PRESS RELEASE

BUSINESS REVIEW FOR THE FIRST QUARTER OF 2019

Paris—April 18, 2019

Klépierre, the pan-European leader in shopping malls, today reported its business review for the first quarter of 2019. [1] The main highlights include:

- **Shopping centers net rental income of €265.2 million, +1.6% and +3.0% on a like-for-like basis[2]**
- **Retailer sales +0.3% vs. the first 3 months of 2018[3]**
- **Sustained leasing activity with 403 leases signed in the first quarter, representing €7.7 million in additional minimum guaranteed rents**
- **Cost of net debt further reduced to 1.5%**
- **Leasing progressing well at Créteil Soleil extension (91% pre-leasing rate) for an opening end 2019 and at Gran Reno extension (49%) as construction starts**
- **Very promising results for the first year of Act for Good® implementation**
- **2019 outlook confirmed: net current cash flow per share expected between €2.72—€2.75**

Jean-Marc Jestin, Chairman of the Klépierre Executive Board, commented, *"In the first quarter, Klépierre delivered robust operational figures in continuity to its record results posted over the last four years. Despite a challenging retail environment, we posted positive retailer sales, dynamic leasing activity and strong rental income growth. This quarter once again illustrated our ability to anticipate and adapt to the transformation of retail with our pan-European presence and best-in-class mall portfolio. I am confident in our capacity to keep outperforming the market, thanks to our ceaseless efforts to adjust the retail offering in our malls and our targeted investments to transform them into veritable lifestyle hubs where people can Shop. Meet. Connect.®"*

KEY FINANCIALS

In € millions, Total Share	Q1 2019	Q1 2018	Change
Gross rental income—Shopping centers	304.9	303.7	+0.4%
Gross rental income—Other retail properties	6.3	6.4	−1.6%
Total gross rental income	**311.2**	**310.0**	**+0.4%**
Management, administrative and other income (fees)	19.5	21.5	−9.1%
Total revenues	**330.7**	**331.5**	**−0.2%**
Net rental income—Shopping centers	**265.2**	**261.0**	**+1.6%**

KLEPIERRE

OPERATING PERFORMANCE

Revenues

Gross rental income

In the first quarter of 2019, gross rental income (GRI, Total Share) generated by shopping centers amounted to €304.9 million, compared to €303.7 million for the same period last year. The 0.4% rental increase reflects the impact of solid like-for-like rental growth and the opening of the Hoog Catharijne redevelopment, partly offset by the disposals completed last year for €539 million and foreign exchange effects.

GRI from other retail properties amounted to €6.3 million in the first quarter, a decrease of 1.6% compared to the same period last year, reflecting the impact of 2018 disposals in this portfolio.

Management, administrative and related income (fees) slightly decreased from €21.5 million to €19.5 million, as a result of lower development fees.

Total revenues for the first quarter of 2019 amounted to €330.7 million.

Net rental income

As of March 31, 2019, on a like-for-like basis,(2) net rental income increased by 3.0%, benefiting from strong reversion, indexation, and low levels of both vacancy and bad debt allowance. Net rental income generated by shopping centers totaled €265.2 million, up 1.6% year-on-year on a reported basis (up 0.3% restated for the impact of the first-time implementation of IFRS 16). (4)

Retailer Sales

On a like-for-like basis,(3) total retailer sales at Klépierre's malls rose by 0.3% over the first 3 months of 2019. Overall, after a positive trend in January and February, sales slowed slightly in March due mostly to an unfavorable calendar effect (in 2018, Easter was on April 1st, which boosted the Q1 figures in France and Spain in particular).

While benefiting from the Group's ability to actively upgrade the mix in its malls to generate positive sales growth, retailer sales in some markets reflected an unsupportive economic environment (down 1.3% in Italy; down 1.4% in Germany). In **Scandinavia** (down 2.7%), retailer sales were penalized by temporary shop closures as a result of re-tenanting, adverse weather conditions in February (5 °C warmer than normal) and, to a lesser extent, new competition in Sweden.

In **France**, the negative effect of the "Yellow Vests" protests gradually dissipated over the quarter and retailer sales rose slightly (up 0.2%). **Iberia** (up 2.4%) and **Central Europe & Turkey** (up 5.1%) continue to grow at a strong pace, largely benefiting from the positive re-leasing initiatives undertaken in 2018.

On a segment basis, the strong performances of **Health & Beauty** (up 4.0%) and **Food & Beverage** (up 2.1%) demonstrate the relevance of Klépierre's strategy to transform the retail mix by introducing in its malls the most successful concepts. In a still-competitive market, the **Fashion** segment grew by 0.5%, sustained by the opening of right-sized flagship stores and the reduction of space allocated to fashion boutiques. The Group notably opened several iconic stores with Inditex, H&M and LPP brands, largely contributing to growth in this segment.

Leasing

In the first quarter of 2019, leasing activity remained robust with 403 leases signed, including 348 renewals or re-lettings and 55 first-time leasing contracts. These leases generated €7.7 million in additional minimum guaranteed rents, including €3.0 million from renewed or re-let spaces.

International retailers continued to develop their footprint across Klépierre's pan-European platform. Klépierre signed six contracts with the Inditex Group in the first quarter while Danish discount retailer Normal—which already opened six stores last year in Klépierre malls—recently inaugurated two new stores in Norway, at Amanda (Haugesund) and Nordbyen (Larvik) and will open two new stores in France in 2019. Lastly, retailers opening their first stores at Klépierre malls include Vans or Under Armour.

Over the first three months of 2019, Klépierre continued to upgrade its malls through proactive leasing campaigns and asset transformations. Ten years after its opening, a renewal campaign was recently launched at **Odysseum** (Montpellier, France) and resulted in Calvin Klein Jeans and Desigual opening stores in January.

In addition, the leisure offering was enriched with the arrival of a 960-sq.m. Laser Game Evolution. The extension project currently underway will help bring even more differentiating retailers to this leading shopping center in southern France. At **Créteil Soleil** (Paris region; 21 million annual footfall), following the successful opening of Snipes last August, fast-growing German group Deichmann plans to open another 530-sq.m. store in the second half of 2019, while Mango will double the size of its store to showcase its full product assortments. Since the opening of Victoria's Secret last September, **Porta di Roma** (Rome) continued to attract new international retailers, including Snipes, Stradivarius (770 sq.m.), Benetton, and Chinese mobile phone brand Xiaomi. At **Assago** in Milan—following the transformation of a former hypermarket unit into a new, full-range Zara store (5,700 sq.m.)—the Inditex Group opened other stores, including Bershka, Pull & Bear and Stradivarius, representing a total take-up of nearly 2,300 sq.m.

In **Spain**, as part of the ongoing re-leasing campaign at La Gavia, 15 contracts were signed in the first quarter. The sports offering was notably enhanced with the recent openings of Adidas (330 sq.m.) and JD Sports (430 sq.m.). Lastly, in **Scandinavia**, leasing deal-flow was sustained with 75 contracts signed, including with XXL, the Nordic region's largest sports retailer, which will open a 3,000-sq.m. store later this year at Emporia (Malmö).

DEBT AND FINANCING

Debt

As of March 31, 2019, Klépierre's consolidated net debt amounted to €9.1 billion, an increase of approximately €250 million from the level at December 31, 2018. The increase is mostly attributable to the payment in March of the first installment of the 2018 dividend (€309 million). It also includes capital expenditures as well as share buybacks for €63 million (2,062,502 shares). Disposals completed in the quarter and the first quarter cash-flow partly offset these outflows.

In the first quarter of 2019, Klépierre's average debt duration remained stable (at nearly 6 years), while the cost of net debt continued to decline, to 1.5%. The Group's liquidity position remained strong at €2.3 billion.

DEVELOPMENT

Créteil Soleil (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 to create 11,000 sq.m. of additional space to enrich the mall's offering, with a focus on Leisure and Food & Beverage.

As of March 31, 2019, 91% of the new space is already signed or under advanced negotiations, with brands such as Nike, Beef House, Factory & Co, IT Trattoria, La Cantine Libanaise and El Mercado complementing the extension of the existing UGC cinema (18 screens). A full refurbishment was initiated in Q4 2018, implementing Klépierre's Destination Food® and Clubstore® concepts. Refurbishment works will be completed in Q4 2020.

Gran Reno (Bologna, Italy)

The 16,500-sq.m. extension, complemented by the refurbishment of the existing shopping center, will create a 54,400-sq.m. regional mall with no comparable competition in the wealthiest catchment area in Italy. Together with Klépierre's Destination Food® concept, 70 new brands will be added to the mix, as well as indoor and outdoor event areas in an exciting and attractive new environment.

Pre-leasing activity is progressing well, with 49% of the space signed or under advanced negotiations, notably including Zara, Bershka, Pull & Bear, and Stradivarius. Construction started in April 2019 for an opening in spring 2021.

ACT FOR GOOD®: A PROMISING FIRST YEAR

In late 2017, Klépierre launched its new CSR policy (Act for Good®), including an ambitious 5-year plan to reach several quantified targets. For its first full year of implementation, in 2018, this new policy showed promising results. Highlights include:

"Act for the Planet"

Klépierre's commitments to make a positive contribution to the environment

In 2018, the Group decreased the energy consumption of its portfolio of malls by 17% compared with the level five years earlier, as the average shopping center consumption fell from 143 kWh/sq.m. in 2013 to 118 kWh/sq.m. in 2018. The 2022 target is a 40% reduction. This good performance earned Klépierre—for the second consecutive year—a position in the CDP "A-List" of worldwide leaders in the fight against climate change.

In 2018, 74% of the Klépierre malls achieved at least one type of sustainable building certification. As announced in February 2019, Klépierre became the largest real estate portfolio in the world (by value) to engage in full BREEAM In-Use certification for sustainable management, going beyond the traditional asset per asset approach to adopt a full-portfolio certification.

In addition, Klépierre increased the share of its in-mall waste diverted from landfill, from 75% in 2017 to 90% in 2018, with an objective of 100% in 2022. It had also equipped 56% of its shopping centers with electric car charging stations, with an objective of 100% in 2022.

"Act for Territories"

Klépierre's commitment to create local value in the regions in which it operates, building upon employment, citizen engagement and the future of retail

Klépierre has notably committed to partnering with 100% local service suppliers for the daily operations of its malls by 2022, compared with 80% local suppliers in 2018. In addition, 61% of Klépierre's malls organized clothing, toys or furniture drives for local charities in 2018, and 76% of the malls had an area dedicated to local stakeholders (entrepreneurs, artists, associations, etc.). All Klépierre malls are expected to hold such events annually by 2022.

"Act for People"

Klépierre's commitments to its visitors, its employees and those of its retailers to create value for all within its communities

One of Klépierre commitments made in 2017 was to increase its Net Promoter Score (NPS)—a measure of customer satisfaction—by 3 points by 2022. In 2018, the Group already achieved that target, demonstrating the effectiveness of its customer-centric approach.

Concerning employees, Klépierre committed to increasing the rate of access to training to 100% of its staff by 2022. With a rate of 92% in 2018, the Group is well on track to meet this target.

OUTLOOK CONFIRMED

In 2019, Klépierre expects to generate net current cash flow per share of between €2.72 and €2.75.

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

(2) Like-for-like change excludes the contribution of new spaces (acquisitions, greenfield projects or extensions), spaces being restructured, disposals completed in 2018 and 2019, 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.

(4) Effective January 1, 2019, the new IFRS 16 regulation has modified the way lease payments are accounted for. Concerning net rental income, the major impact of IFRS 16 for Klépierre relates to ground leases, whose costs have almost entirely been transferred from "land expenses" to "change in value of investment properties" and "interest expense on lease liabilities." In the first quarter, this impact added €3.4 million to NRI.

LIKE-FOR-LIKE CHANGE IN RETAILER SALES FIRST QUARTER 2019 VS FIRST QUARTER 2018

Countries	Like-for-like change[a]	Share in total reported retailer sales
France	+0.2%	32%
Belgium	−2.1%	2%
France-Belgium	**+0.1%**	**34%**
Italy	**−1.3%**	**25%**
Norway	−2.5%	6%
Sweden	−3.1%	6%
Denmark	−2.5%	4%
Scandinavia	**−2.7%**	**17%**
Spain	+2.4%	8%
Portugal	+2.4%	3%
Iberia	**+2.4%**	**11%**
Czech Republic	+8.8%	2%
Poland	+0.2%	3%
Hungary	+6.9%	2%
Turkey	+6.1%	2%
CE &Turkey	**+5.1%**	**9%**
Netherlands[b]	**n.a.**	**n.a.**
Germany	**−1.4%**	**3%**
TOTAL	+0.3%	100%

Segments	Like-for-like change[a]	Share in total reported retailer sales
Fashion	+0.5%	37%
Culture, Gifts and Leisure	−1.5%	18%
Health & Beauty	+4.0%	14%
Household Equipment	−1.5%	11%
Food & Beverage	+2.1%	12%
Other	−2.4%	8%
TOTAL	+0.3%	100%

(a) Like-for-like change is on a same-center basis and excludes the impact of asset sales, acquisitions and foreign exchange.
(b) Only recently-opened shops in Hoog Catharijne (Utrecht) report their sales to Klépierre.

TOTAL REVENUES

In €m	Total Share Q1 2019	Total Share Q1 2018	Group Share Q1 2019	Group Share Q1 2018
France	106.7	105.7	86.9	86.5
Belgium	4.4	4.5	4.4	4.5
France-Belgium	**111.1**	**110.3**	**91.3**	**91.0**
Italy	**51.3**	**53.0**	**50.7**	**52.2**
Norway	17.2	17.8	9.6	10.0
Sweden	14.7	15.0	8.2	8.4
Denmark	14.4	14.1	8.1	7.9
Scandinavia	**46.2**	**46.8**	**25.9**	**26.2**
Spain	29.1	27.9	29.1	27.9
Portugal	6.3	5.9	6.3	5.9
Iberia	**35.4**	**33.8**	**35.4**	**33.8**
Czech Republic	8.3	8.4	8.3	8.4
Poland	8.8	8.7	8.8	8.7
Hungary	4.9	6.1	4.8	6.1
Turkey	5.3	6.2	4.8	5.5
Others	0.8	0.8	0.8	0.7
CE & Turkey	**28.1**	**30.2**	**27.6**	**29.4**
Netherlands	**20.3**	**16.6**	**20.3**	**16.6**
Germany	**12.4**	**13.1**	**11.8**	**12.5**
SHOPPING CENTERS GROSS RENTAL INCOME	**304.9**	**303.7**	**263.1**	**261.7**
Other retail properties	6.3	6.4	6.3	6.4
TOTAL GROSS RENTAL INCOME	**311.2**	**310.0**	**269.4**	**268.1**
Management, administrative and related income (fees)	19.5	21.5	18.6	20.5
TOTAL REVENUES	**330.7**	**331.5**	**287.9**	**288.5**
Equity Accounted Investees*	20.9	21.1	20.0	20.2

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

AGENDA

July 8, 2019	Ex-dividend date for the final dividend
July 10, 2019	Final Dividend Payment
July 24, 2019	First-Half 2019 Earnings (after market close)

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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 €24.4 billion at December 31, 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**

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