09
Bizzbee
10
Redskins



10



11

11
Passages,
Boulogne-
Billancourt,
France



12

12
Lush

13
Lacoste



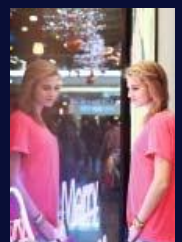
13



14

14
G-Star Raw

15
Le Millénaire,
Aubervilliers,
France



15

Consolidated statement of financial position (EPRA format)

In thousands of euros	12/31/2014	12/31/2013 restated ⁽⁰⁰⁾
Goodwill	129,914	130,767
Intangible assets	46,459	36,648
Property, plant and equipment and work in progress	12,991	15,017
Investment property	8,451,005	9,207,798
Investment property under construction	399,985	300,741
Equity method securities	443,504	470,549
Other non-current assets	173,018	209,226
Non-current derivatives	118,100	118,703
Deferred tax assets	48,687	53,744
Non-current assets	9,823,663	10,543,191
Investment property held for sale	3,506	1,079,391
Investment held for sale	–	7,958
Inventory	442	433
Trade accounts and notes receivable	103,229	109,386
Other receivables	200,963	204,093
– Tax receivables	37,385	31,583
– Other debtors	163,578	172,510
Current derivatives	3,660	–
Cash and cash equivalents	140,618	127,496
Current assets	452,418	1,528,757
Total assets	10,276,081	12,071,948
Share capital	279,259	279,259
Additional paid-in capital	1,773,630	1,773,630
Legal reserves	27,926	27,926
Consolidated reserves	-299,402	-45,027
– Treasury shares	-82,030	-93,500
– Hedging reserves	-172,047	-181,861
– Other consolidated reserves	-45,325	230,334
Consolidated earnings	639,978	53,601
Shareholders' equity, group share	2,421,392	2,089,390
Non-controlling interests	1,144,502	1,308,065
Shareholders' equity	3,565,894	3,397,455
Non-current financial liabilities	4,880,378	5,284,123
Long-term provisions	17,393	13,744
Pension commitments	17,581	14,666
Non-current derivatives	173,412	172,771
Security deposits and guarantees	110,756	143,939
Deferred tax liabilities	322,333	352,995
Non-current liabilities	5,521,853	5,982,238
Current financial liabilities	697,357	2,122,431
Bank facilities	53,820	31,152
Trade payables	117,682	102,719
Payables to fixed asset suppliers	13,028	44,340
Other liabilities	182,803	204,186
Current derivatives	25,295	103,868
Social and tax liabilities	98,349	83,559
Short-term provisions	–	–
Current liabilities	1,188,334	2,692,256
Total liabilities and shareholders' equity	10,276,081	12,071,948

⁽⁰⁰⁾ Restated after adoption of IFRS 10/11 on January 1, 2014, resulting in a change in the method of consolidation. 28 entities that were previously proportionally consolidated and that Klépierre does not control are now consolidated under the equity method. 2013 revenues have been restated accordingly.

Comprehensive income statement (EPRA format)

In thousands of euros	12/31/2014	12/31/2013 restated ⁽⁰⁾
Lease income	833,007	953,443
Land expenses (real estate)	-7,502	-7,668
Non-recovered rental expenses	-36,327	-39,619
Building expenses (owner)	-43,963	-61,159
Net rental income	745,215	844,996
Management, administrative and related income	70,756	81,230
Other operating revenue	15,784	18,853
Survey and research costs	-4,022	-4,431
Payroll expenses	-109,103	-122,366
Other general expenses	-47,584	-44,482
Depreciation and impairment allowance on investment property	-384,937	-369,293
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-12,448	-11,016
Provisions	-3,594	-1,026
Proceeds from disposal of investment properties and equity investments	2,027,903	491,787
Net book value of investment properties and equity investments sold	-1,180,977	-317,847
Income from the disposal of investment properties and equity investments	846,926	173,940
Goodwill impairment	-	-
Operating income	1,116,994	566,405
Net dividends and provisions on non-consolidated investments	15	15
<i>Financial income</i>	<i>99,507</i>	<i>105,109</i>
<i>Financial expenses</i>	<i>-369,065</i>	<i>-423,189</i>
Net cost of debt	-269,558	-318,080
Change in the fair value of financial instruments	-17,269	-94,203
Effect of discounting	-	-
Share in earnings of equity method investments	8,281	12,812
Profit before tax	838,463	166,950
Corporate income tax	-30,382	-29,930
Net income of consolidated entity	808,081	137,020
Of which		
- Group share	639,978	53,601
- Non-controlling interests	168,103	83,419
Undiluted average number of shares	195,912,339	195,400,982
Undiluted comprehensive earnings per share (euro)	3.3	0.3
Diluted average number of shares	195,912,339	195,400,982
Diluted comprehensive earnings per share (euro)	3.3	0.3
Net income of consolidated entity	808,081	137,020
Other comprehensive income items recognized directly as equity	-65,986	137,974
- Effective portion of profits and losses on cash-flow hedging instruments (IAS 39)	-4,343	249,744
- Translation profits and losses	-67,836	-70,817
- Tax on other comprehensive income items	5,351	-44,400
Items that will be reclassified subsequently to profit or loss	-66,828	134,527
- Income from sales of treasury shares	2,638	3,447
- Actuarial gains	-1,796	-
Items that will not be reclassified subsequently to profit or loss	842	3,447
Share of other comprehensive income items of equity method investees	-	-
Total comprehensive income	742,095	274,994
Of which		
- Group share	601,790	198,850
- Non-controlling interests	140,305	76,144
Undiluted comprehensive earnings per share (euro)	3.1	1.0
Diluted comprehensive earnings per share (euro)	3.1	1.0

⁽⁰⁾ Restated after adoption of IFRS 10/11 on January 1, 2014, resulting in a change in the method of consolidation. 28 entities that were previously proportionally consolidated and that Klépierre does not control are now consolidated under the equity method. 2013 revenues have been restated accordingly.

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