PRESS RELEASE

BUSINESS REVIEW FOR THE FIRST NINE MONTHS OF 2018

Paris – October 22, 2018

Klépierre, the pan-European leader in shopping malls, today released its business review for the first nine months of 2018.[1] The main highlights include:

- **Total revenues of €1,005.7 million, +2.0% year-on-year**
- **Shopping centers net rental income of €823.7 million, +3.1% like-for-like[2] and +2.3% on a current basis**
- **Retailer sales +0.7% vs. the first 9 months of 2017[3]**
- **Sustained leasing activity (1,381 leases; €28.6 million in additional minimum guaranteed rents)**
- **Net debt reduced by ca. €274 million to €8,879 million at September 30, 2018 vs. June 30, 2018; net cost of debt below 1.6%**
- **€575 million in disposals[7] since the beginning of the year, at appraised values**
- **Leasing progressing rapidly for Hoog Catharijne and Créteil Soleil extensions**
- **2018 outlook confirmed: net current cash flow per share expected at least at €2.62**

Jean-Marc Jestin, Chairman of the Klépierre Executive Board, commented, *"Klépierre's performance in the first nine months of the year confirms the relevance of our strategy in a changing retail landscape. Our operational excellence, combined with our portfolio of leading malls, allowed us to keep outperforming the market. We continued to bring the best of retail into our malls through buoyant leasing activity, which ensures dynamic rental growth. Since the beginning of the year, we have continued to streamline our portfolio at a steady pace while further lowering the company's leverage and buying back our shares. Going forward, we plan to accelerate our investment in our assets to further enhance their positioning in their catchment areas and deliver sustainable growth, while maintaining our rock-solid balance sheet."*

KEY FINANCIALS

In € millions, Total-Share basis	9M 2018	9M 2017	Current change
Gross rental income – Shopping centers	924.1	903.0	+2.3%
Gross rental income – Other retail properties	19.1	21.4	−10.6%
Total gross rental income	**943.2**	**924.4**	**+2.0%**
Management, administrative and other income (fees)	62.5	61.5	+1.7%
Total revenues	**1,005.7**	**985.9**	**+2.0%**
Net rental income – Shopping centers	**823.7**	**805.3**	**+2.3%**

KLEPIERRE

OPERATING PERFORMANCE

Revenues

Gross rental income

Shopping center gross rental income (GRI, Total Share basis) increased by 2.3% to €924.1 million for the first nine months of 2018 compared with the same period last year. The progression reflects sound like-for-like rental growth and the contribution from the development projects of Prado and Hoog Catharijne. Disposals completed in 2017 and since the start of 2018 reduced shopping centers GRI by 1.6%.

GRI from other retail properties amounted to €19.1 million for the first nine months, a 10.6% decrease compared to the same period last year, reflecting the impact of recent disposals.

Management, administrative and related income (fees) increased by 1.7% to €62.5 million, mainly due to higher development fees.

As of September 30, 2018, total revenues increased by 2.0% year-on-year to just over €1.0 billion.

Net rental income

As of September 30, 2018, net rental income generated by shopping centers totaled €823.7 million, up 3.1% on a like-for-like basis,[2] and a 2.3% increase year-on-year on a current basis, benefiting from strong reversion and indexation (+1.3%).

Retailer sales

On a like-for-like basis,[3] total retailer sales at Klépierre's malls increased by 0.7% over the first 9 months of 2018. After a steady positive trend in July and August – despite one less Saturday in July – September sales were down (−5%) year on year, reflecting the effect of an adverse comparison basis (+10% in September 2017 vs. September 2016).

Since the beginning of 2018, weather conditions in Europe have been unfavorable for the Fashion segment (−1.5%). Other segments are performing well (+2.1%), mainly driven by Food & Beverage (+5.0%) and Health & Beauty (+4.4%), while the Culture, Gifts & Leisure (+1.7%) benefited from the recent leasing initiatives in the Sports segment (+7.4%).

Leasing activity

In the first nine months, Klépierre's leasing activity was dynamic across all malls. In the period, 1,381 leases were signed (versus 1,440 in 2017), translating into €28.6 million in additional annual minimum guaranteed rents (compared to €25.8 million in the first nine months of 2017; excluding contributions from extensions and greenfield projects).

Klépierre continued to implement its leasing strategy, which aims to enrich its retail offering across the portfolio, favoring experiential stores, seizing the growth momentum of trendy retailers and introducing new segments.

The Group notably continued to right-size fashion anchors, with 19 new stores opened or signed since the beginning of 2018 (including 6 Zara stores measuring approximately 3,000 square meters each; 3 Lindex, 2 Reserved, etc). At the same time, 13,500 sq.m. (net of openings) of smaller fashion spaces were reallocated to more dynamic segments, including Beauty (with 10 new Rituals and Sephora stores), Sports (15 new stores with The North Face, Snipes, Quiksilver, JD Sports, Foot Locker, and Courir), Health, and Food & Beverage (12 new stores with KFC, Nespresso, Vapiano, and Burger King). Since the beginning of the year, these segments represent an additional 19,700 of new sq.m. (net of closures).

In addition, Klépierre continued to implement new brands and store formats in its malls. Porta di Roma will notably host the first full Victoria's Secret concept store in a shopping center in Italy on 950 sq.m. Trendy cosmetics brand Normal has opened four stores in Klépierre malls since the beginning of the year, while Chinese mobile phone brand Mi Xiaomi will unveil three stores in Spain.

Other highlights of the first nine months of 2018 include:

– **Assago** (Milan, Italy): Following the acquisition of 6,200 sq.m. from the Carrefour hypermarket, Klépierre secured the implementation of a Zara store on its latest format to better anchor the mall. Combined with the Clubstore® refurbishment and Destination Food® implementation, this has significantly reinforced

Assago's positioning in its catchment area, and generated an 8% increase in footfall and 10% increase in F&B retailer sales.[4]

- **Forum Duisburg** (Germany): Of the 52 leases set to expire in 2018, 90% have already been secured. In addition, following the opening of a Zara store in 2017, 11 new brands will enrich the retail mix, including Only, Jack & Jones, Orsay, and Oil & Vinegar. Footfall at **Arneken Galerie Hildesheim** has jumped by 40% since the September 2018 opening of a 2,000-sq.m. TK Maxx store.
- Following the recent **Turkish** Presidential Decree requiring, for a period of two years beginning in Q4 2018, the conversion of Euro and USD lease contracts to Turkish Lira, Klepierre estimates, based on current circumstances, the impact to represent less than 1% of the net current cash flow (group share) on a full-year basis.

DEVELOPMENT PIPELINE AND ASSET ROTATION

Pipeline

Hoog Catharijne (€438 million investment,[5] yield-on-cost of 6.4%)[6] – Utrecht, the Netherlands

In November 2018, the "South Mile" redevelopment phase of Hoog Catharijne – consisting of 11,200-sq.m. in retail space – will open as planned. Of the South Mile's 29 units, 25 are now leased or under advanced negotiations. The units include Ray-Ban, Guess, Lindt, BALR. and Levi's, as well as a pop-up store devoted to the world of Harry Potter.

The next phase of the development is expected to be delivered by the end of 2019 and will further enhance Hoog Catharijne's position as the leading mall in the Netherlands, thanks to its unique connection to Utrecht's central train station (88 million passengers per year), 72,000 sq.m. of retail space, iconic architecture, and powerful Fashion and Food & Beverage offering. Ultimately, Hoog Catharijne is expected to host more than 30 million visitors per year.

Créteil Soleil (€134 million investment,[5] yield-on-cost of 5.7%)[6] – Paris region, France

The extension of Créteil Soleil is advancing on schedule and expected to be completed by the end of 2019. This project aims to better connect the mall to the subway station, as well as create 11,000 sq.m. of additional retail space to enrich the mall's offering. Approximately 60% of the extension will be dedicated to Leisure and Food & Beverage, with the implementation of Klépierre's latest Clubstore® and Destination Food® concepts.

As of September 30, 2018, 70% of the new space is already signed or in advanced negotiations, including with brands such as Nike, Beef House, and Factory & Co.

Disposals

In the third quarter of 2018, Klépierre completed disposals across Europe for €223 million[7]. This amount includes the disposal of three malls in Italy: Metropoli and Settimo in Milan, and Rondinelle in Brescia. In addition, Klépierre sold two malls and an office building in Hungary: Alba Plaza in Székesfehérvar, Nyír Plaza in Nyiregyhaza, and Duna Plaza offices in Budapest. These disposals were made at appraised values (June 30, 2018).

Including sales under promissory agreement for €39.4 million, Klépierre's disposals since the beginning of 2018 amount to €574.6 million (excluding transfer taxes), in line with the Group's asset rotation strategy.

DEBT POSITION AND FINANCING

As of September 30, 2018, Klépierre's consolidated net debt amounted to €8,879 million, a €274 million reduction compared to June 30, 2018. The reduction primarily reflects the €223 million in completed disposals. At this level, and based on June 30, 2018 valuations, Klépierre's Loan-to-Value ratio at September 30 amounts to 36.3%.

Klépierre's average debt duration and average cost of debt remained stable at 5.9 years and 1.6%, respectively, compared to June 30, 2018. The Group's liquidity position remained strong at €2.1 billion.

Between January 1 and October 19, 2018, Klépierre repurchased 4,184,527 of its shares for a total investment of €136 million. Taking into account the shares repurchased in 2017, to date Klépierre has invested €486 million of its €500-million program, announced in March 2017.

OUTLOOK CONFIRMED

In 2018, Klépierre expects to generate net current cash flow per share of at least €2.62.

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(1) The figures disclosed in this press release have not been audited.

(2) Like-for-like excludes the contribution of new spaces (acquisitions, greenfield projects and extensions), spaces being restructured, disposals completed in 2017 & 2018, and foreign exchange impacts.

(3) Like-for-like change is on a same-center basis and excludes the impact of asset sales, acquisitions and foreign exchange fluctuations.

(4) Footfall increase after completion of the refurbishment June / August 2018 vs. 2017.

(5) Estimated cost as of June 30, 2018 including fitting-out (when applicable) and excluding step-up rents (when applicable), internal development fees, and financial costs.

(6) Targeted yield-on-cost as of June 30, 2018, based on targeted NRI with full occupancy and excluding all lease incentives (when applicable), divided by the estimated cost price as defined above.

(7) Total Share basis, excluding transfer taxes. Including €535 million of assets sold and €39 million of sales under promissory agreement.

RETAILER SALES
FIRST NINE MONTHS OF 2018 VS FIRST NINE MONTHS OF 2017

Countries	Like-for-like change[a]	Share in total reported retailer sales
France	+1.1%	30%
Belgium	−3.8%	2%
France-Belgium	**+0.9%**	**32%**
Italy	**−2.7%**	**26%**
Norway	−0.6%	8%
Sweden	+0.5%	7%
Denmark	−2.9%	4%
Scandinavia	**−0.7%**	**19%**
Spain	+3.0%	8%
Portugal	+4.7%	3%
Iberia	**+3.5%**	**11%**
Poland	−0.3%	3%
Hungary	+10.5%	1%
Czech Republic	+0.6%	2%
Turkey	+13.4%	2%
CEE and Turkey	**+5.4%**	**8%**
The Netherlands[b]	**n.s.**	**n.s.**
Germany	**−0.8%**	**3%**
TOTAL	**+0.7%**	**100%**

Segments	Like-for-like change[a]	Share in total reported retailer sales
Fashion	−1.5%	40%
Culture, Gifts and Leisure	+1.7%	17%
Health & Beauty	+4.4%	13%
Food & Beverage	+5.0%	11%
Household Equipment	+0.1%	11%
Other	−1.4%	8%
TOTAL	**+0.7%**	**100%**

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

TOTAL REVENUES

	Total Share		Group Share	
In € millions	9M 2018	9M 2017	9M 2018	9M 2017
France	322.4	315.1	263.3	258.4
Belgium	14.2	13.4	14.2	13.4
France-Belgium	**336.7**	**328.5**	**277.5**	**271.8**
Italy	**160.2**	**157.0**	**157.7**	**154.6**
Norway	53.5	54.5	30.0	30.6
Sweden	44.9	47.2	25.2	26.5
Denmark	42.9	43.0	24.0	24.1
Scandinavia	**141.2**	**144.7**	**79.2**	**81.2**
Spain	83.8	74.5	83.8	72.3
Portugal	17.7	16.5	17.7	16.5
Iberia	**101.5**	**91.0**	**101.5**	**88.7**
Poland	26.0	25.5	26.0	25.5
Hungary	18.8	16.6	18.8	16.6
Czech Republic	25.2	22.8	25.2	22.8
Turkey	17.9	25.6	16.1	23.6
Others	2.3	1.9	2.3	1.8
CEE and Turkey	**90.2**	**92.5**	**88.4**	**90.3**
The Netherlands	**54.8**	**48.3**	**54.8**	**48.3**
Germany	**39.5**	**41.0**	**37.6**	**39.0**
GROSS RENTAL INCOME - SHOPPING CENTERS	**924.1**	**903.0**	**796.7**	**773.9**
Other retail properties	19.1	21.4	19.1	21.4
TOTAL GROSS RENTAL INCOME	**943.2**	**924.4**	**815.8**	**795.3**
Management, administrative and related income (fees)	62.5	61.5	59.9	58.7
TOTAL REVENUES	**1,005.7**	**985.9**	**875.7**	**854.0**
Equity Accounted Investees*	62.7	65.1	60.0	62.3

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

QUARTERLY NET RENTAL INCOME ON A TOTAL-SHARE BASIS

	2018			2017			
In € millions	Q3	Q2	Q1	Q4	Q3	Q2	Q1
France	99.0	99.1	93.4	93.3	97.2	98.1	89.5
Belgium	4.8	4.3	4.4	4.9	4.0	4.2	3.7
France-Belgium	**103.9**	**103.4**	**97.8**	**98.1**	**101.2**	**102.3**	**93.2**
Italy	**52.2**	**51.6**	**44.5**	**51.0**	**50.6**	**50.8**	**42.7**
Norway	15.7	16.4	16.0	15.7	16.3	16.3	17.1
Sweden	13.5	13.9	13.4	13.9	14.0	14.0	14.2
Denmark	12.8	13.2	12.4	13.3	12.5	12.5	12.8
Scandinavia	**42.0**	**43.5**	**41.7**	**42.9**	**42.8**	**42.8**	**44.1**
Spain	25.4	24.8	24.9	23.5	24.7	21.7	19.7
Portugal	6.0	5.2	5.5	4.9	5.5	4.9	5.1
Iberia	**31.4**	**30.0**	**30.4**	**28.4**	**30.2**	**26.6**	**24.8**
Poland	8.1	7.8	8.0	7.8	8.0	7.7	8.0
Hungary	5.9	5.8	5.8	5.7	5.4	4.8	5.3
Czech Republic	8.3	8.1	8.0	7.7	7.7	7.4	7.5
Turkey	3.8	5.7	5.2	7.1	7.4	7.3	6.9
Others	0.6	0.8	0.7	0.9	0.2	0.6	0.6
CEE and Turkey	**26.7**	**28.2**	**27.8**	**29.1**	**28.7**	**27.7**	**28.3**
The Netherlands	**15.0**	**14.6**	**9.5**	**13.2**	**13.4**	**13.2**	**9.5**
Germany	**10.3**	**9.9**	**9.3**	**10.5**	**11.3**	**11.8**	**9.3**
GROSS RENTAL INCOME SHOPPING CENTERS	281.5	281.3	261.0	273.3	278.2	275.2	251.9
Other retail properties	6.2	6.1	6.1	6.5	6.2	7.2	7.1
TOTAL GROSS RENTAL INCOME	287.6	287.3	267.1	279.8	284.4	282.4	259.0
Management, administrative and related income (fees)	20.7	20.3	21.5	24.1	18.6	22.7	20.2
TOTAL REVENUES	308.3	307.6	288.6	303.9	303.0	305.1	279.2

AGENDA

February 6, 2019 2018 full-year earnings

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ABOUT KLÉPIERRE

Klépierre, the pan-European leader in shopping malls, combines development, property and asset management skills. The company's portfolio is valued at €24.6 billion at June 30, 2018 and comprises large shopping centers in 16 countries in Continental Europe which together host 1.1 billion visitors per year. Klépierre holds a controlling stake in Steen & Strøm (56.1%), Scandinavia's number one shopping center owner and manager. Klépierre is a French REIT (SIIC) listed on Euronext Paris and included in the CAC Next 20, EPRA Euro Zone and GPR 250 indexes. It is also included in ethical indexes, such as DJSI World and Europe, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo France 20 and World 120, and figures in CDP's "A-list". These distinctions underscore the Group's commitment to a proactive sustainable development policy and its global leadership in the fight against climate change.

For more information, please visit the newsroom on our website: **www.klepierre.com**

This press release is available on the Klépierre website: **www.klepierre.com**