PRESS RELEASE

BUSINESS REVIEW FOR THE FIRST NINE MONTHS OF 2019

Paris — October 21, 2019

Klépierre, the European leader in shopping malls, today reported its business review for the first nine months of 2019.[(1)] The main highlights include:

- **Shopping center Net Rental Income of €829.3 million, +3.2% on a like-for-like basis[(2)] and +0.7% year on year**
- **Retailer sales +1.9% like-for-like vs. the first 9 months of 2018[(3)]**
- **Sustained leasing activity with 1,224 leases signed, representing €27.9 million in additional minimum guaranteed rents**
- **Average cost of net debt further reduced to below 1.5%**
- **Créteil Soleil extension 99%[(4)] let one month before opening; leasing progressing well at Gran Reno extension (53%pre-leasing rate;[(4)] opening in April 2021)**
- **New confirmation of Klépierre's European leadership in ESG from GRESB and MSCI**
- **Full-year 2019 outlook confirmed: net current cash flow per share of at least €2.76**

Jean-Marc Jestin, Chairman of the Executive Board, commented, *"In a market that remains globally mild, retailer sales are clearly improving in our malls across Europe. They grew by 1.6% year on year in the first half and by 1.9% over the first nine months, which is twice the pace of last year. At the same time, our like-for-like growth in net rental income remains solid at 3.2%, which makes us confident in our ability to meet our 2019 cash-flow guidance and pursue sustainable growth going forward. I am particularly gratified with the significant improvements in our ESG ratings, as proof of the relevance of our Act for Good® strategy and our success at making our malls environmentally and socially responsible, even as they provide a unique showcase for our retailers and a premium lifestyle experience for our consumers."*

KEY FINANCIALS

In € millions, Total Share basis	9M 2019	9M 2018	Reported change	Like-for-like change[(2)]
Gross Rental Income — Shopping centers	917.9	924.1	−0.7%	–
Gross Rental Income — Other retail properties	18.0	19.1	−5.8%	–
Total Gross Rental Income	**935.9**	**943.2**	**−0.8%**	–
Management, Administrative and Other Income (Fees)	61.2	62.5	−2.1%	–
Total Revenues	**997.1**	**1,005.7**	**−0.9%**	–
Net Rental Income — Shopping centers	829.3	823.7	+0.7%	+3.2%

KLEPIERRE

OPERATING PERFORMANCE

Revenues

Gross Rental Income

Over the first nine months of 2019, Gross Rental Income (GRI, Total Share basis) generated by shopping centers amounted to €917.9 million, compared to €924.1 million for the same period last year. The 0.7% rental decrease reflects the impact of disposals completed in 2018 and since the beginning of 2019 as well as foreign exchange effects, partly offset by strong like-for-like rental growth, the opening of another phase of the Hoog Catharijne redevelopment in the Netherlands and the contribution from new spaces acquired last year.

GRI from other retail properties amounted to €18.0 million for the first nine months. The 5.8% decrease compared to the same period last year also reflects the impact of disposals.

Total revenues for the first nine months of 2019 amounted to €997.1 million.

Net Rental Income

As of September 30, 2019, shopping center Net Rental Income (NRI) amounted to €829.3 million, up 0.7% on a reported basis (down 0.6% when restated for the impact of the implementation of IFRS 16 [(5)]) and up 3.2% on a like-for-like basis.[(2)] In the first nine months of 2019, shopping center NRI benefited from a strong reversion rate, indexation, and additional income from specialty leasing while the vacancy and bad debt rates remained broadly stable at low levels.

Retailer Sales

On a like-for-like basis,[(3)] total retailer sales at Klépierre's malls grew by 1.9% in the first nine months compared with the same period last year. The positive trend of the first half of 2019 (1.6% growth) improved during the third quarter (up 2.2%), as retailer sales continued to benefit from active re-tenanting initiatives and asset transformations.

On a geographical basis, **Iberia** and **Central Europe & Other** continued to lead the way with retailer sales growth of 6.2% and 5.6%, respectively; In these markets, all of Klépierre's major malls posted remarkable increases, thanks to favorable economic conditions but also to efficient asset management and leasing initiatives. With 1.5% growth, retailer sales improved in **Italy,** driven by the change in the tenant mix. In **France**, retailer sales (+0.7%) were supported by recent fiscal measures taken by the French government to stimulate purchasing power. In **Scandinavia** (down 1.7% overall in the first nine months), retailer sales stabilized in the third quarter (down 0.4%), partly offsetting the 2.3% decrease in the first half of 2019 thanks to successful efforts to attract differentiating brands, especially in Emporia (Malmö, Sweden) and Field's (Copenhagen, Denmark).

On a segment basis, retailer sales in **Food & Beverage** (up 5.0%) and **Health & Beauty** (up 4.7%) posted outstanding growth rates, thanks mainly to Klépierre's leasing initiatives and the dynamism of these segments in the broader market. The **Fashion** segment grew by 0.9%, a good performance reflecting the Group's effort to focus on winning players able to deploy an omni-channel platform. Lastly, retailer sales growth in **Culture, Gifts & Leisure** (up 0.6%) continued to be driven by the Sports segment (up 6.7%), with notably strong growth rates for JD Sports, Decathlon, Snipes and Sprinter.

Leasing

In the first nine months, 1,224 contracts were signed (including 1,001 for renewals and re-lettings), generating €27.9 million in additional minimum guaranteed rents (of which €9.1 million from renewals and re-lettings).[(6)]

The third quarter was marked by dynamic leasing activity, as Klépierre leveraged the quality of its asset portfolio and its broad geographical footprint in Europe to seize opportunities with **fast-growing retailers**. Chinese smartphone brand Xiaomi recently inaugurated its 8th store at Saint-Lazare (Paris), as well as its 9th store in Klépierre's Polish portfolio at Lublin Plaza. Fast-growing sneaker retailer Snipes (Deichmann group) also accelerated its expansion in Europe with Klépierre. After its highly successful store openings at Créteil Soleil and Val d'Europe, in the third quarter Snipes unveiled two more stores in France (at Arcades in Noisy-Le-Grand and Jaude in Clermont-Ferrand), one in the Netherlands (Alexandrium, Rotterdam) and one in Portugal (Espaço Guimarães, Guimarães). In addition, Klépierre introduced new retailers and concepts. These include the opening of a pop-up store for trendy, Copenhagen-based online sneaker brand ARKK at Field's in August, demonstrating the relevance of a physical store presence for Digitally-Native Vertical Brands (DNVBs). In

September, Hoog Catharijne hosted a Beatles-themed pop-up shop, commemorating the 50th anniversary of the legendary band's most famous album *Abbey Road*.

In **Fashion**, which remains a key segment for attracting consumers, Klépierre continued to enhance its offering while implementing the latest concepts of trendy retailers. In the first nine months, Calzedonia (13 stores), Inditex (ten stores), Tommy Hilfiger (three stores), Lindex (two stores), notably unveiled new stores in Klépierre's malls, while Blackstore—a new concept deployed by Intersport—will open its largest store (1,800 sq.m.) in Portet (Toulouse, France) in 2020.

In the first nine months, Klépierre continued to apply its active re-tenanting strategy across the portfolio to further enhance the attractiveness and leadership positions of its malls in their catchment areas:

- Klépierre's **Emporia** mall in Malmö, Sweden (7 million footfall per year) is a good example of this dynamic re-tenanting strategy. Emporia's recent store openings include Chanel Beauty, Canadian fashion brand Kings & Queens (1,000 sq.m.), Swedish value-for-money retailer ÖOB (1,300 sq.m.), and shoe retailer Bergqvist Skor (430 sq.m.). In addition to these emblematic deals, the mall's food destination district will be extended thanks to the relocation of a former Lindex store and welcome food retailers such as Seven Burgers, Thai Pad, Tokyo 15, Mangal, and Jou San Asian Street Food over a total of 1,600 sq.m. These dynamic leasing operations have greatly contributed to improving Emporia's occupancy rate and merchandising mix.
- **Nový Smíchov** in Prague (20 million footfall) provides another example of Klépierre's re-tenanting strategy. After key anchor openings by Zara, Lindex and Sephora, the mall further enhanced its fashion offering with a new Ecco boutique—boasting a full-height shopfront—and British lingerie brand Boux Avenue. As at Emporia, Klépierre's Destination Food® concept is being rolled-out at Nový Smíchov, with the signature of local concept restaurant—Tradice, French chocolate brand Jeff de Bruges and Asian cuisine Quick Chan and The Thai.

DEBT AND FINANCING

As of September 30, 2019, Klépierre's consolidated net debt amounted to €9.0 billion. The slight increase in the third quarter is due to the payment in July of the second installment of the 2018 dividend (€308 million) and, to a lesser extent, the share buyback program (€30 million, corresponding to the purchase of 1,098,269 shares). Since the beginning of 2019, Klépierre has repurchased 6,189,413 shares for a total amount of €188 million.

Klépierre's average debt duration remained stable at nearly six years, while the average cost of net debt continued to decline to below 1.5%. The Group's liquidity position remained very strong at €2.7 billion.

DEVELOPMENT AND DISPOSALS

Pipeline

Créteil Soleil (Paris region, France)

The extension of Créteil Soleil is advancing on schedule. This project aims to connect the mall to the subway station, as well as create 11,000 sq.m. of additional space to enrich the mall's offering, with a focus on Leisure and Food & Beverage. As of September 30, 2019, 99% of the new space was already signed or under advanced negotiations. New brands joining the mall and complementing the extension of the existing UGC cinema (18 screens) include: Nike, Monki, Stradivarius, Normal, Lego, Five Guys, 100 Montaditos, Beef House, Factory & Co, IT Trattoria, La Cantine Libanaise, El Mercado, Fish'tro and Indiana Café. Refurbishment works are expected to be completed in the 4th quarter of 2020.

Gran Reno (Bologna, Italy)

The 16,700-sq.m. extension, complemented by the refurbishment of the existing shopping center, will create a 55,000-sq.m. regional mall with no comparable competition in the wealthiest catchment area in Italy. Klépierre will also redevelop the upper floor of the hypermarket—totaling 8,500 sq.m.—in order to host new anchors. 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 is progressing well, with 53% of the space signed or under advanced negotiations, notably including Zara, Bershka, Pull & Bear, Stradivarius, New Balance, Napapijri and Tommy Hilfiger. Construction started in April 2019 and the opening is expected in spring 2021.

Disposals

Over the first nine months of 2019, the Group completed disposals totaling €275.0 million (Total Share basis, excluding transfer taxes) as part of its ongoing portfolio streamlining. This amount includes the sale of seven malls (four in Portugal, one in the Czech Republic, one in France and one in the Netherlands) and other properties.

Including assets under promissory agreements—mainly four shopping centers in Hungary—total disposals since January 1, 2019, amount to €531.0 million (excluding transfer taxes).

ACT FOR GOOD®: KLÉPIERRE ONCE AGAIN RECOGNIZED FOR ITS EUROPEAN LEADERSHIP IN ESG

In September 2019, Klépierre obtained a score of 93/100 from GRESB, the leading non-financial rating agency in the real estate sector. This score represents an 8-point increase from 2018 and positions Klépierre in second place among retail property companies, 5th in Europe among listed property companies (all asset classes combined), and 28th worldwide among all types of property owners in terms of Environmental, Social and Governance (ESG) policies.

In addition, Klépierre's ESG rating was recently upgraded to "AA" from "A" by MSCI with top scores for corporate governance and green building.

Together with the inclusion of Klépierre in CDP's "A" List of global leaders in the fight against climate change, these distinctions demonstrate the effectiveness of Klépierre's Act for Good® strategy—a strategy that aims to reduce the Group's carbon footprint, increase its contribution to local dynamics, and promote individual satisfaction and well-being. These commitments are integrated in Klépierre's daily operations and will contribute to creating long-term value for all of the Groups' stakeholders.

OUTLOOK CONFIRMED

In 2019, Klépierre expects to generate net current cash flow per share of at least €2.76.

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(1) None of the figures disclosed in this press release have 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) In percentage of GLA, signed or in advanced negotiations.

(5) 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." Over the first nine months of 2019, this impact added €10.3 million to NRI.

(6) Excluding the contribution from extensions and greenfield projects.

LIKE-FOR-LIKE CHANGE IN RETAILER SALES
FIRST NINE MONTHS OF 2019 VS FIRST NINE MONTHS OF 2018

Countries	Like-for-like change[(a)]	Share in total reported retailer sales
France	+0.7%	33%
Belgium	−0.4%	2%
France-Belgium	**+0.6%**	**35%**
Italy	**+1.5%**	**25%**
Norway	−1.9%	7%
Sweden	−1.9%	6%
Denmark	−1.0%	4%
Scandinavia	**−1.7%**	**17%**
Spain	+5.9%	8%
Portugal	+7.2%	2%
Iberia	**+6.2%**	**10%**
Czech Republic	+8.3%	2%
Poland	+3.2%	3%
Hungary	+4.6%	2%
Turkey	+6.9%	2%
CE and Other	**+5.6%**	**9%**
Netherlands[(b)]	**n.m.**	**n.m.**
Germany	**+3.0%**	**3%**
TOTAL	+1.9%	100%

Segments	Like-for-like change[(a)]	Share in total reported retailer sales
Fashion	+0.9%	39%
Culture, Gifts and Leisure	+0.6%	18%
Health & Beauty	+4.7%	14%
Household Equipment	+2.1%	10%
Food & Beverage	+5.0%	12%
Other	+0.2%	8%
TOTAL	+1.9%	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		Group Share	
	9M 2019	**9M 2018**	**9M 2019**	**9M 2018**
France	323.3	322.4	263.7	263.3
Belgium	14.2	14.2	14.2	14.2
France-Belgium	**337.5**	**336.7**	**277.9**	**277.5**
Italy	**154.0**	**160.2**	**152.2**	**157.7**
Norway	52.0	53.5	29.2	30.0
Sweden	43.5	44.9	24.4	25.2
Denmark	43.9	42.9	24.6	24.0
Scandinavia	**139.4**	**141.2**	**78.2**	**79.2**
Spain	87.9	83.8	87.9	83.8
Portugal	15.9	17.7	15.9	17.7
Iberia	**103.8**	**101.5**	**103.8**	**101.5**
Czech Republic	24.9	25.2	24.9	25.2
Poland	26.4	26.0	26.4	26.0
Hungary	14.8	18.8	14.7	18.8
Turkey	14.8	17.9	13.4	16.1
Others	2.6	2.3	2.6	2.3
CE and Other	**83.5**	**90.2**	**82.1**	**88.4**
Netherlands	**60.5**	**54.8**	**60.5**	**54.8**
Germany	**39.2**	**39.5**	**37.3**	**37.6**
SHOPPING CENTERS GROSS RENTAL INCOME	**917.9**	**924.1**	**792.0**	**796.7**
Other retail properties	18.0	19.1	18.0	19.1
TOTAL GROSS RENTAL INCOME	**935.9**	**943.2**	**810.0**	**815.8**
Management, administrative and related income (fees)	61.2	62.5	58.5	59.9
TOTAL REVENUES	**997.1**	**1,005.7**	**868.6**	**875.7**
Equity Accounted Investees*	63.2	62.7	60.4	60.0

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

AGENDA

February 5, 2020	2019 Full-Year Earnings (after market close)
April 30, 2020	Annual General Meeting

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ABOUT KLÉPIERRE

Klépierre, the European leader in shopping malls, combines development, property and asset management skills. The company's portfolio is valued at €24.0 billion at June 30, 2019 and comprises large shopping centers in 16 countries in Continental Europe which together host 1.1 billion visits 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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