

Klépierre, Retail Only[®]

2015 Annual Report



Klépierre, Retail Only[®]



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 22 billion euros as of December 31, 2015. For leading retailers, Klépierre offers an unrivaled platform of shopping centers, which draws more than 1.2 billion visitors each year.

Opposite
Porta di Roma,
Rome (Italy)
Below
Emporia,
Malmö (Sweden)
Below right
Nave de Vero,
Venice (Italy)

Cover
Passages,
Paris region
(France)

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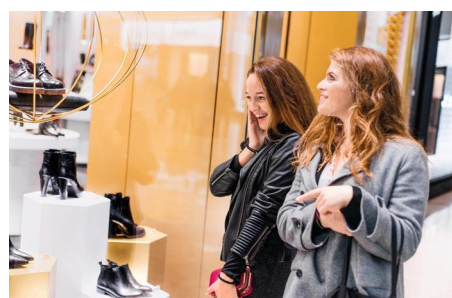
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Klépierre, Retail Only®

As Europe's leading shopping center specialist, Klépierre anticipates retail trends in order to continuously enrich the shopping experience. Located in the most attractive regions in Continental Europe, Klépierre centers offer international brands unique locations enabling them to develop in the right place with the right format. A pioneer in corporate social, societal, and environmental responsibility, the Group constantly innovates to ensure that the conditions for sustainable growth are in place.

For more information:
www.klepierre.com/ra2015/en



Key figures

€22.1 Bn

valuation of the property portfolio (total share, excluding duties)
as of 12/31/2015

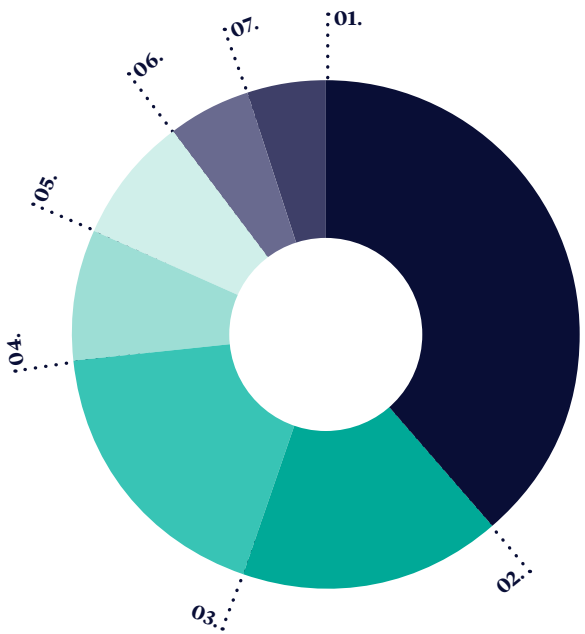
€1,295 M

revenues (total share)

+4.4%

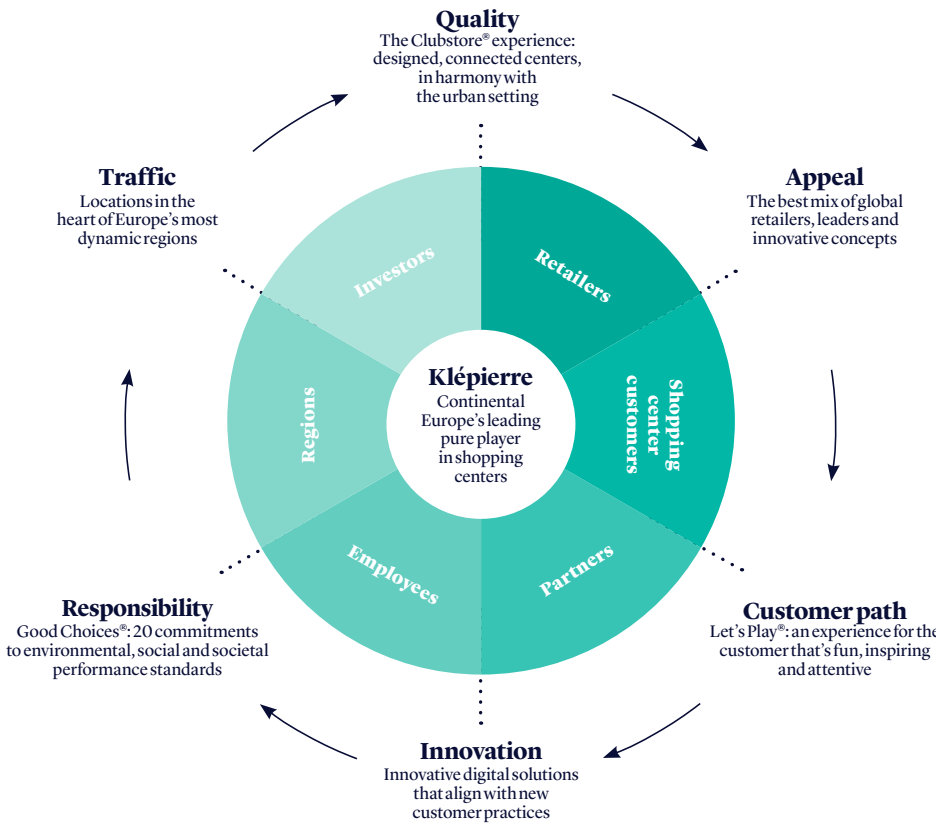
retailer sales growth
in Klépierre malls in 2015

Shopping center
portfolio valuation
breakdown by region



01 — **France-Belgium: 38.7%**
02 — **Italy: 16.6%**
03 — **Scandinavia: 18.2%**
04 — **Iberia: 8.2%**
05 — **CEE and Turkey: 8.0%**
06 — **Netherlands: 5.3%**
07 — **Germany: 4.9%**

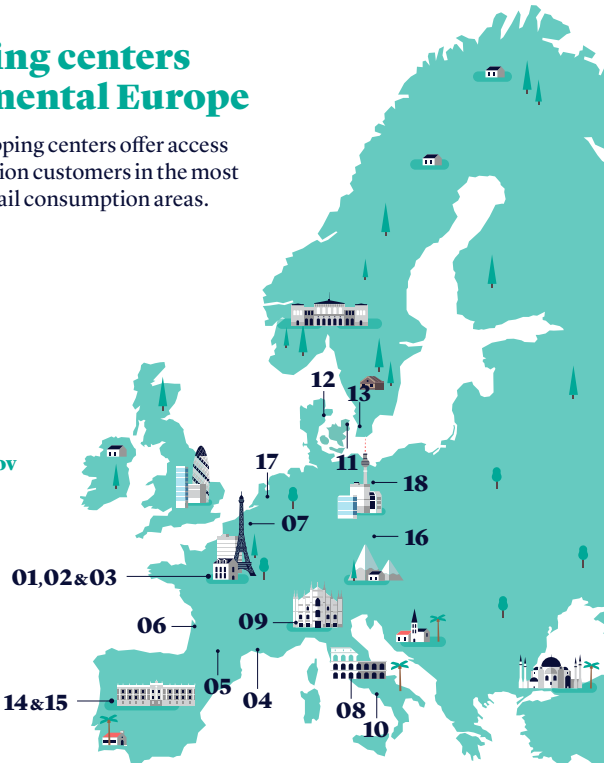
Greater value
for stakeholders



Leading centers
in Continental Europe

Klépierre shopping centers offer access to circa 150 million customers in the most dynamic retail consumption areas.

- | | | |
|---|---|---|
| 01 • Créteil Soleil
Paris region, France | 08 • Porta di Roma
Rome, Italy | 14 • La Gavia
Madrid, Spain |
| 02 • Val d'Europe
Paris region, France | 09 • Le Gru
Turin, Italy | 15 • Plenilunio
Madrid, Spain |
| 03 • St. Lazare Paris
Paris, France | 10 • Campania
Naples, Italy | 16 • Nový Smichov
Prague, Czech Republic |
| 04 • Grand Littoral
Marseille, France | 11 • Field's
Copenhagen, Denmark | 17 • Hoog Catharijne
Utrecht, The Netherlands |
| 05 • Blagnac
Toulouse, France | 12 • Bruun's Galleri
Århus, Denmark | 18 • Boulevard Berlin
Berlin, Germany |
| 06 • Rives d'Arcins
Bordeaux, France | 13 • Emporia
Malmö, Sweden | |
| 07 • L'esplanade
Brussels region, Belgium | | |



Klépierre, Retail Only®

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Chapter 01

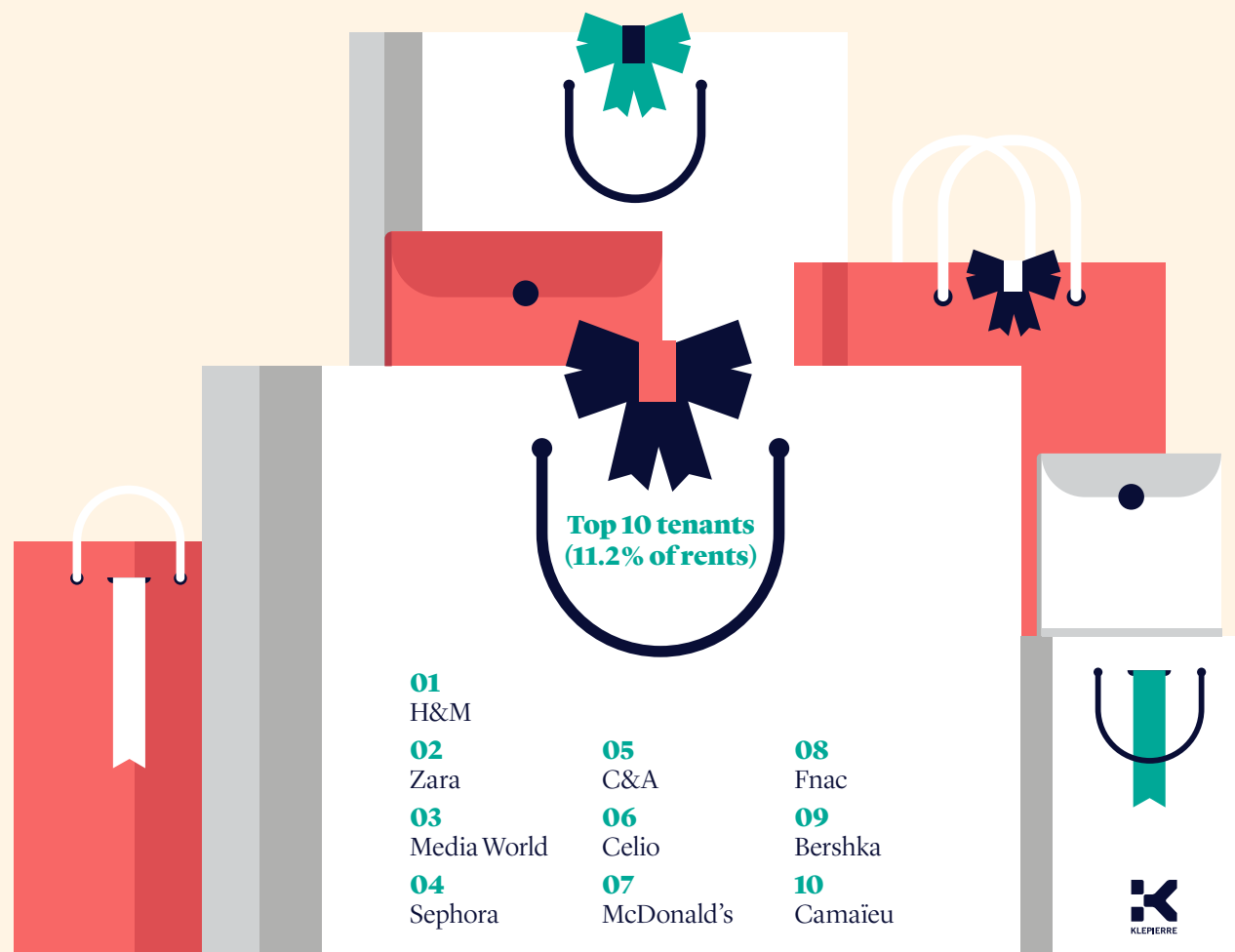
Thinking the future of retail

Connected shopping centers in the heart of prosperous regions to attract the most successful retailers; a constantly updated retail mix and fun shopping experiences to attract customers: this is how Klépierre keeps new generation retail lively.

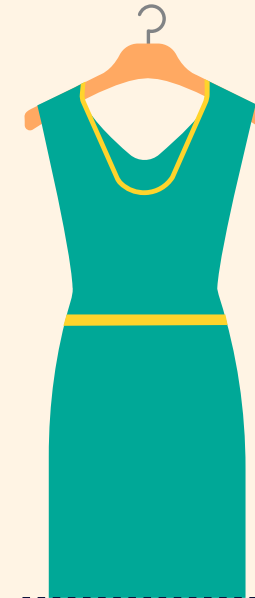
Opposite — Nave de Vero, Venice (Italy)

The right retail mix

As a shopping center pure player, Klépierre refreshes and adjusts its retail mix continuously. This dynamic approach benefits in equal measure retailers, local communities that surround the centers, and customers.



“The world of retail is subject to cycles of rapid change. The role of Klépierre, which provides the link between retailers and customers, consists of deploying a merchandising mix that is as attractive and connected to contemporary needs as possible.”

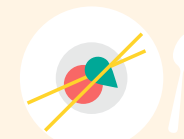


The merchandising mix

Fashion
47.7%



Culture/
Gifts/
Leisure
15.7%



Food/
Restaurants
11.1%



Beauty/
Health
10.2%



Household
goods
9.6%

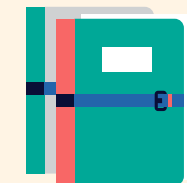


Services/
Entertainment
5.7%



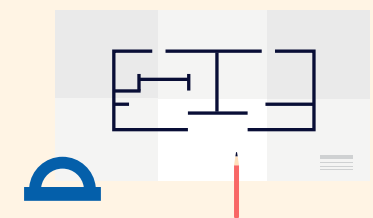
Number of retailers

4,953



Number of leases

13,165



Total sq.m. in Europe

4,434,000

Thinking the future of retail

The right retail mix

On the one side, major international retailers, historically high performers and absolutely vital for consumers; on the other, niche retailers whose success hinges on an innovative concept in sync with new trends. These are the key profiles that Klépierre's shopping centers attract. Now the principal lessor to the biggest fashion retailers located in Europe, the Group is also turning to the newer brands with ambitions for rapid growth, to which it offers both the quality and depth of its platform of shopping centers situated in high demographic growth regions and/or regions with substantial purchasing power. The result is greater proximity and more in-depth knowledge of the business models and challenges of retailers, reinforcing Klépierre's status as Europe's top retail property pure player.

For more information:
klepierre.com/ra2015/en



“Identify, select, host, and support the growth of the best retailers. These are the top priorities of a leading shopping center pure player in Europe.”

1,862

leases signed in 2015.

10,015 sq.m.

signed or opened with H&M in 2015.

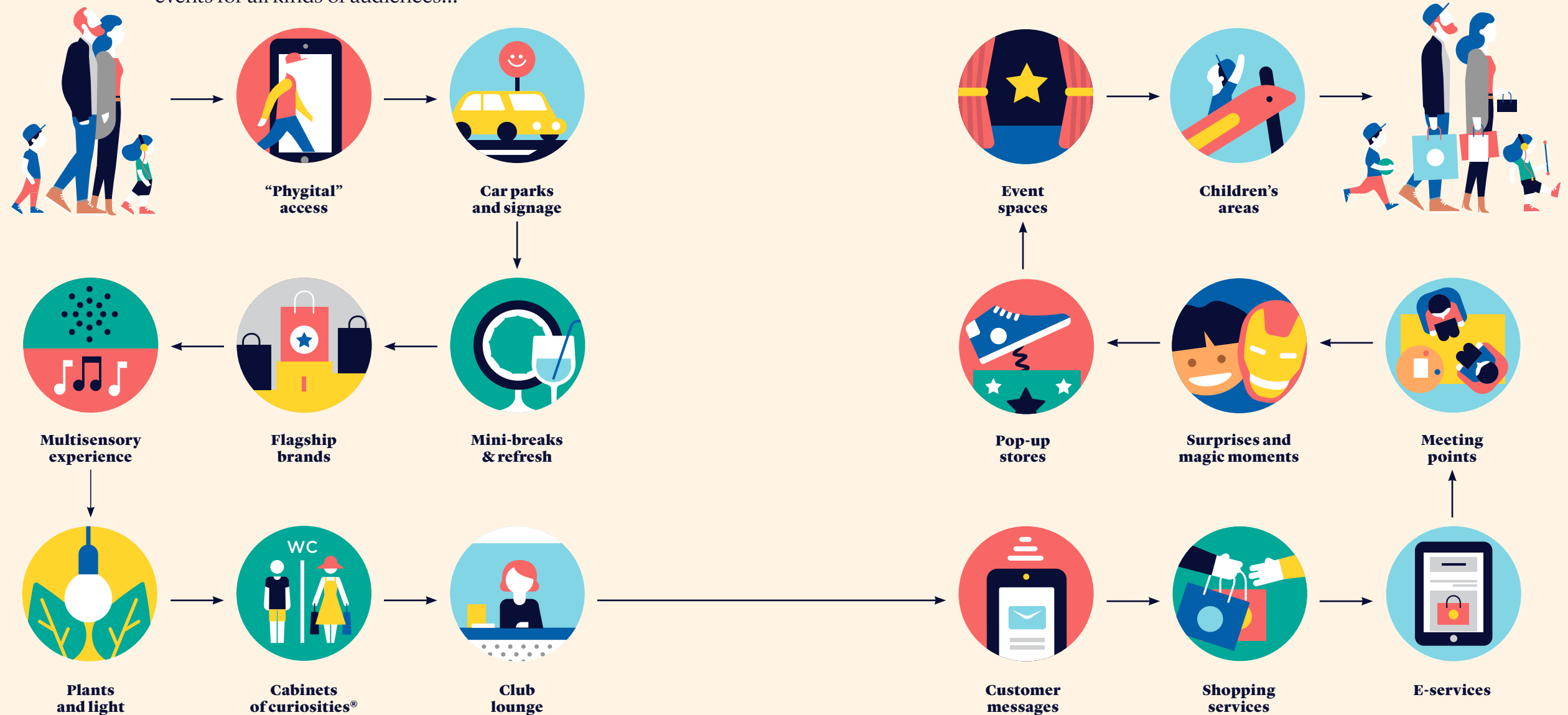
Left
 Claye-Souilly,
 Paris region
 (France)

Below
 Nave de Vero,
 Venice (Italy)



The Clubstore[®] spirit

Once just a point of passage, the shopping center has become a living space that is expected to function as much more than a place to buy things: services, an experience filled with surprises, animations, events for all kinds of audiences...



“Clubstore[®] is there to rethink and pace the customer experience. It is a way to offer a personalized welcome, encourage breaks, and foster an environment of consumption. It adds value, for our retailers as well as our customers.”

Thinking the future of retail

The Clubstore® spirit

With the rollout of the Clubstore®, the customer relationship is at the heart of everything. The shopping center has become a space for socializing and leisure, where customers are also looking for infrastructures that are adapted to new patterns of consumption. This means making deep changes to the retail mix, the rhythm of the visit, and the animations. Rolled out across Europe and adapted to the personality of each center, the Clubstore®, which has won customers over, is deployed in four sequences — good impression, respiration, connection, recreation — that give each mall a little bit of soul and make shopping an authentic moment of exchange.

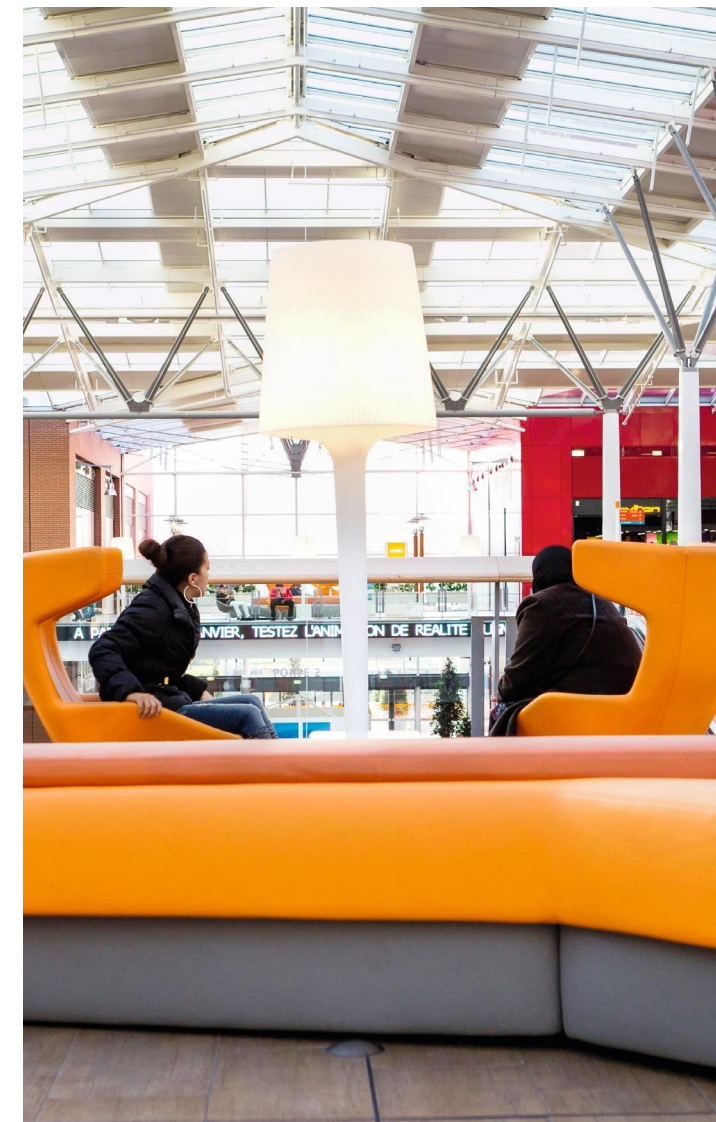
For more information:
klepierre.com/ra2015/en



Above
Passages,
 Paris region
 (France)

Right
Le Millénaire,
 Paris region
 (France)

Below
Field's,
 Copenhagen
 (Denmark)



Opposite
Belle Épine,
 Paris region
 (France)



95%

of customers like the Clubstore® concept.

Deployment:

8 completed, 8 underway,
 6 Clubstores® in project phase.

A pioneering approach to CSR*

Reduced energy use, improved accessibility, innovative construction methods and talent development: Klépierre's Good Choices® seek to address environmental and societal issues with ambition.

External stakes



Environmental

2015 was the hottest year on record, COP 21, etc.



Regulatory

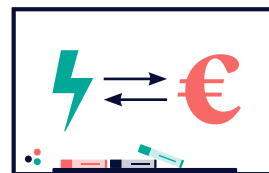
Energy performance of buildings directive (EU), energy transition law in France, *Energiewende* in Germany, etc.



Societal

SRI, consumer activists, transparency, etc.

Internal stakes



Link between sustainable development and economic performance



Integration of new assets into the CSR approach:

3
new countries
€7 Bn
in additional assets

“By deepening the link between reducing the environmental footprint and economic performance, we make our approach to sustainable development concrete and lasting.”

Our Good Choices®

Resources mobilized



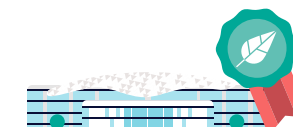
Organizational

120 environmental and societal indicators tracked per asset.



Technical

63 centers equipped with real-time energy consumption meter readings.



Financial

Standardized energy efficiency actions for more rapid investment decisions.

Results



Energy

119 GWh saved since 2013.



Waste

76% of waste enhanced (+16% vs. 2013).



Certifications

77 centers certified.



Transportation

Visits by public transportation up 4 percentage points in two years.

1st

company in its sector to assess its suppliers via the Ecovadi platform.

2nd

listed retail real estate company in the world, according to GRESB.

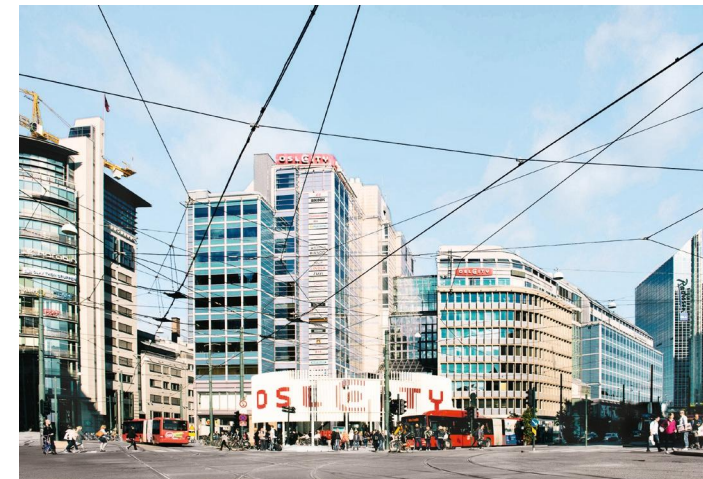
Thinking the future of retail

A pioneering approach to CSR^{*}

In the face of the challenges of a more sustainable development, Klépierre has opted to undertake in-depth work with pragmatism. Hence the effort to identify the principal environmental and societal issues before defining ambitious and specific objectives. Lowering energy consumption, increasing the percentage of enhanced waste, multiplying transportation choices: these are just some of the Group's priorities in the area of operational excellence. In its acquisition strategy, the Group prefers assets that are well connected to transportation grids, like Oslo City, which is located in the main hub of the Norwegian capital. When construction is involved, delivering a positive local footprint is also a priority. And Prado in Marseille will be the first shopping center in France to take inspiration from the Cradle to Cradle® method, which strives to promote the idea of a circular economy through the reuse of materials where possible.

For more information:
klepierre.com/ra2015/en

Opposite
Odysseum,
Montpellier (France)
 Below left
Oslo City,
Oslo (Norway)
 Below right
Prado,
Marseille (France)



“The environmental objectives are understood and supported by everyone, in every country: the results for the principal indicators are very satisfactory.”

-13%

It's the reduction in energy consumption in kWh/visit since 2013, well ahead of the -25% target set for 2020.

64%

of Klépierre's holdings have received environmental certification: the target of 50% by the end of 2015 was largely achieved.

> 50%

of the electricity consumed by the Group is from renewable sources.

^{*}CSR: Corporate Social Responsibility.

Turn shopping into a game

More demanding, more hedonistic, always in a hurry and ultra-connected, the urban consumer in Europe is looking to buy responsibly and meaningfully, while also aspiring to a genuine relationship with brands. With Let's Play®, Klépierre responds to these expectations by proposing a fun and surprising shopping experience.



The Voice

An exclusive, interactive and wildly popular event, the teaser tour of "The Voice" attracted thousands of curiosity seekers to five Klépierre centers in France.



XXL Days

Based on the American Black Friday model, the XXL Days allowed customers at 40 centers in France and in Belgium to take advantage of special offers and promotions for two to three days.



Tesla pop-up store

Visitors to Les Passages in Boulogne had the pleasure of discovering the most anticipated electric car of today: the new Tesla.



Crazy Show Nickelodeon

Heroes from the Nickelodeon channels visited 13 Klépierre centers over a 50-day period, offering free animations for the entire family and loads of gifts.



"To appeal to shoppers, centers must return to their vocation as a marketplace, where visitors can enrich their social life, meet others, and discover new things."



Gourmet breaks

The "Coup de Pouce" operation, organized by Kinder in five shopping centers in France during the half-yearly winter sales, offered fashionistas a free gourmet snack in a lounge sporting the Kinder colors.



1st

For its first foray into France, the American luxury cosmetic brand Onsen chose Val d'Europe for the installation of its pop-up store, where French consumers discovered its full line of products.



360° Selfie

For the release of the new film *Avengers*, customers at 13 Klépierre centers got a chance to test the 360° selfie and put themselves in the skin of a superhero during a photo shoot.



Digital cube

The Let's Play® digital cube at Blagnac offers a game with prizes for the winners. The suitcase game attracted more than 4,800 shoppers, vying for a suitcase full of summer holiday essentials.



Manga Week

The Odysseum center, in partnership with the J-One TV-channel, offered its customers a unique and total immersion into the universe of Japanese pop culture.



Thinking the future of retail

Turn shopping into a game

The Let's Play® concept transforms the shopping experience into a fun event, filled with surprises, happenings, and exclusive promotions such as the Crazy Show Nickelodeon, a grand tour featuring the favorite superheroes of children, which brought together more than 81,000 participants between June and October 2015, or the promotional tour of "The Voice", which allowed 5,000 visitors to put themselves in the skin of the judges during a photo shoot, seated in the famous Red Chair. The XXL Days, inspired by Black Friday in the US, were such a big hit in Scandinavia in 2014 that they were extended to 40 shopping centers in France and in Belgium in 2015. More and more brands are installing pop-up stores in shopping centers to offer customers a surprising and unique brand encounter that adds significant value.

For more information:
klepierre.com/ra2015/en

4,000

curiosity seekers had an experience of total immersion into the world of Japanese manga during Manga Week J-One.

360°

As part of the Avengers Tour, superheroes in training posed with their panoply and were photographed by 64 cameras simultaneously for a 360° selfie.

+12%

That's the annual increase in sales (cumulative over two days) in shopping centers that participated in XXL Days.



“Let's Play® is an innovative marketing expression that suggests fun and invites customers to interact by embedding the digital experience into the physical experience.”

Above and opposite
Passages,
 Paris region
 (France)

The shopping center as connected experience

100% offline and 100% online no longer makes sense. The physical point of sale is now connected to the online experience and vice versa. This ensures a seamless experience for customers, plus recognition and personalization.



“Our number one challenge is to attract retailers that have become multichannel and help them capitalize on this advantage. This requires responsive teams and innovative tools to generate geolocated traffic in our centers.”



Thinking the future of retail

The shopping center as connected experience

Klépierre assigned itself the objective of leveraging digital advances to bring customers and their retailers closer together. The Group has developed, for example, a single platform offering access to the catalogues of retail partners. In 2015, this tool got several new options, particularly in the area of personalization. The Beacon technology is one example, tested at Créteil Soleil. Small wireless sensors are used to locate individuals who are present in the center and offer them news and promotions tailored to their preferences via a dedicated mobile application. Visibility is also the challenge that justifies Klépierre's increased activity on social media. In 2015, 100% of marketing staff and center managers were trained to use these tools and decipher the findings.

For more information:
klepierre.com/ra2015/en



1.5M

views: the video announcing XXL Days brought an unprecedented audience for Klépierre.

82%

of customers use the internet to prepare for their visit.

Above
St. Lazare Paris, Paris (France)
 Opposite
Le Millénaire, Paris region (France)





Chapter 02

Klépierre in action

With a property portfolio valued at 22.1 billion euros, composed exclusively of retail assets, Klépierre is clearly Continental Europe's undisputed specialist in shopping centers. Its platform of destination shopping centers offers retailers unique opportunities for development. Places where the retail offer is animated and staged, shopping centers remain an indispensable showcase for brands.

Opposite — Emporia, Malmö (Sweden)

Joint interview



Successful integration of Corio, focus on improving operations, constant efforts to become closer to customers... David Simon, Chairman of the Supervisory Board, and Laurent Morel, Chairman of the Executive Board, review the highlights of 2015 and outline the major orientations for the years ahead.

Above left — **Laurent Morel, Chairman of the Executive Board**
Above right — **David Simon, Chairman of the Supervisory Board**

For more information:
klepierre.com/ra2015/en

The year 2015 was marked in particular by the integration of Corio. How did this major step in the Klépierre story unfold?

Laurent Morel: The acquisition was well prepared and rapidly carried out, which allowed us not only to generate the synergies identified when the acquisition was completed earlier than expected but also to quickly rally the teams under the Klépierre banner. I am pleased with our team's capacity to grasp our new scale, which represents additional volume of nearly 50%, and we met the expectations of both our shareholders and the market.

David Simon: Today, Klépierre's territorial footprint has been enhanced and its seasoned teams are capable of deploying the Group's full range of retail savoir-faire. This major transaction is perfectly aligned with the strategy initiated a few years ago with the aim of focusing on the must-see retail destinations.

How do you view the deployment of Klépierre's strategy in Europe?

D.S.: For most of the retailers present in its centers, Klépierre is currently one of their top landlords in Continental Europe. The result is a highly sophisticated understanding of the retail landscape that allows Klépierre to both select the most sought-after retail brands by consumers — or those on the verge of becoming so — and meet their development needs thanks to singular locations. The fact that the merchandising mix is constantly updated is one of the pillars of the Group's operating strategy.

L.M.: In this respect, 2015 was a year of intense activity. Nearly 2,000 leases were negotiated, a feat made possible by the business plans drawn up asset by asset, a tool that is becoming increasingly refined in order to effectively guide individual and collective efforts. It is also important to stress the numerous initiatives rolled out to animate our shopping centers and to attract and retain consumers.

Like the merchandising mix, the Group's property portfolio is frequently evaluated. What major shifts took place over the course of last year?

L.M.: On the one side, we sold nearly a billion euros worth of non-strategic assets. On the other side, we pursued our development and completed the acquisition of two leading assets: Plenilunio in Madrid and Oslo City in Norway. These were two major investments in cities that rank among those with the highest growth potential in Europe.

“In an environment that is now omni-channel, a spectacular and lively shopping environment is still the best way to bring value to a brand.”

David Simon

Klépierre recently joined the CAC 40 index. What's your take on this event?

“It is the very essence of our business to be ahead of the curve with respect to the emerging needs and trends in retail.”

Laurent Morel

D.S.: This effort to improve the average quality of the assets in our portfolio is the result of our highly disciplined approach to capital allocation. Klépierre will continue to evaluate its properties to enhance value for its stakeholders.

L.M.: This is the market's way of recognizing the economic and stock market performance of our company. It is also the result of our engagement and our corporate spirit, which have allowed us — for example — to achieve an incredible increase in the value of our assets. Last but not least, it is the outcome of an



ambitious goal our shareholders wanted to reach. Klépierre's new visibility is a source of pride for our employees and a real strength in our relationship with the financial markets as well as with retailers. But with inclusion in France's leading stock market indicator also comes responsibility, and we intend to assume

it fully. The expectation of leadership on the part of the Group is now even stronger.

Year after year, Klépierre's ability to create value in a mixed economic environment is confirmed. What are the keys to making this performance durable?

D.S.: Customer expectations and lifestyles are changing faster than ever. We are seeing a trend toward consumer preference for sustainable environmental practices and adaptation to digital communications. These transformations are having a considerable impact on the economic models of retailers: they are rolling out omni-channel strategies and are increasingly more interested in the quality of their locations rather than the number of them. This is why we must be unceasing in our effort to raise our assets to the highest level of quality. The teams at Klépierre will pursue the work they are doing in every area — making improvements to assets, launching sales and marketing initiatives, seeking ways to cut costs. In 2016, the search for the best possible operational performance will be at the heart of our strategy.

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 1st, 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 centers 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.

53 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 1st, 2009. He has been a Member of the Executive Board since June 1st, 2005. His career is dedicated to finance. Jean-Michel Gault joined Klépierre in 1998 as Chief Financial Officer, after a 10 years 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.

56 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.

47 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 developing Klépierre's strategy.



Guillaume Lapp
Managing Director – French Shopping center division

Ermanno Niccoli
Head of Italy

Philippe Grenet
Head of Scandinavia

Frédéric Fontaine
Chief Development Officer

Marie-Thérèse Dimasi
Chief Legal and Human Resources Officer

Beñat Ortega
Deputy Chief Operating Officer

Bruno Valentin
Deputy CFO

Frédéric de Klopstein
Chief Investment Officer

The Supervisory Board

The role of the Supervisory Board is to oversee the management of the Company by its Executive Board, which report to the Supervisory Board on the Group's strategy and business on a regular basis.

“2015 is the year of the full execution of a strategy that has proven its worth. It is supported by the members of the Supervisory Board and our shareholders.”

For more information on the Supervisory Board, refer to the 2015 Financial Report available on Klépierre's website: www.klepierre.com

Bertrand de Feydeau
Vice-Chairman of the Supervisory Board,
Independent member

Catherine Simoni
Independent member

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

Rose-Marie Van Lerberghe
Independent member

John Carrafiell
Independent member

Steven Fivel
Chairman of the Sustainable Development Committee

Jeroen Drost

Bertrand Jacquillat
Chairman of the Audit Committee
Independent member

Stanley Shashoua



Active and effective portfolio management

With the successful integration of Corio accomplished, Klépierre continues to improve the quality of its portfolio of assets in Europe and to strengthen the operational performance of its centers.



T

hanks to its acquisition of Corio in 2015, Klépierre has expanded its footprint in Europe with a portfolio of shopping centers comprised mostly of leaders in their catchment area. The Group also becomes more agile in its asset rotation and strengthens its position as a preferred interlocutor of retailers. Rapid, the integration of Corio was completed without any disruption in the operational management of the centers.

Standard-setting centers

For Klépierre, the merger with Corio offered a unique opportunity to enhance its portfolio and consolidate its European presence by adding emblematic centers — including Hoog Catharjine in the Netherlands; Porta di Roma, Le Gru and Campania in Italy;

Principe Pio in Madrid; and Akmerkez in Istanbul — to its base of existing assets. Today present in 16 European countries, its portfolio of destination shopping leaders, currently valued at 22.1 billion euros, makes Klépierre a key player in the development of international retailers, for which it is generally the top European lessor. To attract and retain the best of them, the Group continues the process of improving its platform by focusing on standard-setting centers located in the regions and metropolises of Continental Europe that combine demographic growth and economic vitality. This footprint spanning Continental Europe also enables Klépierre to enrich the quality of its retail offering by multiplying the opportunities to update concepts and modernize the merchandising mix.

Active portfolio management

Klépierre enhances the value of its European platform through active and qualitative management of its portfolio. In March 2015, the Group acquired Plenilunio, one of the largest shopping centers in Madrid. The transaction totaled 375 million euros. Ideally connected to the transportation infrastructures of Continental Europe's third-largest city, this 82,000 sq.m. center attracts 11 million visitors a year. Plenilunio completes Klépierre's retail platform in and around Madrid and increases its visibility in Spain for

“Klépierre has completed the evolution of its European platform by adding large leading centers.”

retailers seeking a foothold there. In December, Klépierre completed the acquisition of Oslo City, a shopping center located in downtown Oslo, the capital of Norway. Oslo City attracts 10 million visitors a year and posts revenue per sq.m. among the highest in Scandinavia. Covering more than 33,000 sq.m., it attracts nationwide and global retailers of the first rank in one of Europe's most prosperous capitals. With this new transaction, Klépierre strengthens its leading position in Scandinavia.

These targeted acquisitions are accompanied by the disposal of non-strategic assets, part of the broader goal of streamlining and seeking continuous improvement in the average quality of the portfolio. Thus, Klépierre sold nine shopping centers in the Netherlands for a total of 730 million euros and completed nearly 100 million euros worth of disposals in Italy, in Spain, in Hungary, and in Poland.

Opposite
Grand Littoral,
Marseille (France)



Above — **Centrum Galerie, Dresden (Germany)**
Below — **Oslo City, Oslo (Norway)**
Opposite above — **Le Gru, Turin (Italy)**
Opposite below — **Nave de Vero, Venice (Italy)**

Efficiency is here!

Operational excellence, a synonym of growth lever, is a priority for Klépierre. The Group’s expertise allowed it to rapidly achieve the synergies announced for the Corio deal. Major savings are in fact possible for a group whose portfolio of holdings has increased by nearly 50%. The initial target of 20 million euros in cost synergies over a full year is already more than achieved and will reach 35 million euros in 2017. In the first quarter, the operational organization was up and running in each country, with teams merged or integrated and processes shared. Since January 1st, 2016, all operating units have the same information system in the countries where both groups were present, with a single set of reporting benchmarks. Pooling procurements and some equipment also offers an additional source of operational cost savings and the Group has made steady progress in this area. In 2015, for example, Klépierre renegotiated all of its cleaning, security, maintenance and power supply contracts throughout France.

A business plan for each center

Klépierre’s 100% retail model is built on selectivity and, for each asset, on a medium-term strategic vision that is expressed in a detailed business plan. This document conditions the performance of a center above and beyond its rental income. It offers a complete diagnosis, from an analysis of the customer base to the relevance of the marketing tools, not to mention the quality of the retail mix and the characteristics of the

“Klépierre is confident in its ability to deliver growth at a rate comparable to that of 2015.”

before the summer, business plans had been drawn up for Corio’s key assets. This made it possible to rapidly roll out targeted rental management and re-tenanting actions to achieve convergence and an improvement in key performance indicators, including occupancy rate. The revenue synergies expected with the merger will be the direct result and will be fully achieved over a two-to-four-year horizon.

A solid financial profile

Klépierre works to constantly improve its debt conditions and its financial profile. The Group enjoys a rating of A- from Standard & Poor’s, placing it among the ranks of the world’s top three real estate companies. This financial strength rating is further buttressed by solid operating performances and a tightly managed gearing ratio (around 40%), ensuring better access to the capital markets.

Its strategy is to secure the future by swapping, insofar as possible, short maturity debt with longer maturities at lower cost. This strategy has been applied to the debt inherited via the Corio. To date, Klépierre has already refinanced more than 60% of this inherited debt, mainly through bond issues, in April 2015 at historically low rates. As a result of this refinancing, substantial cost synergies have been achieved and they will reach 35 million euros in 2017. Its positioning as a pure player is also positively perceived by the financial markets. Klépierre’s inclusion in the CAC 40 last December recognizes the work accomplished to build an uncontested leader in commercial real estate in Europe.



facility, to improve performance by acting on all levers consistently via concrete action plans. This approach was applied to all assets following the Corio acquisition. Accordingly,



A strategic connection with retailers

Thanks to the quality and size of its platform of shopping centers, not to mention its deep and broad understanding of retail, Klépierre offers retailers indispensable resources for accelerating the pace of their development in Europe.

Opposite — **Passages, Paris region (France)**
Below — **Grand Littoral, Marseille (France)**

I

In an economic context that gradually improved in 2015, the growth in retailer sales and their desire for expansion demonstrate the relevance of Klépierre's platform. Thanks to its portfolio of leading centers, the Group is refreshing the retail mix to attract, surprise, and win the loyalty of shopping center patrons.

Support the development of international brands

The principal lessor for most of the international retailers present in Europe, Klépierre interacts regularly with them and stays in close contact. These privileged relationships enable Klépierre to facilitate their growth efficiently, whether this means optimizing their presence and their store format or offering new points of sale. They also foster acceleration in terms of upgrading the retail mix through a better understanding of the challenges and needs of retail tenants. Proposing the right location in the right format is a priority. At Créteil Soleil,



“Klépierre is the principal lessor to Europe’s major retailers. Since we encounter them more often, we are more familiar with their business model and their development strategy.”

Zara opted to feature its full offering over more than 3,200 sq.m. by opening one of its largest stores in France, while Primark is expanding to cover 11,000 sq.m. At Plenilunio, Mango is deploying its entire concept over 1,700 sq.m. in one of its largest stores in Greater Madrid. The international retail expertise of Klépierre has already been rolled out in the Corio centers and is just one proof of the rapid integration of Corio’s teams and assets. In Italy, Liu Jo, which launched its new concept for men at Porta di Roma and Nave de Vero in Venice, has signed a lease for a new store at Il Leone in Lonato. In France, Galeries Lafayette is opening stores simultaneously at Nailloux Outlet Village (Toulouse area) and at Cholet Marques Avenue (Nantes).

When the shopping center has a soul

The quality of hospitality and the customer experience are decisive factors in making visitors want to extend their shopping center visit and return. A new generation experience lies at the heart of the Club-store® model: beyond the demands of security, comfort, and cleanliness, this model personalizes customer care, to make the shopping center a lively place, a place to stroll and discover. Parking, rest areas, services, restaurants — everything has been thought out to make the shopping experience unique. One of the challenges is to connect the physical point of sale and the online experience by integrating the digital experience and the physical experience — the “phygital”. Deployed in every country, use of Klépierre’s digital platform is on the rise. New functionalities are being tested, such as iBeacon at Créteil Soleil, which enables each visitor to access personalized offers as he or she shops via smartphone. This experiment is part of the Let’s Play® approach, a framework for shopping centers to express themselves through animations, marketing and digital. In this area, Klépierre has achieved the critical mass needed to pool operations for maximal impact. The XXL Days held in late November in 40 centers located in France and in Belgium attracted three million visitors, resulting in a 12% increase in retailer sales for the 85% of retailers participating. Gradually, the shopping center is transforming into media for brands.

Welcome new concepts and anticipate trends

Klépierre is constantly looking for the right balance between successful brands and innovative ones. Its added value? Discovering the concepts with high potential and encouraging new trends. Rituals, a Dutch high-end cosmetic retailer, made its entrance at Les Passages in Boulogne and ranks among the future tenants of Val d’Europe. Klépierre supports the arrival of retailers usually present in retail parks or online: Kiabi is taking up 2,000 sq.m. at Val d’Europe and

Spartoo, an online shoe retailer, at Les Passages Pasteur in Besançon. The refurbishment of the restaurant options offers another opportunity to innovate: at Val d’Europe with Big Fernand, the premium burger specialist.

The retail offer is also refreshed via pop-up stores. This marketing tool is increasingly being used by retailers as a way of testing a new concept or showcasing their products. Chanel has understood the value of this tool, using it to reach several million visitors with just one astonishing pop-up store installed in the central square at Val d’Europe. Onsen, an American luxury cosmetics brand, had already done so at the beginning of the year. Above all; the pop-up stores allow Klépierre to support the development of new entrants. Save, the start-up that offers to save connected objects, is seeing its sales revenue grow by 20% a month. Present in around 15 centers, the young retailer is beginning to sign its first firm leases. The risk level is managed and the deployment can commence.

Opposite and below
Nave de Vero,
Venice (Italy)
Below right
Porta di Roma,
Rome (Italy)



Chapter 03

Pushing Klépierre Good Choices® forward

Driven by strong convictions, Klépierre's CSR approach integrates sustainable development at the heart of its performance. Through the implementation of its Good Choices® policy, Klépierre reconciles the requirements of operational excellence with environmental, societal and social performance.

For more information:
klepierre.com/ra2015/en

A CSR* approach focused on operational excellence

A key player in regional development, Klépierre is strengthening the appeal of its assets by ensuring that they are seamlessly and sustainably integrated into their environment.

K

Klépierre's CSR strategy is based on three convictions. First, environmental performance is the result of operational excellence in the day-to-day management of assets. Second, malls that are well integrated into their surrounding community are more attractive for retailers and customers. Third, the development of talents and skills is a lever of collective performance. Formalized in 2013 around the Good Choices® concept, this strategy plays out in action plans focused on the most practical and important concerns in managing a shopping center.

A common base of commitments

Good Choices® sums up in two words Klépierre's ambition in the area of sustainable development. Be above reproach in the management of shopping centers in terms of the safety and comfort of customers but also in the quality of the relationships forged with suppliers. Be efficient in achieving quantifiable targets for energy efficiency, CO₂ emissions, and waste management by 2020. Be

innovative when it comes to center accessibility, ensuring multiple transportation options. This basic commitment, which puts sustainable development at the heart of the business, is the focus of a substantive effort across Europe.

Sharing the same vision

The ambition of the Group with respect to environmental and societal matters is now shared and expressed through the monitoring of 120 indicators, a comparative analysis

of performance, and specific action plans for each center. The integration of the Corio assets in six European countries was a major project in this regard. Group tools and processes were used to quickly measure and assess the intrinsic quality of the buildings but also the maturity of the teams on topics related to sustainable development. Countries where Klépierre was not previously present got special support. From the summer of 2015 on, with a shared vision of sustainable development, local teams were mobilized to translate their commitments into action plans that are consistent with the objectives set by the Group.

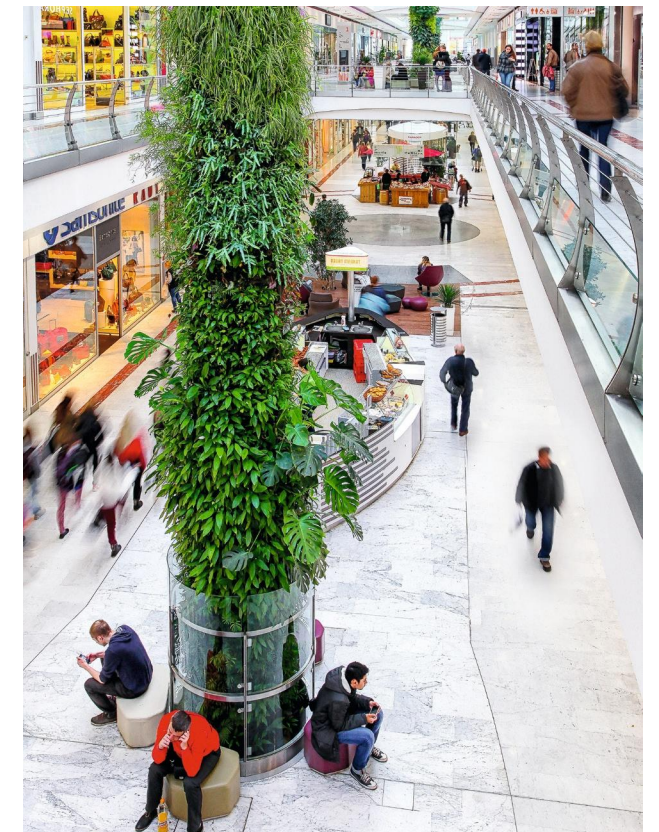
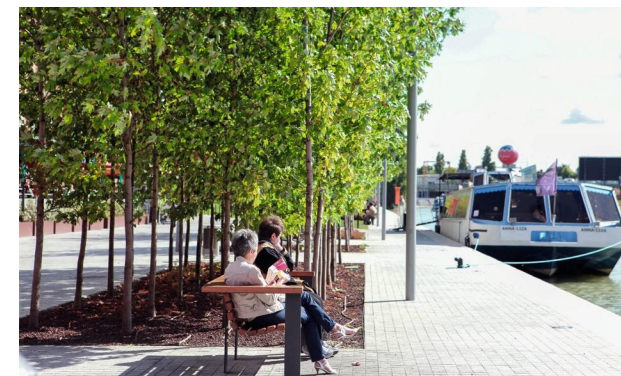
Developing the operational dimension

Using a process of continuous improvement, Klépierre improves its tools and refines its practices to limit the environmental impact of its centers. The installation of smart meters on the main equipment — almost two-thirds of the centers are covered by energy measurement in real time — makes it possible to monitor and adjust consumption. Systematically replacing lighting with low-energy bulbs is a step in the same direction. Thanks to the efficiency measures implemented since 2013, close to 10 million euros of cumulative savings have been achieved across the whole portfolio. The ambition now is to anchor this approach by embedding it more deeply into the operational management of the centers. By systematically identifying expenditures



Prado, eco-designed from the outset

Designed to respond to the criteria for reaching the "Excellent" level for BREEAM, Prado is also the first shopping center in France to take its inspiration from the Cradle to Cradle® approach, which means designed with an emphasis on the use of recyclable and eco-friendly materials.



with an environmental impact, it is possible to assess whether the path taken to achieve the Group's objectives is the right one. This dimension is now taken into account in the annual Sustainability Reviews and is part of the effort to achieve ever greater convergence between environmental and operational performance.

Convincing results

By the end of 2015, Klépierre was ahead of its defined targets. This year, the spotlight has been trained more specifically on climate issues, and the Group's shopping centers have stepped up to the plate: over 50% of the electricity consumed by the Group is now from renewable sources and greenhouse gas emissions have fallen by 12% in two years. These performances are a success given the integration of a major new portfolio and difficult climatic conditions.

Below
Créteil Soleil,
Paris region
(France)

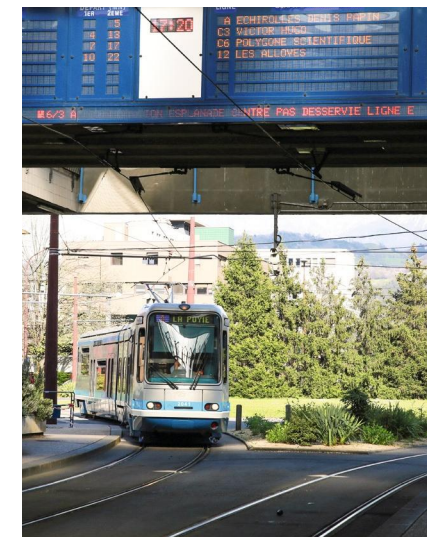


Above left
Passages,
Paris region
(France)

Above right
Nový Smíchov,
Prague
(Czech Republic)

Opposite left
Le Millénaire,
Paris region
(France)

Opposite right
Grand'place,
Grenoble
(France)



Convinced that the key to the success of the merger with Corio is the successful integration of teams, the Group paid special attention to this process, starting in 2014 and throughout 2015. Prior to the actual integration, welcome and support of employees, project management focused on defining the target organizations at Group and subsidiary level; selecting the management teams; and driving the development of integration plans by division: Operations, Investment, Finance, Legal and HR, etc. In support of these plans, the “Klépierre Way of Working” practice handbook was produced to inform employees about the strategy, key missions, and the processes and tools specific to each business. In February, the Executive Board kicked off the process at the meeting held to share the strategic vision with the Top 150 managers. In every country of operation, merging the teams then quickly translated into the harmonization of tools and working methods, the deployment of the Klépierre brand, the relocation of the teams to shared offices, etc.

A common assessment tool

In every country where Klépierre operates, the annual employee performance review is based on the same tool and according to the same skills base. This step seals the integration of the entire workforce into the HR system, promoting mobility and contributing to operational excellence through talent management.

Successful integration

This HR policy supports employees impacted by changes in their jobs following the merger. It is based mainly on Klépierre University, the corporate training school with international scope that is open to all employees, via business integration and personal development modules that facilitate the sharing of expertise, knowledge, and corporate culture. Already underway, the Group’s transformation continues to give everyone the means to optimize their career experience. In 2014, Klépierre had deployed a common tool for evaluating employees, promoting mobility,

“The challenge for HR is to be in total resonance with the Group’s strategy and to be proactive, anticipating training needs, attracting and retaining talents with sharper visibility.”

gathering training needs and promoting talent. Extended to all countries of the Group in 2015, this tool has helped to spearhead the first employee assessment campaign, launched simultaneously in Europe from November 1st to December 31st. Ultimately, all job offers will be published there. Consistent with its responsible employer approach, Klépierre completed this integration process by working closely with personnel representatives, in compliance with local regulations.

Promoting total engagement

Aligned with the retail strategy of the Group, the priorities for talent management and skills remain the same: to be at the service of operational excellence in order to anticipate trends in retail. All HR tools contribute, from training that promotes functional and geographic mobility to the dissemination of retail culture, not to mention career development, the promotion and retention of all talents while respecting diversity. In return, Klépierre expects steady engagement from its 1,389 employees, a daily commitment rooted in passion for the job, timely execution, agility, creativity and a digital spirit. Individual commitment is essential to the overall performance of the Group, and all employees were asked — in January 2016 — to participate in the “You & Klépierre” commitment survey to share their views on management, monitoring of performance, career opportunities, customer focus, autonomy, the Klépierre brand... Country by country, the assessment provided by the in-house survey supported by the Executive Board will identify areas for improvement that will encourage and strengthen employee motivation.

Cultivate engagement and talents

The position acquired by Klépierre in Europe demonstrates its ambition and its pursuit of excellence in each of its businesses. The rapid integration of Corio teams illustrates the consistency of its human resources policy, focused on performance and sharing a customer-centric operational retail culture.



Above
Event bringing together, for the first time, the Top 150 managers of the newly constituted Group.



Transparent communication serving integration

In early February of 2015, Klépierre’s Top 150 managers met in Paris. The agenda included a presentation of the newly constituted Group, its vision, its retail-centric strategy, and issues related to the merger. The messages conveyed by management were pursued in workshops designed to promote discussion. A newsletter was sent to all staff to keep them informed of the status and progress of the integration process.





Above — **Boulevard Berlin, Berlin (Germany)**
Opposite — **Grand Littoral, Marseille (France)**

Chapter 04

Designing it-shopping places

Klépierre's allocation strategy is based on two key criteria: locating in Europe's most dynamic regions and optimal connections to transportation infrastructures. Thanks to disciplined day-to-day management of operations, customers enjoy a shopping experience that is on the cutting edge of major retail trends.

For more information:
klepierre.com/ra2015/en

Leading centers in Continental Europe

The relevance of the Klépierre platform is built on a dense linkage of high potential territories. The principal assets, whether they were developed by the Group or recently acquired, occupy leading positions in the heart of their catchment area and attract millions of visitors every year.

For more information:
klepierre.com/ra2015/en

01 • Créteil Soleil
 (Paris region, France)
 20.1 million visitors
 123,500 sq.m.

02 • Val d'Europe
 (Paris region, France)
 16.5 million visitors
 83,000 sq.m.

03 • St.Lazare Paris
 (Paris, France)
 170 million visitors
 12,200 sq.m.

04 • Grand Littoral
 (Marseille, France)
 10.2 million visitors
 73,700 sq.m.

05 • Blagnac
 (Toulouse, France)
 7.1 million visitors
 48,600 sq.m.

06 • Rives d'Arcins
 (Bordeaux, France)
 5.7 million visitors
 52,000 sq.m.

07 • L'esplanade
 (Brussels region, Belgium)
 7.6 million visitors
 55,800 sq.m.

08 • Porta di Roma
 (Rome, Italy)
 18.3 million visitors
 92,400 sq.m.

09 • Le Gru
 (Turin, Italy)
 11.3 million visitors
 78,500 sq.m.

10 • Campania
 (Naples, Italy)
 12.5 million visitors
 92,200 sq.m.

11 • Field's
 (Copenhagen, Denmark)
 7.8 million visitors
 89,400 sq.m.

12 • Bruun's Galleri
 (Århus, Denmark)
 10.8 million visitors
 33,800 sq.m.

13 • Emporia
 (Malmö, Sweden)
 6.6 million visitors
 67,200 sq.m.

14 • La Gavia
 (Madrid, Spain)
 13.1 million visitors
 89,200 sq.m.

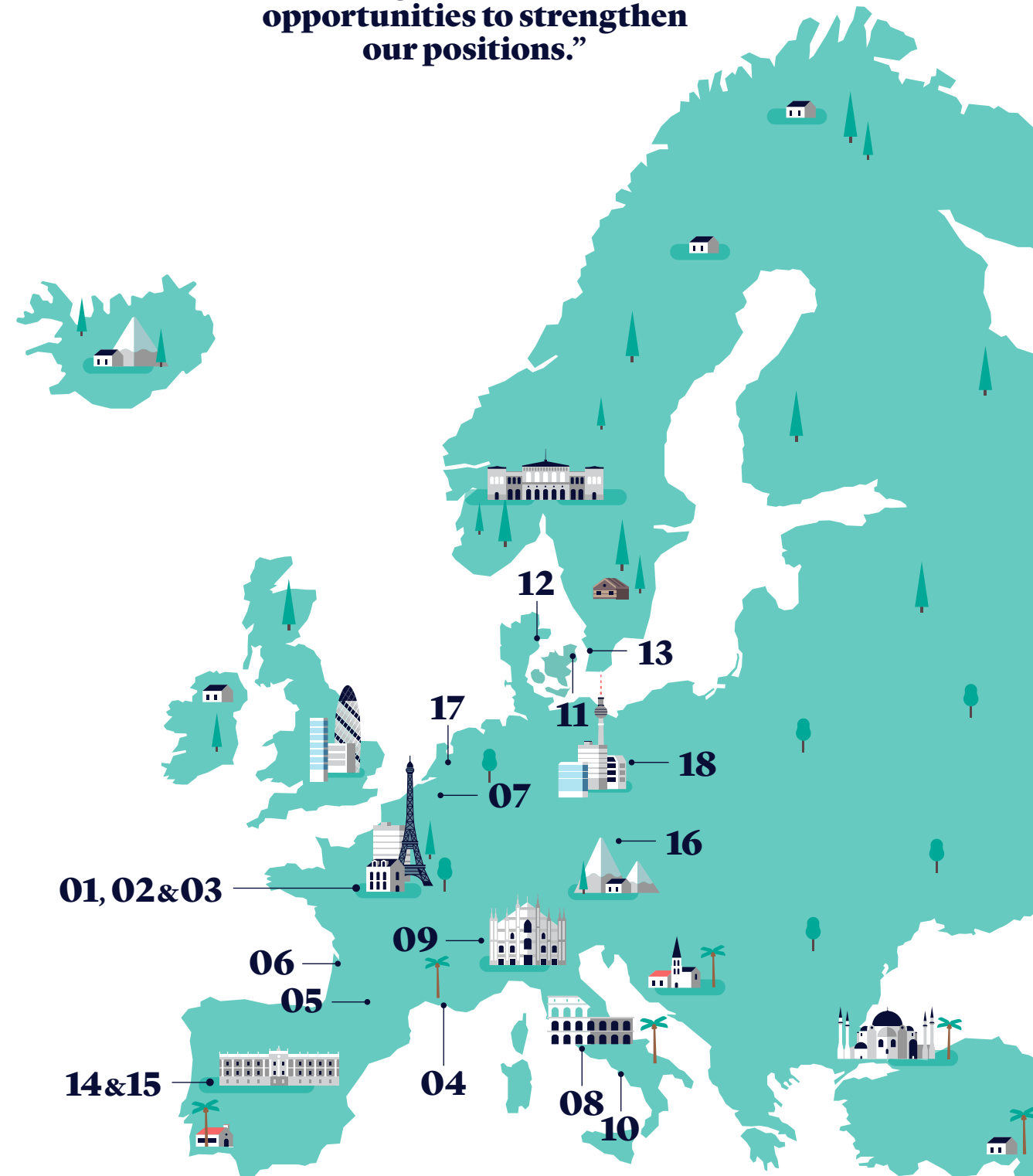
15 • Plenilunio
 (Madrid, Spain)
 11.3 million visitors
 82,000 sq.m.

16 • Nový Smichov
 (Prague, Czech Republic)
 20.4 million visitors
 57,200 sq.m.

17 • Hoog Catharijne
 (Utrecht, The Netherlands)
 24.8 million visitors
 59,500 sq.m.

18 • Boulevard Berlin
 (Berlin, Germany)
 11.2 million visitors
 86,700 sq.m.

“Our targets are Continental European metropolitan areas whose demographic or economic growth exceeds the national average and that offer opportunities to strengthen our positions.”



France- Belgium

Paris region, the Greater Lyon area, the Southwest of France, Marseille, and Brussels: in France and in Belgium, Klépierre is present in the most dynamic demographic and economic hubs, those whose growth exceeds the national average and that offer numerous development opportunities.



Above
**Créteil Soleil,
Paris region
(France)**
Left and below right
**Grand Littoral,
Marseille (France)**



Above
**Val d'Europe,
Paris region
(France)**
Above right
**St.Lazare Paris,
Paris (France)**

The merger with Corio has reinforced Klépierre's presence in its preferred regions. The year 2015 was also marked by the out-performance of its shopping centers in a generally lackluster environment for consumer spending, by the pursuit of the works on the Val d'Europe extension, and by groundbreaking on the Prado project in Marseille.



47
shopping centers

€8,403M
valuation (total share, excluding duties) of the shopping center portfolio (38.0% of total portfolio valuation)

€378.3M
net rental income (36.6% of total shopping center net rental income)

Italy

With the acquisition of Corio, Klépierre's position as the number one operator of shopping centers in Italy was strengthened. Its strategic positioning in the regions of Turin, Milan, Rome, Venice, and Naples forms a balanced platform.

Klépierre is responding to the development ambitions of retailers against a backdrop of economic recovery in Italy that has whetted appetites. The year 2015 was marked by a strong rise in retailer sales and in rents.

37

shopping centers

€3,606M

valuation (total share, excluding duties) of the shopping center portfolio (16.3% of total portfolio valuation)

€184.9M

net rental income (17.9% of total shopping center net rental income)

On the background — **Porta di Roma, Rome (Italy)**
Below — **Il Leone di Lonato, Lonato del Garda (Italy)**
Below — **Campania, Naples (Italy)**



Scandinavia

The Group's second largest geographic operating segment, the Scandinavian countries — Denmark, Norway, and Sweden — rank among the most dynamic of Europe. Klépierre occupies a leading position there and devotes a considerable portion of its development pipeline to this region.



In Copenhagen, the extension of Field's has already won customers over. The acquisition of Oslo City, which lies at the heart of Norway's capital city, reinforces Klépierre's position while also offering strong potential for value creation. In Malmö, Emporia posted an increase in revenues of more than 10% in 2015 and continues to post steady gains in market share three years after it opened for business.



Opposite
**Emporia,
Malmö (Sweden)**

Above, top left
**Field's,
Copenhagen (Denmark)**

Above, below left
**Bruun's Galleri,
Århus (Denmark)**

Above right
**Oslo City,
Oslo (Norway)**

22

shopping centers

€3,955M €156.6M

valuation (total share, excluding duties)
of the shopping center portfolio (17.9% of
total portfolio valuation)

net rental income (15.1% of total shopping
center net rental income)

Iberia

In Spain, the recovery translated into a strong commercial dynamic and sales revenue growth for shopping center tenants. Klépierre seized the opportunity to acquire Plenilunio, one of the Spanish capital's leading shopping centers. The Group also unveiled the new identity of Tenerife's Meridiano: the Cruise Clubstore®.

23

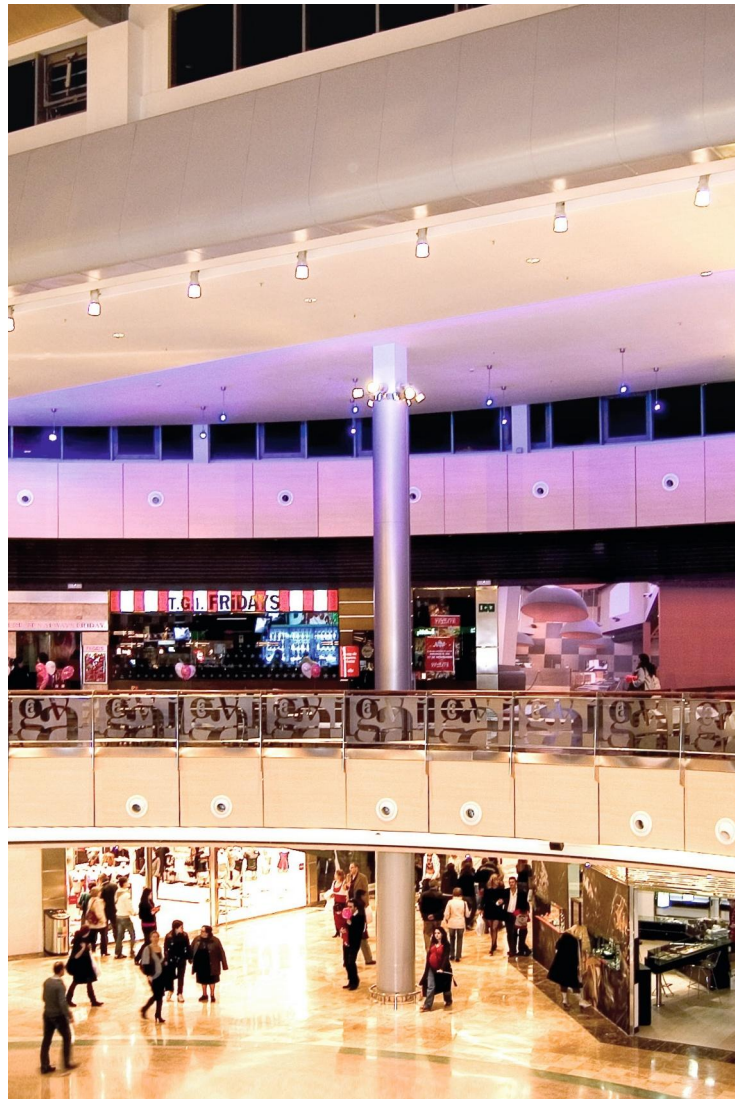
shopping centers

€1,785M

valuation (total share, excluding duties) of the shopping center portfolio (8.1% of total portfolio valuation)

€90.6M

net rental income (8.8% of total shopping center net rental income)



Above
La Gavia,
Madrid (Spain)
Opposite right
Meridiano,
Tenerife (Spain)
Opposite left
Plenilunio,
Madrid (Spain)

Eastern Europe and Turkey

Klépierre is located in the capitals that draw tourists — Budapest, Prague, Warsaw, and Istanbul. Nový Smíchov, the Czech capital city's leading shopping center, posted remarkable growth in both rents and sales in 2015, thanks in particular to the major re-tenanting initiatives that were undertaken.

Opposite
Nový Smíchov, Prague
(Czech Republic)

23

shopping centers

€1,736M

valuation (total share, excluding duties) of the shopping center portfolio (7.8% of total portfolio valuation)

€106.1M

net rental income (10.3% of total shopping center net rental income)





The Netherlands

Following the acquisition of Corio, Klépierre now occupies the number one spot in the Dutch market.

By disposing of nine local convenience shopping malls, Klépierre now has a more coherent portfolio of assets, concentrated in the cities comprising the Randstad, a region with strong purchasing power. The refurbishment-extension project aimed at doubling the size of Hoog Catharijne (Utrecht), the country's most visited shopping center, is ongoing.

Above and opposite
Hoog Catharijne,
Utrecht
(The Netherlands)

5
shopping centers

€1,139 M

valuation (total share, excluding duties)
of the shopping center portfolio (5.1% of total
portfolio valuation)

€76.0 M

net rental income (7.3% of total
shopping center net rental income)



Germany

With the Corio acquisition, the doors of Germany — a country with strong purchasing power — have opened for Klépierre. The performances of centers such as Boulevard Berlin and Centrum Galerie (Dresden) were lifted by the arrival of new retailers.

5

shopping centers

€1,068 M

valuation (total share, excluding duties) of the shopping
center portfolio (4.8% of total portfolio valuation)

€42.4 M

net rental income (4.1% of total
shopping center net rental income)

On the background
Boulevard Berlin,
Berlin (Germany)



Prado in Marseille: absolutely evident

An emblematic destination, Prado is helping to refresh the downtown retail mix. Bold architecture from the international design studio Benoy, trend-setting retailers organized around a Galeries Lafayette department store, an exceptional catchment area in the heart of the services district of Marseille, uniquely accessible... Designed on the high street model, Prado will be the new standard bearer for ultra-connected and sustainable urban retail.

23,000 sq.m. / 50 stores / 6 restaurants with planted terraces

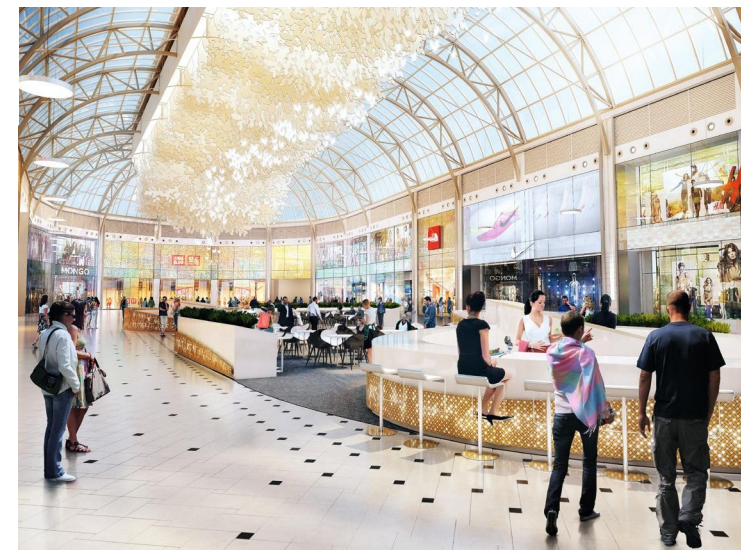


For more information:
klepierre.com/ra2015/en



Targeted development

Founded on a conservative approach to risk management and constant asset value enhancement, the Group's development strategy favors the extension-refurbishment of shopping centers that have already carved out strong positions. It does not rule out design and development projects that are exceptional due to location and quality.



Val d'Europe, the extension of an uncontested success

Val d'Europe is one of the most dynamic shopping centers in France. The extension strengthens its market leadership.

Just minutes from Disneyland Paris, Val d'Europe has experienced uninterrupted success since its opening in 2000. Supported by strong demand from retailers, the 17,000 sq.m. extension prolongs the dynamic. Primark, Uniqlo, H&M, Nike, and Rituals have already signed on as tenants. In this new space, which features particularly attentive customer experience, a "Grand-Place" inspired by the Grand Palais in Paris, creates the buzz.

**+17,000 sq.m. extension
(added to the existing 98,000 sq.m.) /
28 additional stores**



Hoog Catharijne, the retail heart of the Netherlands

The extension-renovation of Hoog Catharijne is part of a vast urban reorganization plan that revolves around Utrecht's central station.

With 26 million visitors a year, Hoog Catharijne is the most visited shopping center in the Netherlands and one of the Group's principal assets. The project calls for doubling the size of the facility over 100,000 sq.m. at the foot of the central station of Utrecht, whose refurbishment and expansion is expected to increase the number of daily passengers to more than 100 million between now and 2020. The city has plans to build a bicycle parking lot for 12,000 bikes to encourage soft transit in this office district, which also features movie theaters, a casino, and a concert venue.

**+100,000 sq.m. / 180 stores /
100 million passengers expected
at the Utrecht station in 2020**

Chapter 05

Committed to deliver best-in-class performances

Klépierre generated solid organic growth. Its financial performances, combined with the results achieved in terms of social and environmental performance, are creating value for both its shareholders and its stakeholders. With its inclusion in the CAC 40 in December 2015, the Group also opens a new page in its history.

For more information:
klepierre.com/ra2015/en



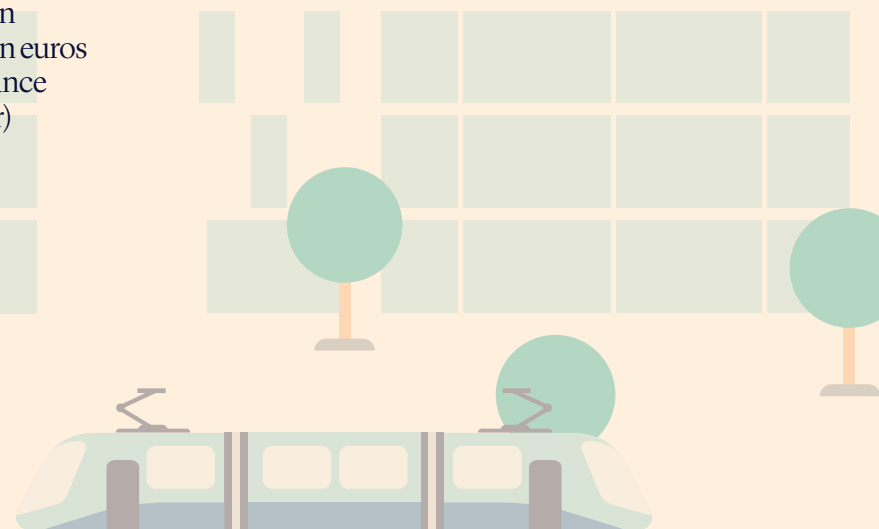
Opposite
Principe Pio,
Madrid (Spain)



Stock performance and shareholders

Klépierre's market capitalization grew by 4.5 billion euros following the acquisition of Corio in January 2015. It reached 12.9 billion euros at year-end 2015, thanks to an outperformance of the Klépierre share (+14.7% over the year) versus the CAC 40 (+8.5%) and the EPRA EuroZone sector index (+13.3%).

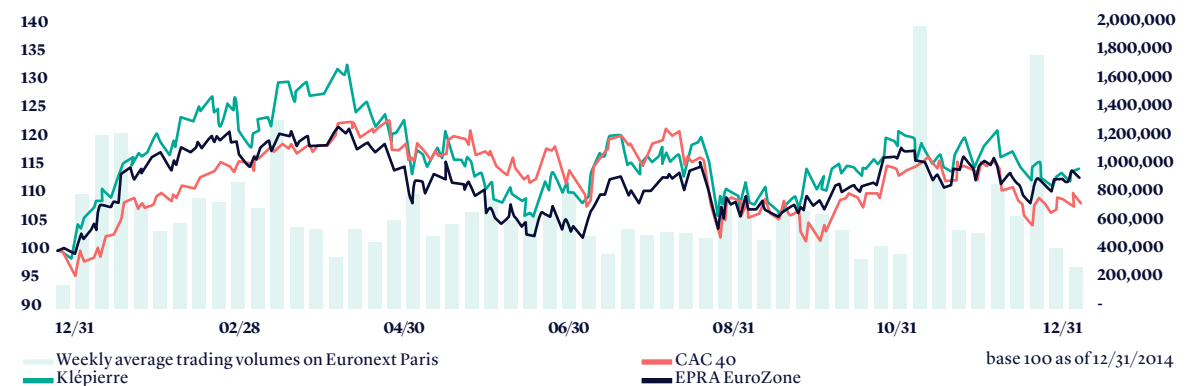
On December 21st, 2015, Klépierre joined the CAC 40, the main index of the Paris stock exchange.



Stock information

ISIN code	FR0000121964
Mnemonic code	LI
Main trading market	Euronext Paris – Compartment A
Other markets	Euronext Amsterdam
Number of shares	314,356,063
Indexes	CAC 40, SBF80, Euronext 100, S.I.L.C. FRANCE, CAC ALL SHARES, CAC FINANCIALS, CAC REAL ESTATE, DJ STOXX 600, EPRA EuroZone, GPR 250 Index
Sustainable development indexes	DJSI World and Europe, FTSE4Good, Euronext Low, Carbon Europe 100, Euronext Vigeo France 20, EuroZone 120 and Word 120

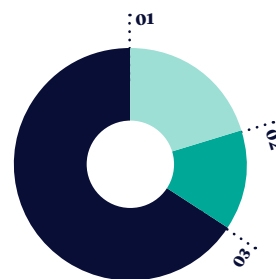
Klépierre comparative share price performance and traded volumes over 2015



Shareholder base — Data as of December 31st, 2015

Klépierre's largest shareholders are Simon Property Group, world leader in the shopping center industry and APG, a Netherlands-based pension fund firm.

More than two-thirds are free-float, mainly held by institutional investors.



01 — Simon Property Group: **20.3%**
 02 — APG: **13.1%**
 03 — Other shareholders (free-float, including treasury shares): **66.6%**

	2011	2012	2013	2014	2015
Close price (in euros)	22.040	30.020	33.685	35.730	40.990
Market capitalization (in billions of euros)	4.2	6.0	6.7	7.1	12.9
Year-on-year change (%)	-18.4%	+36.2%	+12.2%	+6.1%	+14.7%
Change in CAC 40 index	-17.0%	+15.2%	+18.0%	-0.5%	+8.5%
Change in EPRA EuroZone index	-18.4%	+21.8%	+1.8%	+18.1%	+13.3%

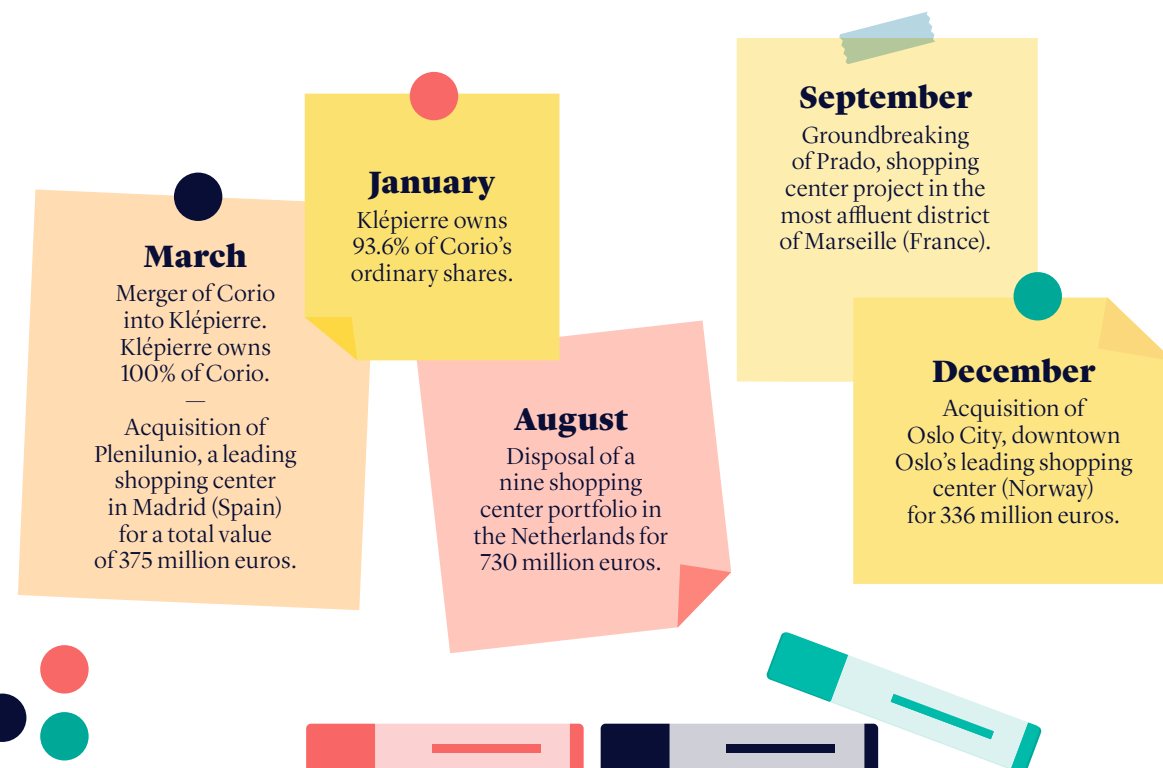
(Source: Bloomberg)

For more information, read the 2015 Financial Report available on Klépierre's website

www.klepierre.com

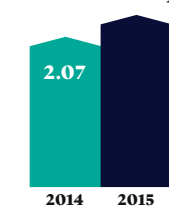
2015 highlights and financial performances

The year 2015 was marked by the Corio acquisition and integration, and by an intense capital rotation with close to 900 million euros invested both in leading centers and promising development projects financed through disposals. The Group generated sound operational and financial performances through the implementation of its management and capital allocation strategy.

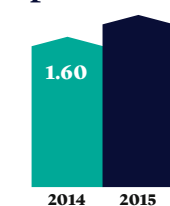


Retailer sales	+4.4%	Like-for-like basis ⁽¹⁾ , including extensions
Shopping center net rental income	+3.4%	Like-for-like basis ⁽¹⁾
Valuation of the shopping center portfolio	+5.3%	Like-for-like basis, total share
Credit rating	A-	Standard & Poor's
Cost of debt	2.5%	(-50 bps)
Indebtedness ratio	39.2%	Loan-to-Value

Net current cash flow per share



Dividend per share ⁽²⁾



⁽¹⁾ Assuming that Corio and Plenilunio acquisitions occurred on January 1st, 2014. Like-for-like scope defined as follows: excluding the contribution of new spaces (acquisitions, new centers and extensions), spaces under restructuring and disposals completed since January 2014 and forex effects.

⁽²⁾ 2015 dividend submitted to a vote of the shareholders at their April 19, 2016 general meeting.

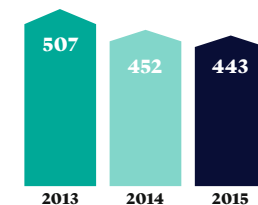
For more information, read the 2015 Financial Report available on Klépierre's website: www.klepierre.com

Environmental, societal & social performance

Meeting environmental challenges

Energy

Strong decrease in energy consumption over the last two years (like-for-like basis pro forma, in GWh)



Close to

€10M

savings on energy costs over the last two years

63

centers equipped with real time energy measurement systems

Climate change

>50%

of the electricity from renewable sources



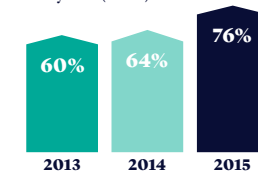
-12%

in GHG emissions in tCO₂e from 2013 to 2015 (like-for-like basis pro forma)



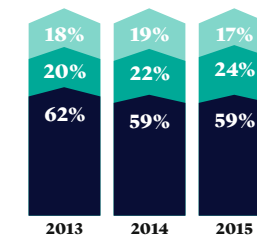
Waste

Proportion of waste recovered has strongly increased in the last two years (+16%)



Centers integrated into the urban fabric

Transports



Change in the breakdown of visits by transportation methods. Visits via public transportation up 4 percentage points in two years.

Soft transports
Public transports
Motorized

Local development

80,000

jobs generated by the activity of the Group's shopping centers

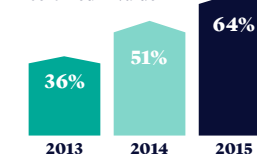
€71M

of local taxes paid in 2015 by the Group's shopping centers

Clear recognition of our leadership

Certifications

Part of the portfolio certified in value



77 centers certified at the end of 2015

Extra-financial ratings

GRESB

88/100

+ 80% vs. 2012

DJSI

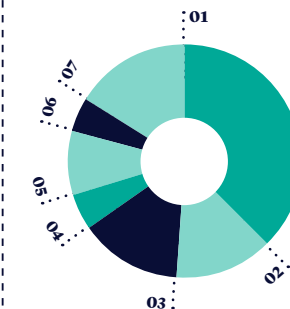
83/100

+ 32% vs. 2012

Promoting talent development

Workforce

Breakdown of workforce by region on 12/31/2015



01 — France-Belgium: **37%**
02 — Scandinavia: **14%**
03 — Italy: **14%**
04 — Netherlands: **5%**
05 — Iberia: **9%**
06 — Germany: **5%**
07 — CEE and Turkey: **16%**

Breakdown of workforce by gender



97%

of employees with an open-ended contract

Training

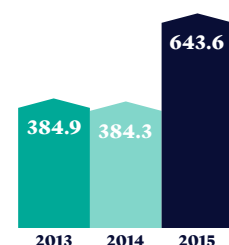
17 hours of training per year, per employee,

i.e. 2.5 days

EPRA performance indicators

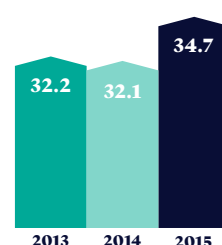
The following performance indicators have been prepared in accordance with best practices as defined by EPRA (European Public Real estate Association) in its *Best Practices recommendations* guide, available on its website (www.epra.com).

EPRA Earnings — in millions euros



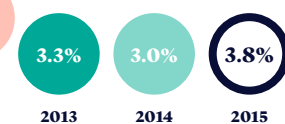
Measure of the underlying operating performance of an investment property company excluding changes in fair value, investment property disposals and limited other items that are not considered to be part of the core activity of an investment property company.

EPRA NAV — in euros per share



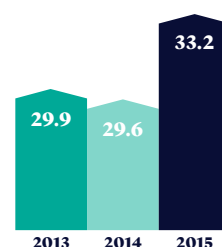
Measure of the fair value of net assets assuming a normal investment property company business model. Accordingly, there is an assumption of owning and operating investment property for the long term. For this reason, deferred taxes on property revaluations and the fair value of deferred tax liabilities, 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 Vacancy rate



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.

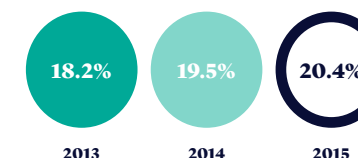
EPRA NNNAV — in euros per share



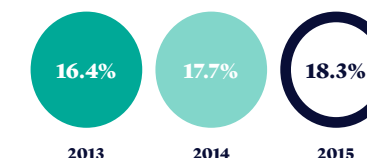
Indicator similar to EPRA NAV except it includes the fair value of deferred tax liabilities, debt, and financial instruments.

EPRA Cost Ratio

including direct vacancy costs

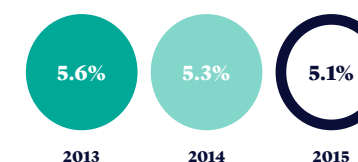


excluding direct vacancy costs



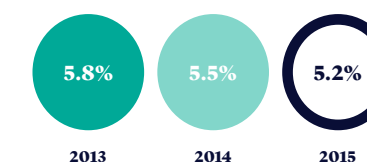
The purpose of the EPRA Cost Ratio is to reflect the relevant overhead and operating costs of the business. It is calculated by expressing the sum of property expenses (net of service charge recoveries and third-party asset management fees) and administration expenses (excluding exceptional items) as a percentage of gross rental income.

EPRA Net initial yield shopping centers



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

EPRA “Topped-up” Net initial yield shopping centers



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

Find EPRA performance indicators on Chapter 1 of the 2015 Financial Report.

Comprehensive income statement and cash flow

<i>In millions euros</i>	December 31, 2015	December 31, 2014
Gross rental income	1,208.4	833.0
Rental & building expenses	-140.3	-87.8
Net rental income	1,068.0	745.2
Management and administrative income	86.8	70.8
Other operating income	13.9	15.8
Payroll expense	-149.2	-109.1
Survey & research costs	-2.8	-4.0
Other general expenses	-77.4	-47.6
EBITDA	939.4	671.1
D&A on investment property & PPE	-461.3	-397.4
Provisions	-0.3	-3.6
Proceeds of sales	14.1	846.9
Goodwill depreciation	-704.5	0.0
Results of operations	-212.8	1,117.0
Net cost of debt	-217.0	-269.5
Change in the fair value of financial instruments	-30.6	-17.3
Share in earnings for equity method investees	19.1	8.3
Pre-tax current income	-441.3	838.5
Corporate income tax	3.6	-30.4
Net income	-437.7	808.1
Non-controlling interests	-62.1	-168.0
NET INCOME (GROUP SHARE)	-499.8	640.0

Excluding the non-recurring accounting technical impact of the 704.5 million euro impairment and write-off of Corio's goodwill, the consolidated net income group share would have been a profit of 204.7 million euros.

<i>In millions euros</i>	December 31, 2015	December 31, 2014
EBITDA	939.4	671.1
<i>Adjustments to calculate operating cash-flow exclude:</i>		
Employee benefits, stock-options expenses and non-current operating expenses	22.7	9.9
Acquisition costs on share deals and non-controlling joint venture interests	4.5	4.6
Operating cash-flow	966.6	685.6
Net cost of debt	-217.0	-269.5
<i>Adjustments to calculate net current cash-flow before taxes exclude:</i>		
Corio's debt mark to market amortization	-72.5	
Financial instruments close-out costs	75.8	82.0
Net current cash-flow before taxes	752.9	498.0
Share in equity method investees	62.4	38.9
Current tax expenses	-32.8	-16.5
Net current cash-flow (total share)	782.5	520.4
NET CURRENT CASH-FLOW (GROUP SHARE)	663.1	406.5

Consolidated statement of financial position

<i>In millions of euros (total share)</i>	December 31, 2015	December 31, 2014
Goodwill and intangible assets	880.3	176.4
Property, plant and equipment and work in progress	20.6	13.0
Investment property	13,901.6	8,451.0
Investment property under construction	807.9	400.0
Equity method securities	1,161.5	443.5
Other non-current assets	371.8	173.0
Non-current derivatives	96.5	118.1
Deferred tax assets	53.0	48.7
NON-CURRENT ASSETS	17,293.2	9,823.7
Investment property held for sale	23.9	3.5
Inventory	0.0	0.4
Trade accounts, notes receivable and other receivables	574.7	304.2
Current derivatives	4.3	3.7
Cash and cash equivalents	413.7	140.6
CURRENT ASSETS	1,016.6	452.4
TOTAL ASSETS	18,309.8	10,276.1
Share capital	440.1	279.3
Additional paid-in capital	5,818.1	1,773.6
Legal and consolidated reserves	13.7	-271.5
Consolidated earnings	-499.8	640.0
Shareholders' equity, group share	5,772.0	2,421.4
Non-controlling interests	1,267.2	1,144.5
SHAREHOLDERS' EQUITY	7,039.2	3,565.9
Non-current financial liabilities	6,714.1	4,880.4
Long-term provisions	43.1	17.4
Pension commitments	13.0	17.6
Non-current derivatives	76.2	173.4
Security deposits and guarantees	145.7	110.8
Deferred tax liabilities	693.1	322.3
NON-CURRENT LIABILITIES	7,685.3	5,521.9
Current financial liabilities	2,584.0	697.4
Bank facilities	265.1	53.8
Trade and other payables	543.5	313.5
Current derivatives	0.5	25.3
Social and tax liabilities	192.2	98.3
CURRENT LIABILITIES	3,585.4	1,188.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	18,309.8	10,276.1

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www.mcslittlestories.com
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Printing: Frazier
March 2016



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Video interview with the Chairman

Laurent Morel shares his assessment of 2015
and his vision of the future for the Group.

Interactive map

Panorama of Klépierre's
top 18 centers via an
interactive tour.

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