**FIRST PROSPECTUS SUPPLEMENT DATED 14 SEPTEMBER 2018 TO THE BASE PROSPECTUS DATED 15 MAY 2018**

**KLEPIERRE**

**€ 7,000,000,000**
**EURO MEDIUM TERM NOTE PROGRAMME**

This supplement (the "**First Prospectus Supplement**") is supplemental to, and should be read in conjunction with the Base Prospectus dated 15 May 2018 (the "**Base Prospectus**") prepared in relation to the €7,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of Klépierre (the "**Issuer**"). The Base Prospectus as so supplemented constitutes a base prospectus for the purpose of the Directive 2003/71/EC as amended (the "**Prospectus Directive**"). The *Autorité des marchés financiers* (the "**AMF**") has granted visa no. 18-178 on 15 May 2018 on the Base Prospectus.

Application has been made for approval of the First Prospectus Supplement to the AMF in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

This First Prospectus Supplement constitutes a supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive and has been prepared for the purposes of incorporating by reference the English language 2018 Half Year Financial Report for the period ending 30 June 2018 which has been filed with the AMF ("**2018 HYFR**"). As a result, modifications to the "*Résumé en français* (French language summary)", "Summary of the Programme", "Documents Incorporated by Reference", "Recent Developments" and "General Information" sections of the Base Prospectus have been made.

Save as disclosed in this First Prospectus Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Prospectus Supplement.

To the extent that there is any inconsistency between (a) any statement in this First Prospectus Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

Copies of this First Prospectus Supplement (a) may be obtained, free of charge, at the registered office of the Issuer during normal business hours and (b) will be available (*x*) on the website of the Issuer (www.klepierre.com) and (*y*) on the website of the AMF (www.amf-france.org) and (*z*) during usual business hours on any weekday

(Saturdays, Sundays and public holidays excepted) for collection at the specified office of the Paying Agent(s), so long as any of the Notes are outstanding.

This First Prospectus Supplement has been prepared pursuant to Article 16.1 of the Prospectus Directive and Article 212-25 of the AMF's *Règlement Général* for the purpose of giving information with regard to the Issuer and the Notes to be issued under the Programme additional to the information already contained or incorporated by reference in the Base Prospectus.

In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Notes to the public, investors who have already agreed to purchase or subscribe for Notes before this First Prospectus Supplement is published have the right, exercisable within two working days after the publication of this First Prospectus Supplement, i.e. until 18 September 2018 to withdraw their acceptances.

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## *RESUME EN FRANCAIS* (FRENCH LANGUAGE SUMMARY)

The section *Résumé en français* (French language summary) set out on pages 5 to 21 of the Base Prospectus is amended as follows:

The section B.12 appearing on pages 9 and 10 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

| | |
|---|---|
| **B.12** | **Informations financières historiques clés sélectionnées** |

| ***Compte de Résultat*** *(en millions d'euros)* | **30/06/2018** | **30/06/2017** | **31/12/2017** | **31/12/2016** |
|---|---|---|---|---|
| Revenus locatifs | 627.1 | 611.7 | 1,236.0 | 1,214.0 |
| Loyers nets | 554.4 | 541.5 | 1,105.6 | 1,083.4 |
| Résultat opérationnel | 881.9 | 904.7 | 1,827.5 | 1,822.8 |
| Résultat avant impôts | 835.5 | 853.5 | 1,717.0 | 1,702.5 |
| **Résultat net de l'ensemble consolidé** | **759.6** | **711.0** | **1,497.8** | **1,476.9** |
| dont Part du Groupe | 618.8 | 570.4 | 1,228.6 | 1,191.3 |

| ***Bilan*** *(en millions d'euros)* | **30/06/2018** | **30/06/2017** | **31/12/2017** | **31/12/2016** |
|---|---|---|---|---|
| Actifs non-courants | 24,194.0 | 23,425.9 | 23,784.6 | 22,915.4 |
| Actifs courants | 829.2 | 1,268.8 | 1,361.2 | 1,421.7 |
| **Total actif** | **25,023.1** | **24,694.7** | **25,145.8** | **24,337.1** |
| Capitaux propres | 12,806.8 | 12,352.0 | 12,960.4 | 12,536.2 |
| Passifs non-courants | 9,164.2 | 9,040.4 | 9,124.6 | 8,364.4 |
| Passifs courants | 3,052.1 | 3,302.4 | 3,060.7 | 3,436.5 |
| **Total passif** | **25,023.1** | **24,694.7** | **25,145.8** | **24,337.1** |

| | **30/06/2018** | **30/06/2017** | **31/12/2017** | **31/12/2016** |
|---|---|---|---|---|
| **Trésorerie nette** *(en millions d'euros)* | -6.6 | 243.5 | 434.5 | 467.9 |
| **Endettement net** *(en millions d'euros)* | 9,153 | 9,134 | 8,978 | 8,613 |
| **Effectifs** | **1,178** | **1,203** | **1,200** | **1,234** |

A la connaissance de l'Émetteur, depuis la date de ses derniers états financiers en date du 31 décembre 2017, il n'y a eu aucune détérioration significative susceptible de répercussions sur ses perspectives.

A la connaissance de l'Émetteur, depuis la date de ses derniers états financiers en date du 30 juin 2018, il n'est survenu aucun changement significatif dans la situation financière et commerciale de l'Émetteur.

## SUMMARY OF THE PROGRAMME

The section Summary of the Programme set out on pages 22 to 37 of the Base Prospectus is amended as follows:

The section B.12 appearing on pages 26 and 27 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

| | | |
|---|---|---|
| **B.12** | **Selected historical key financial information** | see tables and statements below |

| ***Income statement*** *(in millions euros)* | **30/06/2018** | **30/06/2017** | **31/12/2017** | **31/12/2016** |
|---|---|---|---|---|
| Lease income | 627.1 | 611.7 | 1,236.0 | 1,214.0 |
| Net lease income | 554.4 | 541.5 | 1,105.6 | 1,083.4 |
| Operating income | 881.9 | 904.7 | 1,82705 | 1,822.8 |
| Pre-tax earnings | 835.5 | 853.5 | 1,717.0 | 1,702.5 |
| **Net income of consolidated entities** | **759.6** | **711.0** | **1,497.8** | **1,476.9** |
| Of which Group share | 618.8 | 570.4 | 1,228.6 | 1,191.3 |

| ***Balance sheet*** *(in millions euros)* | **30/06/2018** | **30/06/2017** | **31/12/2017** | **31/12/2016** |
|---|---|---|---|---|
| Non-current assets | 24,194.0 | 23,425.9 | 23,784.6 | 22,915.4 |
| Current assets | 829.2 | 1,268.8 | 1,361.2 | 1,421.7 |
| **Total assets** | **25,023.1** | **24,694.7** | **25,145.8** | **24,337.1** |
| Shareholder's equity | 12,806.8 | 12,352.0 | 12,960.4 | 12,536.2 |
| Non-current liabilities | 9,164.2 | 9,040.4 | 9,124.6 | 8,364.4 |
| Current liabilities | 3,052.1 | 3,302.4 | 3,060.7 | 3,436.5 |
| **Total liabilities** | **25,023.1** | **24,694.7** | **25,145.8** | **24,337.1** |

| | **30/06/2018** | **30/06/2017** | **31/12/2017** | **31/12/2016** |
|---|---|---|---|---|
| **Net cash & near cash** *(in millions euros)* | -6.6 | 243.5 | 434.5 | 467.9 |
| **Net debt** *(in millions of euros)* | 9,153 | 9,134 | 8,978 | 8,613 |
| **Staff** | **1,178** | **1,203** | **1,200** | **1,234** |

To the best of the Issuer's knowledge, since its last financial statements dated 31 December 2017 there has been no material adverse change in the prospects of the Issuer.

To the best of the Issuer's knowledge, since its last financial statements dated 30 June 2018 there has been no significant change in the financial or trading position of the Issuer.

# DOCUMENTS INCORPORATED BY REFERENCE

The section Documents Incorporated by Reference set out on pages 51 to 55 of the Base Prospectus is hereby deleted in its entirety and replaced with the following:

This Base Prospectus shall be read and construed in conjunction with the following documents which have been previously published and filed with the AMF and which are incorporated in, and shall be deemed to form part of, this Base Prospectus for the information referred to in the cross-reference list below:

(i) The English language 2018 Half Year Financial Report (the "**2018 HYFR**") of the Issuer which was filed with the AMF on 3 August 2018;

(ii) the English translation of the 2017 registration document of the Issuer for the financial year ending 31 December 2017 (the "**2017 Registration Document**"), which was filed with the AMF in its original French language version on 15 March 2018 under the registration number no. D.18-0134, except for the third sentence of the "*Statement of the person responsible for the registration document which serves as the annual financial report*", referring, *inter alia*, to the completion letter obtained from the statutory auditors of the Issuer, on page 296 of the 2017 Registration Document;

(iii) the English translation of the 2016 registration document of the Issuer for the financial year ending 31 December 2016 (the "**2016 Registration Document**"), which was filed with the AMF in its original French language version on 10 March 2017 under the registration number no. D.17-0143, except for the third sentence of the "*Statement of the person responsible for the registration document which serves as the annual financial report*", referring, *inter alia*, to the completion letter obtained from the statutory auditors of the Issuer, on page 306 of the 2016 Registration Document;

(iv) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 1 April 2010 which received visa no. 10-081 from the AMF on 1 April 2010 (the "**2010 Conditions**");

(v) the section "Terms and Conditions of the Notes" contained in the base prospectus dated 27 April 2012 which received visa no. 12-187 from the AMF on 27 April 2012 (the "**2012 Conditions**");

(vi) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 25 April 2014 which received visa no. 14-161 from the AMF on 25 April 2014 (the "**2014 Conditions**");

(vii) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 24 March 2015 which received visa no. 15-108 from the AMF on 24 March 2015 (the "**2015 Conditions**");

(viii) the section "Terms and Conditions of the Notes" contained in the base prospectus of the Issuer dated 6 April 2016 which received visa no. 16-122 from the AMF on 6 April 2016 (the "**2016 Conditions**"); and

(ix) the section "Terms and Conditions" of the Notes contained in the base prospectus of the Issuer dated 7 April 2017 which received visa no. 17-148 from the AMF on 7 April 2017 (the "**2017 Conditions**" and, together with the 2010 Conditions, the 2012 Conditions, the 2014 Conditions, the 2015 Conditions and the 2016 Conditions, the "**EMTN Previous Conditions**").

The EMTN Previous Conditions are incorporated by reference in this Base Prospectus for the purposes only of further issues of Notes to be assimilated (*assimilables* for the purpose of French law) and form a single Series with Notes already issued under the relevant EMTN Previous Conditions. Any information contained in the documents listed above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

All documents incorporated by reference in this Base Prospectus may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agent set out at the end of this Base Prospectus during normal business hours so long as any of the Notes are outstanding. Such documents will also be published on the website of the Issuer (www.klepierre.com). Such documents, except for the 2018 HYFR, will also be published on the website of the AMF (www.amf-france.org).

The information incorporated by reference in this Base Prospectus shall be read in connection with the cross-reference lists below. The information incorporated by reference that is not included in the cross-reference lists is considered as additional information and is not required by the relevant schedules of the Commission Regulation EC/809/2004, as amended.

**Cross-reference list in respect of the 2016 Registration Document, the 2017 Registration Document and the 2018 HYFR**

| Information incorporated by reference | Page number | | |
|---|---|---|---|
| | **2016 Registration Document** | **2017 Registration Document** | **2018 Half Year Financial Report** |
| ***(Annexes IV and IX of the European Regulation 809/2004/EC of 29 April 2004, as amended)*** | | | |
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| Non-consolidated accounts<br>- Balance sheet | 133-134 | 133-134 | |
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| | | | |
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| 7.5 Credit rating assigned to the Issuer | Not Applicable | 29, 65 | 22 |

**Cross-reference list in respect of the EMTN Previous Conditions**

| | |
|---|---|
| **2010 Base Prospectus (visa no. 10-081 dated 1 April 2010)** | |
| Terms and Conditions of the Notes | Pages 21 to 50 |
| **2012 Base Prospectus (visa no. 12-187 dated 27 April 2012)** | |
| Terms and Conditions of the Notes | Pages 40 to 71 |
| **2014 Base Prospectus (visa no. 14-161 dated 25 April 2014)** | |
| Terms and Conditions of the Notes | Pages 45 to 72 |
| **2015 Base Prospectus (visa no. 15-108 dated 24 March 2015)** | |
| Terms and Conditions of the Notes | Pages 49 to 78 |
| **2016 Base Prospectus (visa no. 16-122 dated 6 April 2016)** | |
| Terms and Conditions of the Notes | Pages 54 to 89 |
| **2017 Base Prospectus (visa no. 17-148 dated 7 April 2017)** | |
| Terms and Conditions of the Notes | Pages 53 to 86 |

## RECENT DEVELOPMENTS

The section Recent Developments set out on pages 135 to 143 of the Base Prospectus is completed by the following press release published by the Issuer on 26 July 2018:

PRESS RELEASE

# FIRST-HALF 2018 EARNINGS

**Paris – July 26, 2018**

Klépierre, the pan-European leader in shopping malls, today reported earnings for the six months ended June 30, 2018.[1] The main highlights include:

- **Net current cash flow per share +7.8% vs. first half 2017 at €1.31**
- **Shopping center Net Rental Income +3.2% like-for-like,[2] outperforming indexation by 200 bps**
- **Retailer sales +1.4%[3] like-for-like**
- **Cost of debt further reduced by 30 bps vs. June 30, 2017 to 1.6%**
- **Property portfolio valued at €24.6bn,[4] +2.9% like-for-like over 12 months[2]**
- **EPRA Net Asset Value at €39.50, +6.8%[5] over 12 months**
- **Disposals since January 1, 2018 totaling €316.5 million[6]**
- **Immediate success for new Prado mall (Marseille) opened end March**
- **Initial cash-flow guidance for full-year 2018 raised to at least €2.62 per share from €2.57–€2.62**

**Jean-Marc Jestin, Chairman of the Klépierre Executive Board, commented,** *"In the first half, Klépierre's teams continued to demonstrate their ability to outperform the market in a polarizing retail environment. This strong performance — as illustrated by our 7.8% increase in net current cash flow per share, exceeding our initial forecast — is the result of our strategy to constantly implement the best of retail in our malls, to create preferred destinations for our retailers and customers, and to enhance the quality of our shopping mall portfolio through refurbishment and extension projects. Thanks to the exceptional level of our leasing deal flow and operating indicators, supported by our continued financial discipline, we are raising our full-year guidance for 2018 and are confident in our ability to sustain growth in the years to come."*

## KEY FINANCIALS

| | 06/30/2018 | 06/30/2017 | Change | LfL Change[2] |
|---|---|---|---|---|
| *In € millions, Total Share* | | | | |
| Total revenues | 668.9 | 654.5 | 2.2% | – |
| Net Rental Income (NRI), shopping centers | 542.2 | 527.1 | 2.9% | 3.2% |
| Property portfolio valuation (incl. transfer taxes) | 24,594 | 23,913 | 2.8% | 2.9% |
| Net debt | 9,153 | 9,134 | 0.2% | – |
| Loan-to-Value (LTV) | 37.20% | 38.20% | -100 bp | – |
| *In €, Group Share* | | | | |
| EPRA Net Asset Value (NAV) per share | 39.50 | 37.00 | 6.8% | – |
| Net current cash flow per share | 1.31 | 1.22 | 7.8% | – |

KLEPIERRE

## OPERATING PERFORMANCE

### Retailer Sales

On a like-for-like basis,[3] total retailer sales at Klépierre's malls rose by 1.4% in the first half of 2018, compared with the same period last year. Over the first 5 months of the year, they outperformed aggregated national retailer sales indices by 100 basis points.[7] The dynamic economic climate in most European markets and successful re-tenanting initiatives supported sales growth and offset the impact of adverse weather conditions.

On a geographic basis, retailer sales rose by 2.4% in France, with the overall performance benefiting from the extension of Val d'Europe (near Paris). Iberia remained buoyant (+4.1%), while sales growth in Germany accelerated (+2.9%), driven by the successful leasing initiatives at Forum Duisburg (near Dusseldorf; +5.3%) and Centrum Galerie (Dresden; +6.0%). CEE & Turkey (+5.8%) continued to post solid gains, despite the Sunday trading ban in Poland. In Italy, retailer sales were down by 2.7% in the first half, mainly due to the impact of adverse weather conditions, uncertain political context and to a lesser extent some competitive pressure.

On a segment basis, Food & Beverage (+6.0%) and Health & Beauty (+5.3%) continued to grow steadily, reflecting both the structural outperformance of these segments and Klépierre's efforts to introduce the most successful brands and deploy its Destination Food® concept. Culture, Gifts & Leisure (+1.9%) continued to benefit from the deployment of the Sports and Jewelry segments, more than offsetting the poor performance of toy retailers. On the other hand, extreme weather conditions in the first half had a negative impact on fashion sales (–0.4%), especially in Italy.

### Leasing

Klépierre registered another dynamic first half in terms of leasing, with 958 leases signed (close to last year's record of 972). Of these, 809 leases were renewed or re-let at an average reversion rate of 11.1%. Overall, new leases represented €19.1 million in additional annual Minimum Guaranteed Rents (MGR; excluding extensions and greenfield projects). The EPRA vacancy rate declined to 3.2% from 3.4% in June 2017. At the same time, the bad debt rate remained at a low 1.6%, with Germany and the Netherlands decreasing by 60 bps and 40 bps respectively. These operational improvements confirmed the relevance of Klépierre's portfolio.

The first half once again demonstrated Klépierre's ability to use key account management to leverage its unique pan-European leasing platform and offer retailers opportunities to deploy their latest concepts throughout Europe. Brands such as Søstrene Grene, Normal, Deichmann, Vodafone, Sephora, Nespresso, Harmont & Blaine, and Rituals will continue to enrich Klépierre's retailer mix by opening new stores. The Sports segment remained extremely dynamic, with brands such as Courir, JD Sports, Skechers, Snipes, and The North Face pursuing their development. Lastly, new brands have started to deploy in Klépierre's malls, including Monki, & Other Stories, Arket, Ray-Ban, and Xiaomi.

### Net Rental Income

Net Rental Income (NRI) generated by shopping centers amounted to €542.2 million for the first six months of 2018, up 2.9% on a current-portfolio, Total-Share basis compared to the same period in 2017. This good performance takes into account:

- A €16.0-million increase in NRI on a like-for-like basis (+3.2%),[2] driven by indexation (+1.2%), a solid reversion rate and higher income from specialty leasing;
- A €2.7 million positive scope impact as the contribution from Nueva Condomina in Spain (acquired in the first half of 2017) and recent pipeline developments more than offset the impact of disposals;
- A negative €3.5-million foreign exchange impact, mainly related to Sweden and Norway.

## CASH FLOW AND PORTFOLIO VALUATION

### Net Current Cash Flow

In the first half of 2018, net current cash flow per share amounted to €1.31, a 7.8% increase compared with the first half 2017. This strong performance reflects the following:

- **Net Rental Income** increased by 2.4% on a Total-Share basis, thanks to the 2.9% growth for shopping centers (+3.2% like-for-like);

- **Operating cash flow** increased by 2.6% on a Total-Share basis, outpacing Net Rental Income, thanks to further reductions in payroll and other general expenses;
- The **net cost of debt** decreased by €5.5 million to €72.0 million on a Total-Share basis, bringing the average cost of debt down to 1.6% (a 30-bp reduction year-on-year). This improvement reflects recent refinancing initiatives;
- **Tax expense** declined by €1 million to €15.9 million on a Total-Share basis thanks to the adoption of the SOCIMI regime in Spain for some shopping centers;
- The reduction in the **average number of Klépierre shares** outstanding (−2.7% to 301 million) as a result of the ongoing share repurchase plan.

### Portfolio Valuation

On a Total-Share basis, including transfer taxes, Klépierre's total portfolio valuation at June 30, 2018 amounted to €24,594 million, a 2.9% like-for-like increase over 12 months. The EPRA Net Initial Yield of the shopping center portfolio amounted to 4.8% at the end of June 2018, stable compared to the June 2017 level.

### EPRA Net Asset Value (NAV)

EPRA NAV per share amounted to €39.50 at the end of June 2018, versus €37.00 one year earlier. This improvement reflects net current cash flow generation (+€2.60 per share) and the increase in the value of the like-for-like portfolio (+€1.80), partly offset by the dividend payment (-€1.96). Foreign exchange and other effects had a limited impact (+€0.10).[5]

## DEBT AND FINANCING

### Debt

At June 30, 2018, Klépierre's consolidated net debt stood at €9,153 million, compared to €8,978 million at December 31, 2017. The €175-million increase mainly reflects the seasonal effect of the full-year 2017 dividend payment in April 2018, which was disbursed for the last time in a single installment.[6] As a result, the Loan-to-Value (LTV) ratio increased by 40 bps, to 37.2%, from December 2017 to June 30, 2018. On a year-on-year basis, however, net debt was stable and LTV was reduced by 100 bps (from 38.2% at June 30, 2017). This illustrates the strict financial discipline of Klépierre, whose long-term LTV target is between 35% and 40%.

### Financing

Klépierre's average cost of debt has continued to decrease in the first half, at 1.6% compared to 1.9% at June 30, 2017. It continues to benefit from the low level of short-term interest rates and from the attractive refinancing conditions secured by Klépierre. Assuming unchanged market conditions and projecting its current debt structure with planned refinancing transactions, Klépierre expects its cost of debt to remain low over the next three years thanks to its interest rate hedging strategy.

In the first half, Klépierre increased its liquidity position to €2.0 billion as of June 30, 2018 through the renegotiation of several bilateral and syndicated banking facilities. The new facilities were secured at better terms, allowing Klépierre to keep the average duration of its total debt virtually stable, at 6.2 years as of June 30, 2018 (vs. 6.3 years at December 31, 2017).

### Share Buyback Program

Concerning the €500-million share buyback program announced on March 13, 2017: at the end of June 2018 Klépierre had repurchased 11,691,968 of its own shares at an average price of €35.64 per share; of the total investment of €417 million, €67 million was in the first half of 2018. Between June 30 and July 20, 2018, Klépierre purchased an additional 654,265 of its own shares, representing a further investment of €21 million.

## DEVELOPMENT PIPELINE AND ASSET ROTATION

### Development Pipeline

Klepierre's development pipeline, after the opening of Prado in March 2018, stand at €2.9-billion and is designed to ensure tomorrow's growth with a reasonable risk profile. Considering retailers' limited demand for greenfield projects, Klépierre's strategy focuses primarily on extensions, which account for 80% of its pipeline in value terms. Through this strategy, the Group aims to transform its shopping malls, while reinforcing the malls' leadership positions in their respective catchment areas.

### Hoog Catharijne (€438 million investment,[9] yield-on-cost of 6.4%)[10]

Located in Utrecht, Hoog Catharijne is the most-visited mall in the Netherlands. The construction works related to this large-scale redevelopment have been conducted in several phases and are expected to be fully completed by the end of 2019. The latest phase of the project (fully let) was delivered in March 2018 and consists of a new connection from Utrecht's central train station — which hosts 88 million passengers per year — to the heart of the mall and city center. Since opening this latest phase, footfall at Hoog Catharijne has increased by 12% to reach 26.9 million. The next redevelopment phase is the "South Mile," an 11,200-sq.m. retail space to be delivered by the end of 2018. It will add new brands to the mall's retail mix, including Guess, Levi's, Pandora and Ray Ban. The "City Square" — the new heart of the mall, organized around Klépierre's Destination Food® concept — will be completed as part of this phase, and include Starbuck's, Comptoir Libanais and Leon, as well as new concepts such as leading Turkish coffee brand Mado and Bistrot Bakery. Overall, the leasing rate for the entire mall currently amounts to 82%.

### Créteil Soleil (€134 million investment,[9] yield-on-cost of 5.7%)[10]

The extension of Créteil Soleil is advancing according to plan and is expected to be completed by the end of 2019. The 11,500-sq.m. extension is located at the main entrance of the shopping center, which welcomes 35% of the mall's 20.3 million in footfall. Spread over three floors, the extension will create an outstanding connection between the subway station and the heart of the mall. The program consists of creating 18 new retail premises, 15 restaurants, and 6 additional screens for the existing 12-screen cinema. The shopping experience will be considerably improved, leveraging synergies between the Food & Beverage area and the cinema. Leasing is progressing well, with 57% of the new space already signed or in advanced negotiations. This extension will be complemented by a full refurbishment, due to start in the 4th quarter of 2018. The Destination Food® concept will notably be implemented, with the existing food offering combined with the new extension area to provide visitors with a total of 35 restaurants in a welcoming and exciting new environment.

### Disposals

Since January 1, 2018, Klépierre has completed a total of €310.0 million[11] worth of disposals. This amount includes the disposals of Grand Vitrolles in Marseille (France) and Gran Via de Hortaleza in Madrid (Spain) to Carmila for €202.8 million.

Additionally, Klépierre sold a development plot in Cologne, Germany and other properties in Europe for a total amount of €107.2 million.

As of June 30, 2018, and taking into account sale promissory agreements, Klépierre's total disposals amounted to €316.5 million.

## OUTLOOK

For the full year 2018, Klépierre expects to generate net current cash flow per share of at least €2.62 (i.e., an increase of at least 5.6% compared to 2017). This compares with the Group's initial guidance for the year of €2.57–€2.62. The upward revision reflects Klépierre's sound business evolution over the first half of 2018. Based on recent leasing activity, Klépierre expects to maintain a sustained level of rental growth during the second half of the year.

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(1) The half-year consolidated financial statements were subject to review procedures by the Company's statutory auditors. The review report on the half-year financial information is to be issued shortly.
(2) Like-for-like change is on a same-center basis and excludes the contribution from acquisitions, new centers and extensions, spaces under restructuring, disposals completed since January 2017, 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) Total-Share basis, including transfer taxes.
(5) Figures rounded to the nearest 10 cents, except for the dividend.
(6) Completed or under promissory agreements; disposals (Total-Share basis, excluding transfer taxes) since January 1, 2018.

(7) Compound index based on the following national retailer indices weighted by the share of each country in Klépierre's total NRI. France: CNCC, Italy: ISTAT, Germany: Destatis, Spain: INE, Portugal: INE, Norway: Kvarud, Sweden: HUI, Denmark: Denmark statistik, Poland: PRCH, Hungary: KSH, Czech Republic: CZSO, the Netherlands: CBS; Turkey: AYD.
(8) Starting in 2019 for the dividend pertaining to fiscal year 2018, the dividend will be paid in two installments. For more information, please refer to the full-year 2017 earnings press release issued on February 7, 2018 and available on the Klépierre website at: http://www.klepierre.com/content/uploads/2018/02/PR_KLEPIERRE_2017_FY_EARNINGS_2017_FINAL.pdf
(9) 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.
(10) 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.
(11) On a Total Share basis, excluding transfer taxes.

## RETAILER SALES LIKE-FOR-LIKE CHANGE FOR THE FIRST-HALF OF 2018

| Countries | Like-for-Like change[a] | Share in Total Reported Retailer Sales |
|---|---|---|
| France | +2.4% | 30% |
| Belgium | −2.9% | 2% |
| **France-Belgium** | **+2.1%** | **31%** |
| **Italy** | **−2.7%** | **25%** |
| Norway | +0.3% | 9% |
| Sweden | +0.4% | 7% |
| Denmark | −3.2% | 4% |
| **Scandinavia** | **−0.4%** | **20%** |
| Spain | +3.4% | 8% |
| Portugal | +5.7% | 3% |
| **Iberia** | **+4.1%** | **11%** |
| Poland | 0.0% | 3% |
| Hungary | +10.8% | 3% |
| Czech Republic | +1.0% | 1% |
| Turkey | +12.6% | 2% |
| **CEE and Turkey** | **+5.8%** | **8%** |
| **The Netherlands[b]** | **n.s.** | **n.s.** |
| **Germany** | **+2.9%** | **3%** |
| **TOTAL** | **+1.4%** | **100%** |

| Segments | Like-for-like change[a] | Share in total reported retailer sales |
|---|---|---|
| Fashion | −0.4% | 40% |
| Culture, gift, and leisure | +1.9% | 17% |
| Health & Beauty | +5.3% | 13% |
| Household equipment | −0.1% | 11% |
| Food & Beverage | +6.0% | 11% |
| Others | −1.0% | 8% |
| **TOTAL** | **+1.4%** | **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 a few Dutch retailers report their sales to Klépierre.

## TOTAL REVENUES

| | Total Share | | Group Share | |
|---|---|---|---|---|
| *In €m* | 06/30/2018 | 06/30/2017 | 06/30/2018 | 06/30/2017 |
| France | 214.4 | 208.5 | 175.0 | 171.3 |
| Belgium | 9.2 | 9.0 | 9.2 | 9.0 |
| **France-Belgium** | **223.5** | **217.6** | **184.2** | **180.4** |
| **Italy** | **106.4** | **104.4** | **104.7** | **102.8** |
| Norway | 35.9 | 36.4 | 20.1 | 20.4 |
| Sweden | 30.2 | 31.8 | 16.9 | 17.8 |
| Denmark | 28.7 | 28.5 | 16.1 | 16.0 |
| **Scandinavia** | **94.8** | **96.8** | **53.2** | **54.3** |
| Spain | 55.6 | 47.2 | 55.6 | 45.7 |
| Portugal | 11.5 | 10.9 | 11.5 | 10.9 |
| **Iberia** | **67.2** | **58.1** | **67.2** | **56.6** |
| Poland | 17.2 | 17.2 | 17.2 | 17.2 |
| Hungary | 12.5 | 10.9 | 12.5 | 10.8 |
| Czech Republic | 16.6 | 15.1 | 16.6 | 15.1 |
| Turkey | 13.1 | 16.6 | 11.8 | 15.3 |
| Others | 1.5 | 1.4 | 1.5 | 1.3 |
| **CEE and Turkey** | **60.9** | **61.2** | **59.6** | **59.8** |
| **The Netherlands** | **35.4** | **31.5** | **35.4** | **31.5** |
| **Germany** | **26.2** | **27.3** | **24.9** | **26.0** |
| **SHOPPING CENTERS GROSS RENTAL INCOME** | **614.4** | **596.8** | **529.2** | **511.3** |
| Other retail properties | 12.7 | 14.8 | 12.7 | 14.8 |
| **TOTAL GROSS RENTAL INCOME** | **627.1** | **611.7** | **542.0** | **526.1** |
| Management, administrative and related income (fees) | 41.8 | 42.8 | 40.1 | 41.0 |
| **TOTAL REVENUES** | **668.9** | **654.5** | **582.0** | **567.1** |
| Equity Accounted Investees* | 41.9 | 44.1 | 40.0 | 42.2 |

* 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 €m* | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| France | 99.1 | 93.4 | 93.3 | 97.2 | 98.1 | 89.5 |
| Belgium | 4.3 | 4.4 | 4.9 | 4.0 | 4.2 | 3.7 |
| **France-Belgium** | **103.4** | **97.8** | **98.1** | **101.2** | **102.3** | **93.2** |
| **Italy** | **51.6** | **44.5** | **51.0** | **50.6** | **50.8** | **42.7** |
| Norway | 16.4 | 16.0 | 15.7 | 16.3 | 16.3 | 17.1 |
| Sweden | 13.9 | 13.4 | 13.9 | 14.0 | 14.0 | 14.2 |
| Denmark | 13.2 | 12.4 | 13.3 | 12.5 | 12.5 | 12.8 |
| **Scandinavia** | **43.5** | **41.7** | **42.9** | **42.8** | **42.8** | **44.1** |
| Spain | 24.8 | 24.9 | 23.5 | 24.7 | 21.7 | 19.7 |
| Portugal | 5.2 | 5.5 | 4.9 | 5.5 | 4.9 | 5.1 |
| **Iberia** | **30.0** | **30.4** | **28.4** | **30.2** | **26.6** | **24.8** |
| Poland | 7.8 | 8.0 | 7.8 | 8.0 | 7.7 | 8.0 |
| Hungary | 5.8 | 5.8 | 5.7 | 5.4 | 4.8 | 5.3 |
| Czech Republic | 8.1 | 8.0 | 7.7 | 7.7 | 7.4 | 7.5 |
| Turkey | 5.7 | 5.2 | 7.1 | 7.4 | 7.3 | 6.9 |
| Others | 0.8 | 0.7 | 0.9 | 0.2 | 0.6 | 0.6 |
| **CEE and Turkey** | **28.2** | **27.8** | **29.1** | **28.7** | **27.7** | **28.3** |
| **The Netherlands** | **14.6** | **9.5** | **13.2** | **13.4** | **13.2** | **9.5** |
| **Germany** | **9.9** | **9.3** | **10.5** | **11.3** | **11.8** | **9.3** |
| SHOPPING CENTERS NET RENTAL INCOME | 281.3 | 261.0 | 273.3 | 278.2 | 275.2 | 251.9 |
| Other activities | 6.1 | 6.1 | 6.5 | 6.2 | 7.2 | 7.1 |
| TOTAL NET RENTAL INCOME | 287.3 | 267.1 | 279.8 | 284.4 | 282.4 | 259.0 |

## NET CURRENT CASH FLOW

| | 2018 H1 | 2017 H1 | Change |
|---|---|---|---|
| *Total share, in €m* | | | |
| Gross Rental income | 627.1 | 611.7 | 2.5% |
| Rental & building expenses | -72.7 | -70.2 | 3.6% |
| **Net rental income** | **554.4** | **541.5** | **2.4%** |
| Management and other income | 45.8 | 46.8 | -2.1% |
| G&A expenses | -96.0 | -93.3 | 2.9% |
| **EBITDA** | **504.2** | **495.0** | **1.9%** |
| *Adjustments to calculate operating cash flow exclude:* | | | |
| Employee benefits, stock-options expenses and non-current operating expenses | 10.7 | 6.5 | |
| IFRIC 21 impact | 7.0 | 7.1 | |
| **Operating cash flow** | **522.0** | **508.6** | **2.6%** |
| Net cost of debt | -77.0 | -84.3 | -8.7% |
| *Adjustments to calculate net current cash flow before taxes exclude:* | | | |
| Corio's debt mark-to-market amortization | -9.9 | -16.3 | |
| Financial instruments close-out costs | 14.9 | 23.1 | |
| Net current cash flow before taxes | 450.0 | 431.1 | 4.4% |
| Share in equity method investees | 26.9 | 28.6 | |
| Current tax expenses | -15.9 | -16.9 | |
| **Net current cash flow** | **460.9** | **442.8** | **4.1%** |
| *Group share, in €m* | | | |
| **NET CURRENT CASH FLOW** | **395.6** | **377.4** | **4.8%** |
| Number of shares* | 301,032,676 | 309,505,908 | |
| *Per share, in €* | | | |
| **NET CURRENT CASH FLOW** | **1.31** | **1.22** | **7.8%** |

* Average number of shares, excluding treasury shares.

## 2018 HALF-YEAR EARNINGS WEBCAST – PRESENTATION AND CONFERENCE CALL

The Klépierre Executive Board will present the 2018 half-year earnings on **Thursday, July 26, 2018 at 9:00 am Paris time (8:00am London time).** Please visit the Klépierre website **www.klepierre.com** to listen to the webcast, or click **here**.

A replay will be also available after the event.

## AGENDA

| | |
|---|---|
| **October 15&16, 2018** | Investor Day (Amsterdam) |
| **October 22, 2018** | 2018 third quarter business review (after market close) |

## INVESTOR RELATIONS CONTACTS

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## MEDIA CONTACTS

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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 and its appendices together with the earnings presentation slideshow are available on the Klépierre website: **www.klepierre.com**

## GENERAL INFORMATION

The section General Information appearing on pages 167 to 170 of the Base Prospectus is amended as follows:

a) The item (1) appearing on page 167 entitled "Corporate authorisations" is hereby deleted in its entirety and replaced with the following:

The Issuer has obtained all necessary corporate and other consents, approvals and authorisations in the Republic of France in connection with the update of the Programme.

Any issuance of Notes under the Programme, to the extent that such Notes constitute *obligations* under French law, requires the prior authorisation of the executive board (*directoire*) of the Issuer, which may delegate its power to its *président* or, with the approval of the *président*, to any other member of the executive board (*directoire*) of the Issuer.

By a resolution adopted on 24 July 2018, the *Conseil de Surveillance* (Supervisory Board) of the Issuer has authorised the issue of obligations up to a maximum aggregate amount of €1,000,000,000 until 31 December 2019.

b) The item (2) appearing on page 167 entitled "No significant change in the financial or trading position of the Issuer" is hereby deleted in its entirety and replaced with the following:

Except as disclosed in the section "*Recent Developments*" of this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer or the Group since 30 June 2018.

c) The item (8) appearing on page 168 entitled "Statutory auditors" is hereby deleted in its entirety and replaced with the following:

Deloitte & Associés, 185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France and Ernst & Young, 1-2 place des saisons, 92400 Courbevoie – Paris – La Défense 1, France have audited and rendered unqualified audit reports on the consolidated financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017.

Deloitte & Associés, 185 avenue Charles de Gaulle, 92200 Neuilly-sur-Seine, France and Ernst & Young, 1-2 place des saisons, 92400 Courbevoie – Paris – La Défense 1, France have reviewed the Issuer's financial statements for the half year ended 30 June 2018.

Deloitte & Associés and Ernst & Young to the *Compagnie Régionale des Commissaires aux Comptes de Versailles*.

d) The item (10) appearing on page 168 entitled "Documents on display" is hereby deleted in its entirety and replaced with the following:

For so long as Notes may be issued pursuant to this Base Prospectus, copies of the following documents will, when published, be available free of charge during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the registered office of the Issuer and at the specified office of the Paying Agent(s):

(i) the *statuts* of the Issuer;

(ii) the 2016 Registration Document, the 2017 Registration Document and the 2018 Half Year Financial Report of the Issuer;

(iii) any Final Terms relating to Notes admitted to trading on Euronext Paris or any other Regulated Market;

(iv) a copy of this Base Prospectus together with any supplement to this Base Prospectus or further Base Prospectus; and

(v) any reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus.

The Agency Agreement (which includes the form of the *Lettre comptable*, of the Temporary Global Certificates, of the Definitive Materialised Notes, of the Coupons and of the Talons) will be available during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted), for inspection free of charge, at the registered office of the Issuer and at the specified office of the Paying Agent(s).

# PERSONS RESPONSIBLE FOR THE FIRST PROSPECTUS SUPPLEMENT

**Person assuming responsibility for the First Prospectus Supplement**

Jean-Michel Gault, *membre du Directoire*

**Declaration by person responsible for the First Prospectus Supplement**

After having taken all reasonable measures in this regard, I hereby certify that the information contained in the First Prospectus Supplement is, to the best of my knowledge, in accordance with the facts and contains no omission likely to affect its import.

Paris, 14 September 2018

**Klépierre**

26, boulevard des Capucines
75009 Paris
France
duly represented by
**Jean-Michel Gault**, *membre du Directoire*

AMF | AUTORITÉ DES MARCHÉS FINANCIERS

***Autorité des marchés financiers***

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Réglement Général*) of the Autorité des marchés financiers ("**AMF**"), in particular Articles 212-31 to 212-33, the AMF has granted to this First Prospectus Supplement the visa no. 18-430 on 14 September 2018. It was prepared by the Issuer and its signatories assume responsibility for it.

In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa was granted following an examination by the AMF of whether the document is complete and comprehensible, and whether the information it contains is coherent. It does not imply an approval by the AMF of the opportunity of the transactions contemplated hereby nor that the AMF has verified the accounting and financial data set out in it.

In accordance with Article 212-32 of the AMF's General Regulations, any issuance or admission to trading of securities under the Base Prospectus, as supplemented by the First Prospectus Supplement, will be subject to the publication of the Final Terms.