

# 2018 FULL-YEAR EARNINGS

FEBRUARY 7, 2019



KLEPIERRE

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01

# DELIVERING AN OUTSTANDING OPERATING PERFORMANCE



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# DYNAMIC LEASING ACTIVITY DELIVERING HIGH REVERSION



# 1,762

Signed leases



# 11.1%

Average reversion<sup>(1)</sup>

## Reversion rates<sup>(1)</sup> by geography

France-Belgium	11.7%
Italy	11.5%
Scandinavia	9.1%
Iberia	21.6%
CE and Turkey	10.1%
Netherlands	11.4%
Germany	−9.6%
<b>TOTAL</b>	<b>11.1%</b>

<sup>(1)</sup> Reversion calculated on the basis of Minimum Guaranteed Rents for renewed and re-let spaces. Scope includes assets consolidated under the equity method at 100%.

# WE SEIZED THE GROWTH MOMENTUM OF EXPANDING RETAILERS

SEPHORA

15 leases  
Incl. 3 new stores

BESTSELLER<sup>®</sup>

15 leases  
Incl. 10 new stores

INDITEX

14 leases  
Incl. 5 new stores



5 leases  
Incl. 5 new stores

GEOX

13 leases  
Incl. 9 new stores

CALZEDONIA

14 leases  
Incl. 7 new stores

RITUALS...

11 leases  
Incl. 9 new stores

LUXOTICA<sup>®</sup>

8 leases  
Incl. 5 new stores

C  
COURIR<sup>®</sup>

6 leases  
Incl. 5 new stores

Normal

6 leases  
Incl. 6 new stores



5 leases  
Incl. 4 new stores



5 leases  
Incl. 5 new stores

Douglas

5 leases  
Incl. 2 new stores

celio\*

14 leases  
Incl. 7 new stores

///ACTION

4 leases  
Incl. 4 new stores

## WE TRANSFORMED OUR MALLS THROUGH ACTIVE RE-TENANTING

 <b>ALEXANDRIUM</b>	16 new stores
 <b>FIELD'S</b>	12 new stores
 <b>MILANOFIORI</b>	14 new stores
 <b>PLENILUNIO</b>	18 new stores
 <b>ARNEKEN GALERIE</b>	Opening of TK MAXX driving footfall (+25%)
 <b>RIVES D'ARCINS</b>	Future Opening of Zara and Decathlon



# WE OPENED MANY FLAGSHIP STORES IN 2018

VICTORIA'S SECRET

Porta di Roma  
1,000 sq.m.

SEPHORA

Nový Smíchov  
1,000 sq.m.

Saint-Lazare  
1,100 sq.m.

ZARA

Milano Fiori  
5,700 sq.m.

Nový Smíchov  
3,300 sq.m.

ARKET

*& other Stories*

MONKI

H&M  
HOME

Field's  
3,800 sq.m.





## MORE GENERALLY, WE PURSUED THE DEEP TRANSFORMATION OF OUR RETAIL MIX

### MID-SIZE UNITS

We continued to **develop fashion anchors** (+23,000 sq.m.)<sup>(1)</sup> and reduced our exposure to the toys segment (16,500 sq.m.)<sup>(2)</sup>

### SHOPS

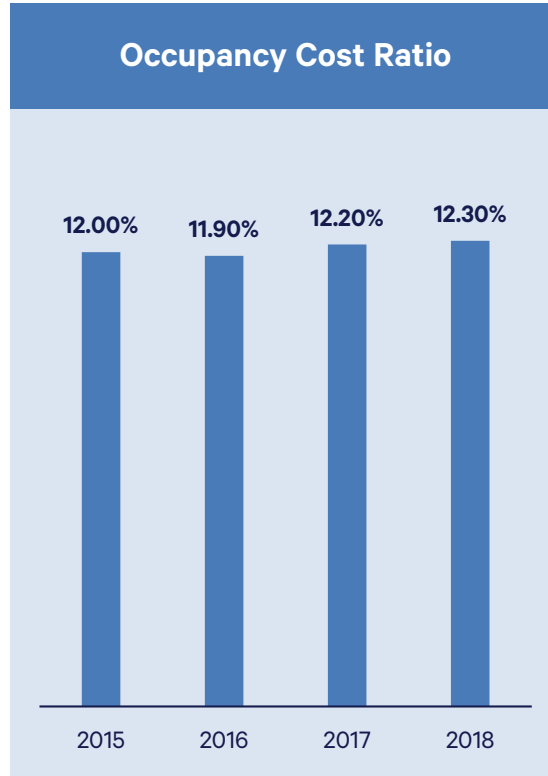
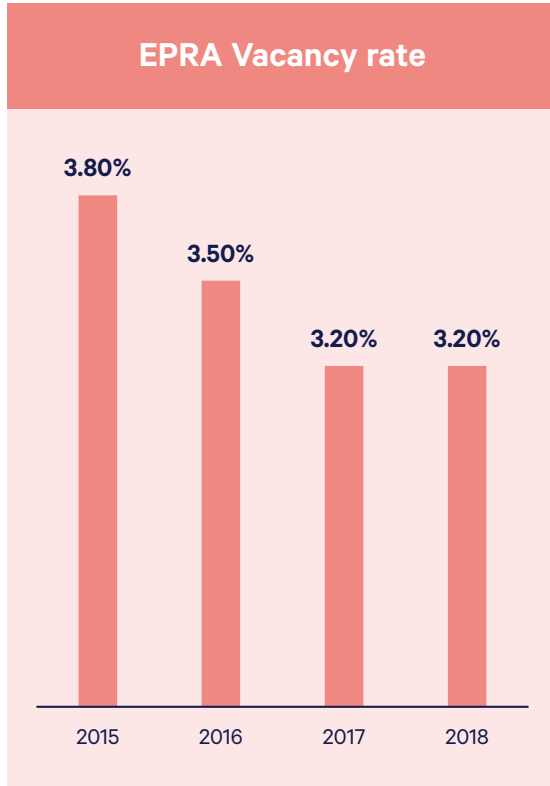
We replaced **101 Fashion shops**,<sup>(2)</sup> with **91 shops**<sup>(1)</sup> in Health & Beauty, Food & Beverage, Household Equipment and Sports



<sup>(1)</sup> 2018, net of closures

<sup>(2)</sup> 2018, net of openings

# THIS IS WHY OUR OPERATIONAL FUNDAMENTALS ARE EXTREMELY SOLID



# SHOPPING CENTERS NET RENTAL INCOME +3.4% LIKE-FOR-LIKE



**Outperforming** indexation by **220 bps**, while indexation picked up (120 bps)



**All regions** contributed to the **Like-for-like NRI growth**



Growing income from **Specialty leasing**

## NRI like-for-like growth<sup>(1)</sup> by geography

France-Belgium	+2.9%
Italy	+2.4%
Scandinavia	+2.4%
Iberia	+7.6%
CE and Turkey	+4.8%
Netherlands	+6.7%
Germany	0.0%
<b>TOTAL</b>	<b>+3.4%</b>

<sup>(1)</sup> Like-for-like excludes the contribution of new spaces (acquisitions, new centers, and extensions), spaces being restructured, disposals completed since January 2017, and foreign exchange impacts.

# IN A CONTRASTED CONSUMPTION ENVIRONMENT

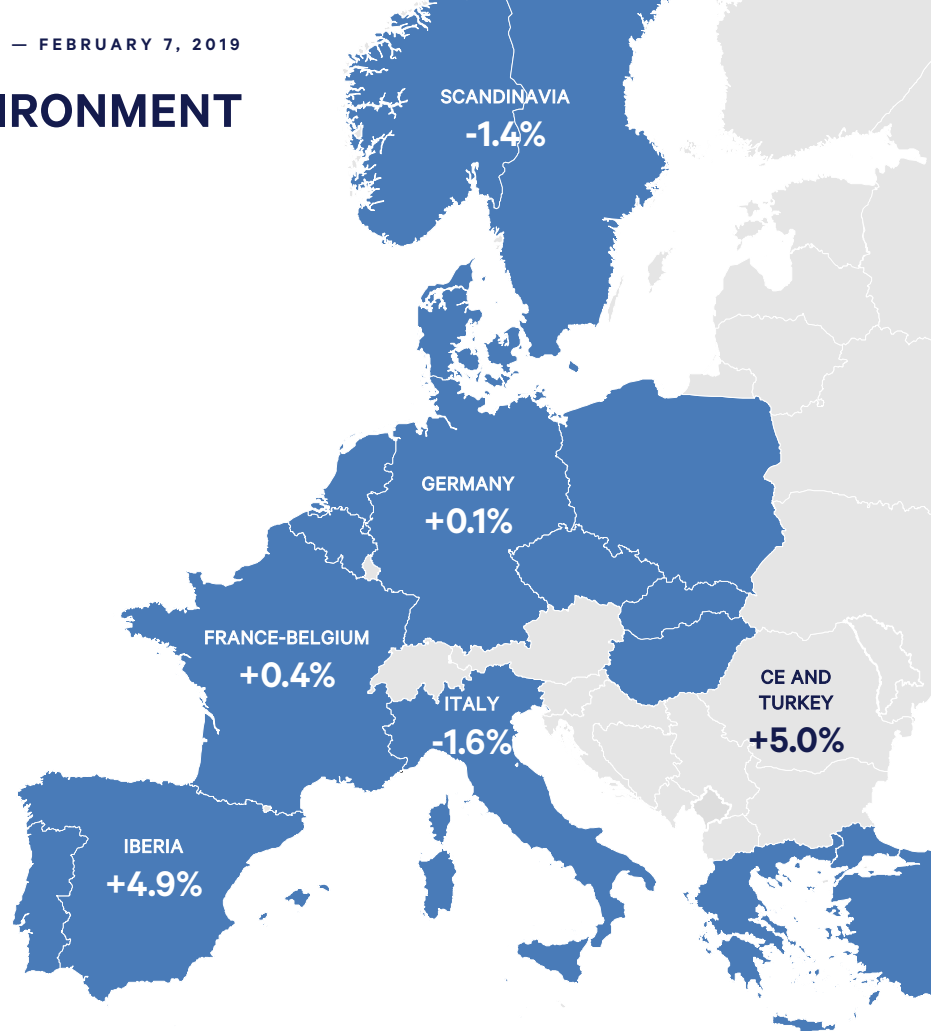
Retailer sales +0.9% over 2018



**Sound growth in sales in Iberia (+4.9%)  
and CE and Turkey +5.0%**

**Positive performance in France  
with limited impact of social movement**  
(sales down 0.7% in Q4)

**Improving performance everywhere in Q4**  
with retailer sales +2.3% (excl. France)



# OUR STRATEGY IS DESIGNED TO ATTRACT THE BEST OF RETAIL IN OUR MALLS

## OPERATIONAL STRATEGY

Adapt our mix  
to customers'  
expectations

By deploying them  
under their best /  
latest format

By providing additional  
services



## CAPITAL ALLOCATION

Invest in the dynamic  
catchment

Match top retailers  
future & preferred  
catchment

Keep investing  
to reinforce  
the leadership  
in the catchment

02

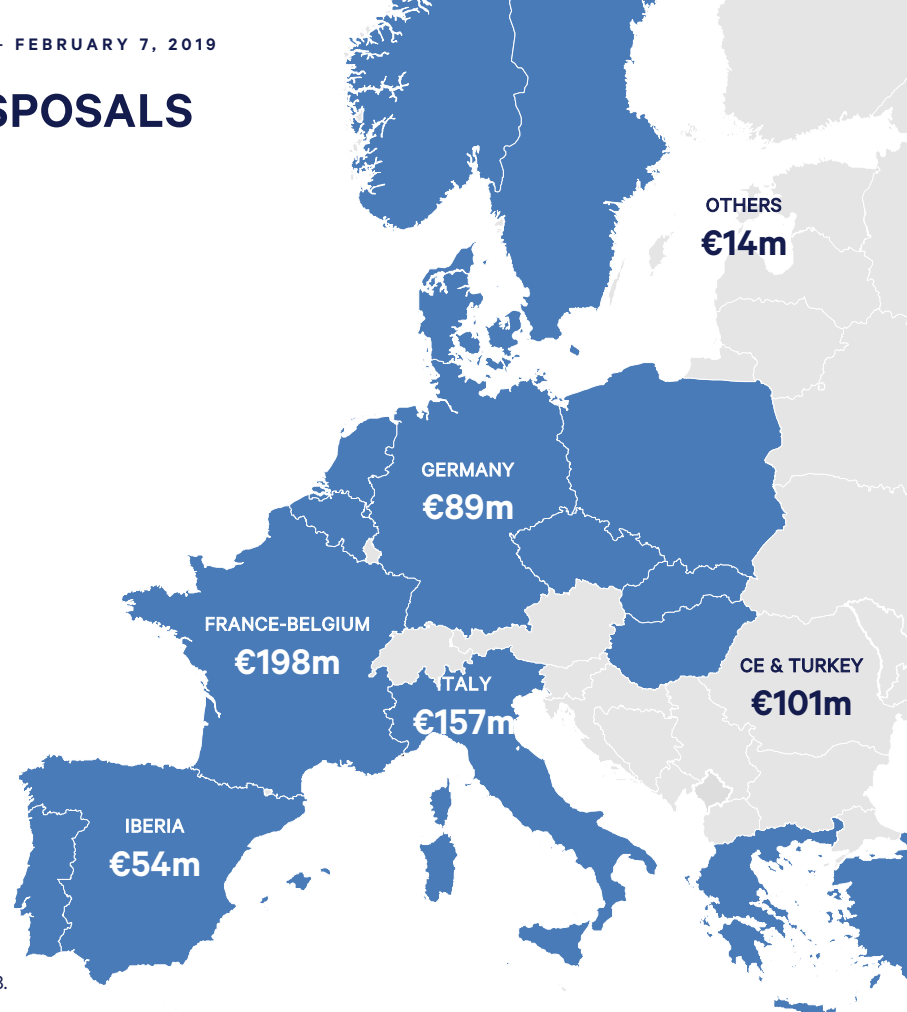
**ENHANCING OUR PROPERTIES  
AND OUR RISK PROFILE**



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## WE MAINTAIN A SUSTAINED PACE OF DISPOSALS



<sup>(1)</sup> including sales under promissory agreements (Total-Share, excluding transfer taxes). €539m completed in 2018.



# WE CONTINUE TO INVEST IN OUR ASSETS AND TO BUY BACK OUR SHARES

**€205m**

invested to extend  
our shopping centers

**€127m**

invested to maintain, refurbish and  
enhance the mix in our malls

**€150m**

invested to buy back  
our own shares





# HOOG CATHARIJNE: A FULL MAKEOVER NEARING COMPLETION



**52,500 sq.m.**

already opened  
at the end of 2018

**Leasing  
rate of 95%**

on the newly  
opened area<sup>(1)</sup>

**23,800 sq.m.**

to be refurbished  
in 2019 - 20

**Footfall**

up 9.1% in 2018 to

**27.5m**

<sup>(1)</sup> In percentage of GLA, signed or in advanced negotiations

# CRÉTEIL SOLEIL: EXCEDING EXPECTATIONS

Total investment of €134m



Pre-leasing rate at **81%**<sup>(1)</sup>



YOC increased to **6.0%**  
(vs 5.7% initially)

IT FRESCO  
EVERYDAY



WOKO  
★ VIET STREET FOOD

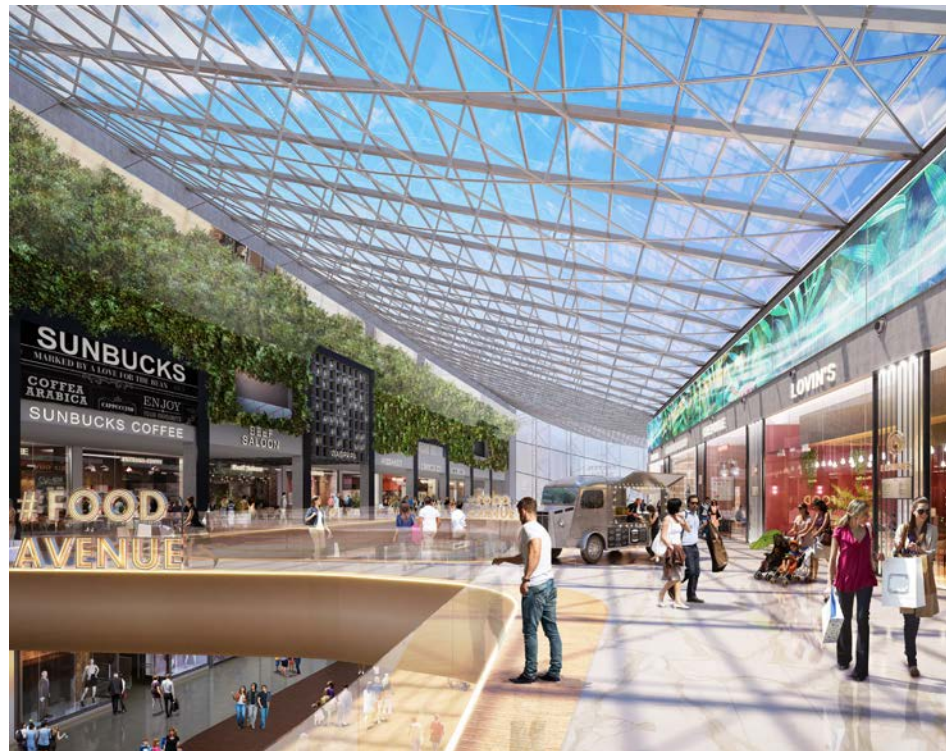


FACTORY & CO  
★ RESTAURANT & BAR



Beef House  
Restaurant Saloon

la cantine  
libanaise



<sup>(1)</sup> In percentage of GLA, signed or in advanced negotiations.

# GRAN RENO: TO BE LAUNCHED IN 2019

Total investment of €123m<sup>(1)</sup>



**Works** to be launched in H1 2019  
**Opening** scheduled in H1 2021



**Pre-leasing rate at 43%**  
Main anchors secured<sup>(2)</sup>



**Extension** to increase the size  
by **50%**, while enhancing  
the mall's positioning



<sup>(1)</sup> Investment includes extension and renovation

<sup>(2)</sup> In percentage of GLA, signed or in advanced negotiations



# INCLUDING TARGETED INVESTMENTS TO TRANSFORM OUR MALLS

Buying additional space in leading malls to right-size our powerful anchors

**€134m** investment<sup>(1)</sup>

 **MILANOFIORI**



Acquisition of surfaces  
from hypermarket  
to right-size Zara store

 **CAMPANIA**



Conversion of surfaces  
from hypermarket

 **LE GRU**



Conversion of surfaces  
from hypermarket

 **RIVES D'ARCINS**



Construction of new units  
to implement notably  
a Decathlon (6,000 sq.m.)  
Right-sizing of Zara (3,300 sq.m)

<sup>(1)</sup> Including the acquisition of additional space, development and/or restructuring costs

# GENERATING STRONG CASH FLOW GROWTH WHILE SUBSTANTIALLY DELEVERAGING



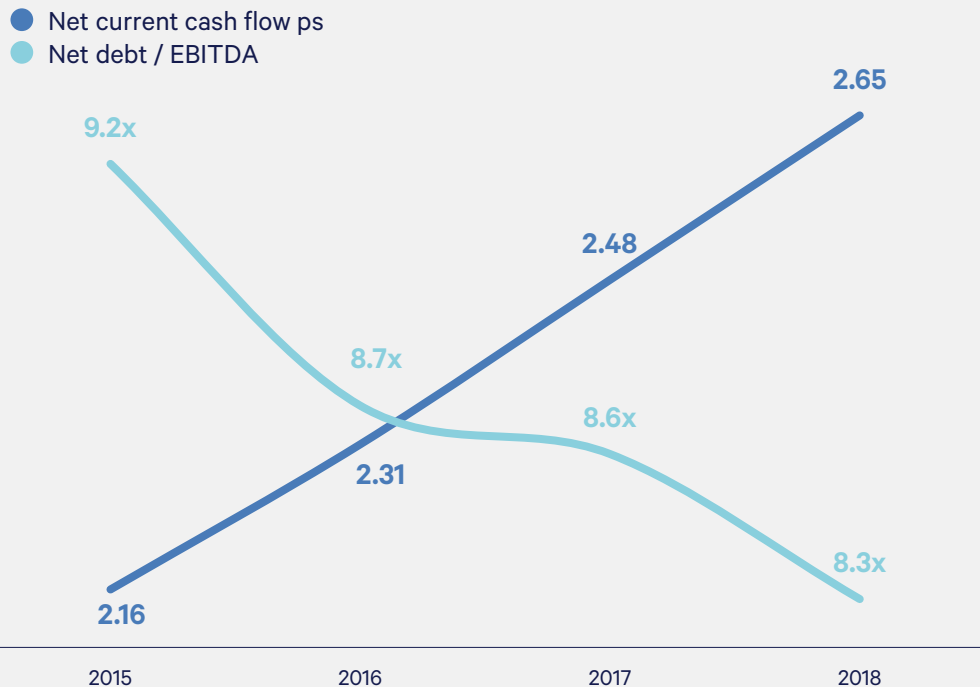
## +6.5%

**Net current cash flow ps increase**  
€2.65 vs. €2.48



## 8.3x

**Net debt to EBITDA**  
Down from 8.6x  
€103m net debt decrease



## ALLOWING FOR A STRONG INCREASE IN THE PROPOSED DIVIDEND

€2.10

+7.1%



03

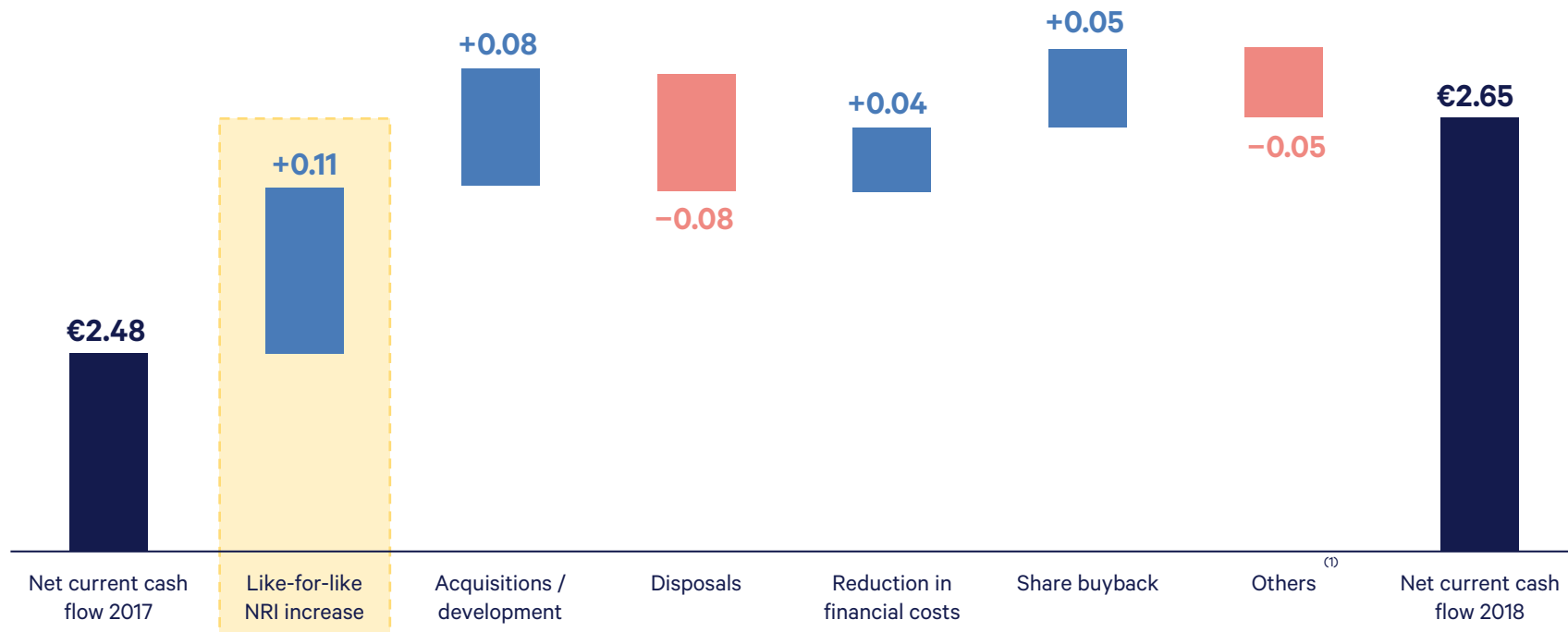
**EXERCISING  
FINANCIAL DISCIPLINE**



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# TWO-THIRDS OF THE NET CURRENT CASH FLOW INCREASE STEM FROM ORGANIC NRI GROWTH

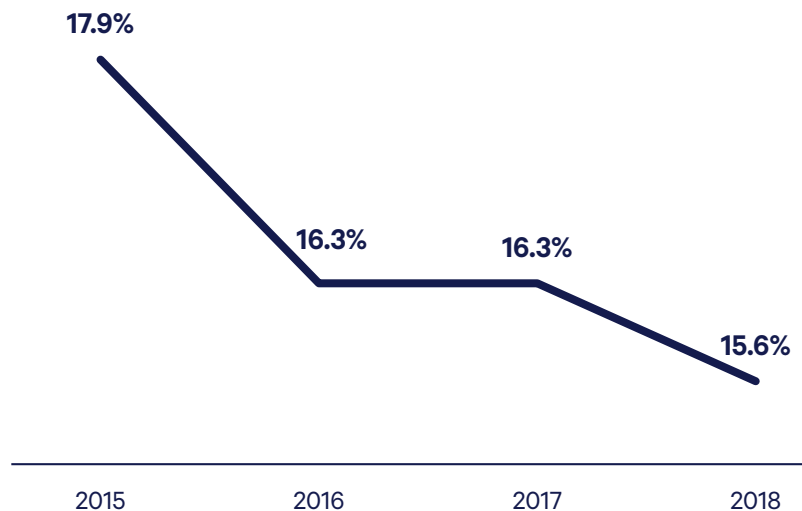


<sup>(1)</sup> Other non like-for-like elements include FX, G&A reduction, EAI, tax and minorities



# AND LOWER OPERATING & FINANCING COSTS

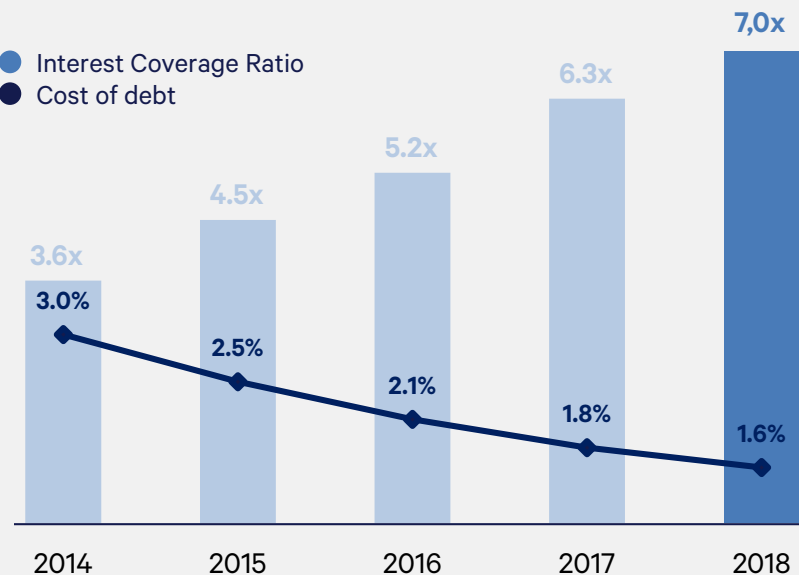
## EPRA Cost ratio excluding vacancy costs evolution<sup>(1)</sup>



Further **70-bp** reduction in **EPRA cost ratio** over 12 months, thanks to control of **G&A**

## Cost of debt

- Interest Coverage Ratio
- Cost of debt

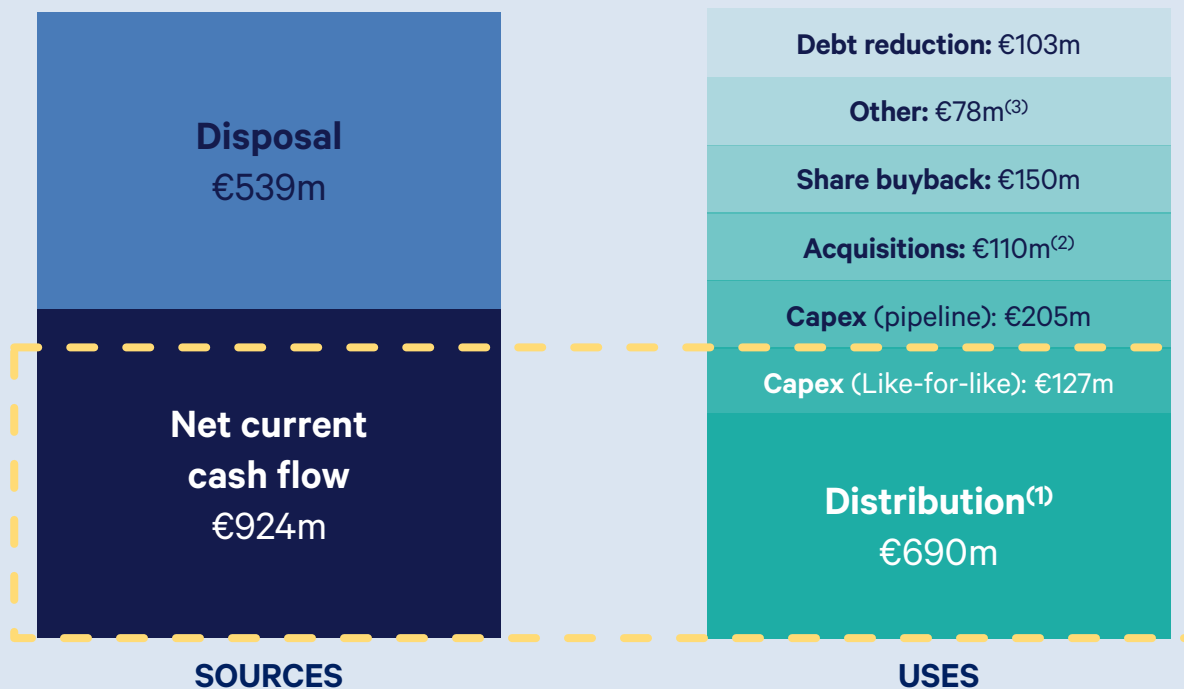


**20-bp reduction in net cost of debt to 1.6% in 2018**  
Optimization of liquidity and hedging positions

<sup>(1)</sup> The EPRA cost ratio has been restated for 2015, 2016 and 2017 as service charges recovered through rents have been reclassified in accordance with EPRA BPR (€7m in 2017, €7m in 2016, €5m in 2015).

# STICKING TO FINANCIAL ORTHODOXY

Net current cash flow more than covers our like-for-like capex and dividend



<sup>(1)</sup> Including dividend paid to shareholders and to minorities.

<sup>(2)</sup> Including the acquisitions of minority stakes in Spain.

<sup>(3)</sup> Including €41m of minority shareholder equity redemption, non-current costs, net debt restructuring, Forex and change in working capital requirements.

# FURTHER DELEVERAGING OF THE COMPANY



**8.3x**

**Net debt / EBITDA**

0.3x decrease vs. December 31, 2017



**36.3%**

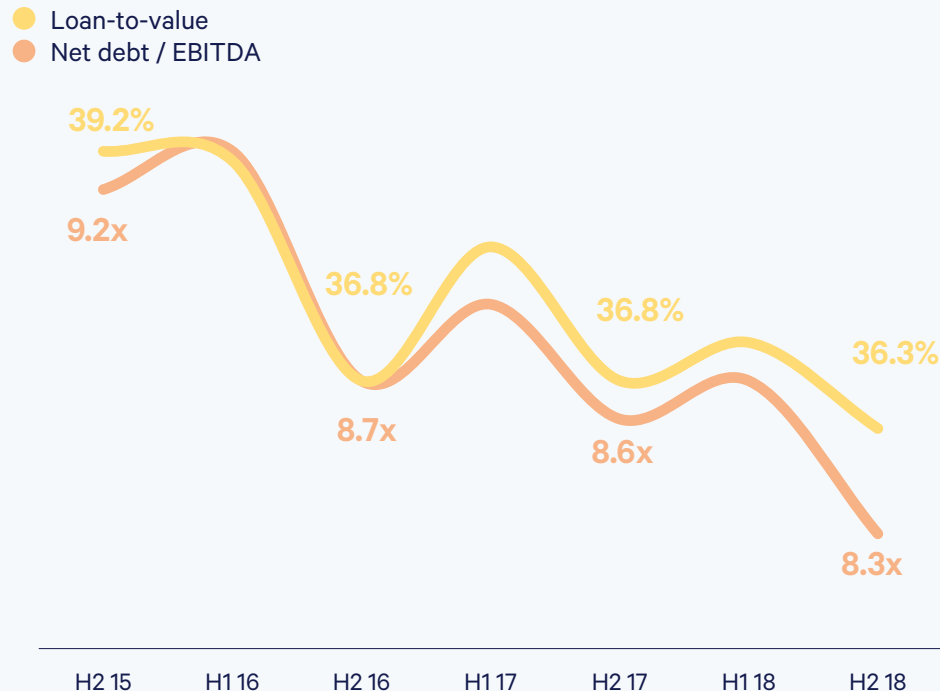
**Loan-to-Value**

50-bp decrease vs. December 31, 2017



**5.7 years**

**Average debt duration**



# PROACTIVE DEBT MANAGEMENT TO LOCK IN LOW FINANCIAL COSTS



**96%**

**Interest rate hedging ratio**

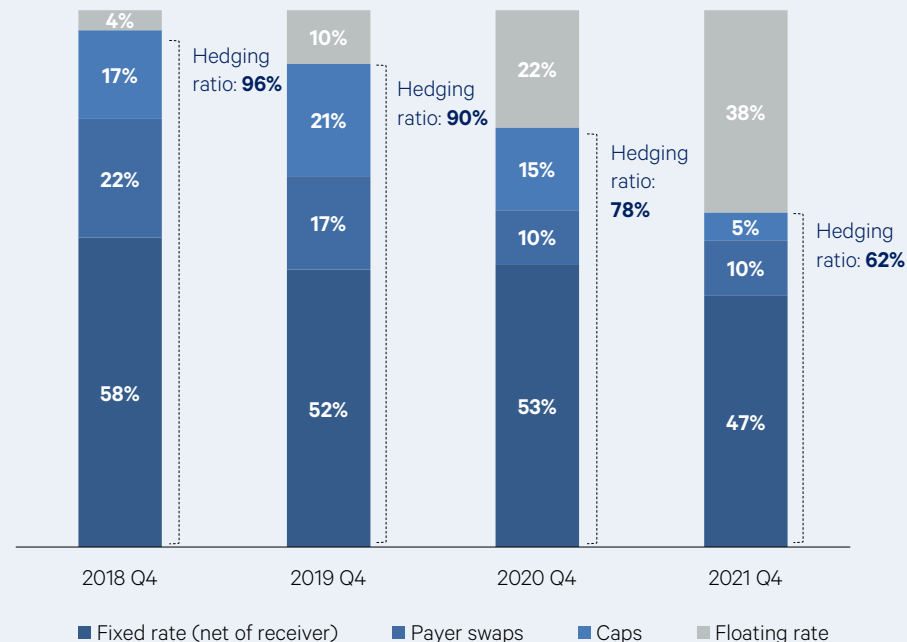
As at December 31, 2018



**€2.2bn**

**Liquidity position**

**Debt breakdown by hedging instruments**



# SHOPPING CENTER PORTFOLIO VALUE +1.5% LFL OVER 12 MONTHS, STABLE OVER 6 MONTHS



Benefiting from  
a **+0.6% cash-flow effect**,  
offsetting a **−0.8% market effect**



The **EPRA NIY** increased  
by 10 bps to **4.9%**



Yield increases concentrated  
on **non core assets**

## Shopping centers valuation (Total Share, incl. transfer taxes)

	% of the portfolio	6-month LfL change <sup>(1)</sup>	12-month LfL change <sup>(1)</sup>	FY 2018 EPRA NIY <sup>(2)</sup>
France-Belgium	40%	−0.8%	+0.8%	4.2%
Italy	17%	+0.4%	+3.1%	5.5%
Scandinavia	16%	−0.6%	+0.6%	4.5%
Iberia	10%	+1.7%	+3.4%	5.4%
CE and Turkey	7%	−0.1%	+4.2%	6.8%
Netherlands	6%	+0.1%	+0.7%	5.1%
Germany	4%	−1.0%	−1.4%	4.6%
<b>TOTAL</b>	<b>100%</b>	<b>−0.2%</b>	<b>+1.5%</b>	<b>4.9%</b>

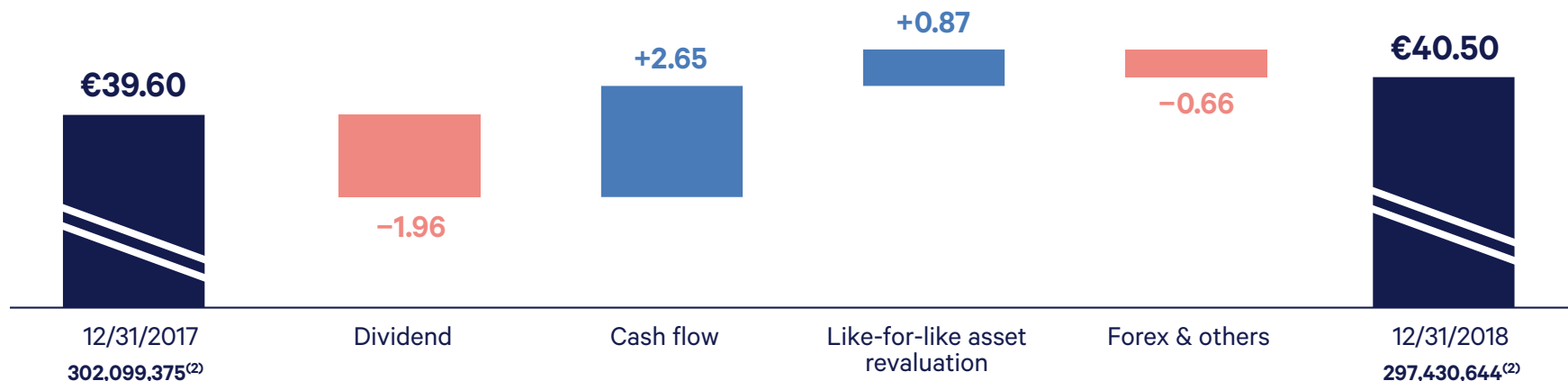
<sup>(1)</sup> For Scandinavia and Turkey, change is indicated on a constant portfolio and forex basis.

<sup>(2)</sup> EPRA Net Initial Yield calculated on the basis of internal cash passing rents.

# EPRA NET ASSET VALUE OF €40.50, +2.3% OVER 12 MONTHS

In € per share <sup>(1)</sup>	12/31/2017	06/30/2018	12/31/2018	Change (12 months)
EPRA NAV	39.60	39.50	40.50	+2.3%
EPRA NNNNAV	37.60	37.80	39.00	+3.6%

## 12-month change in EPRA NAV per share

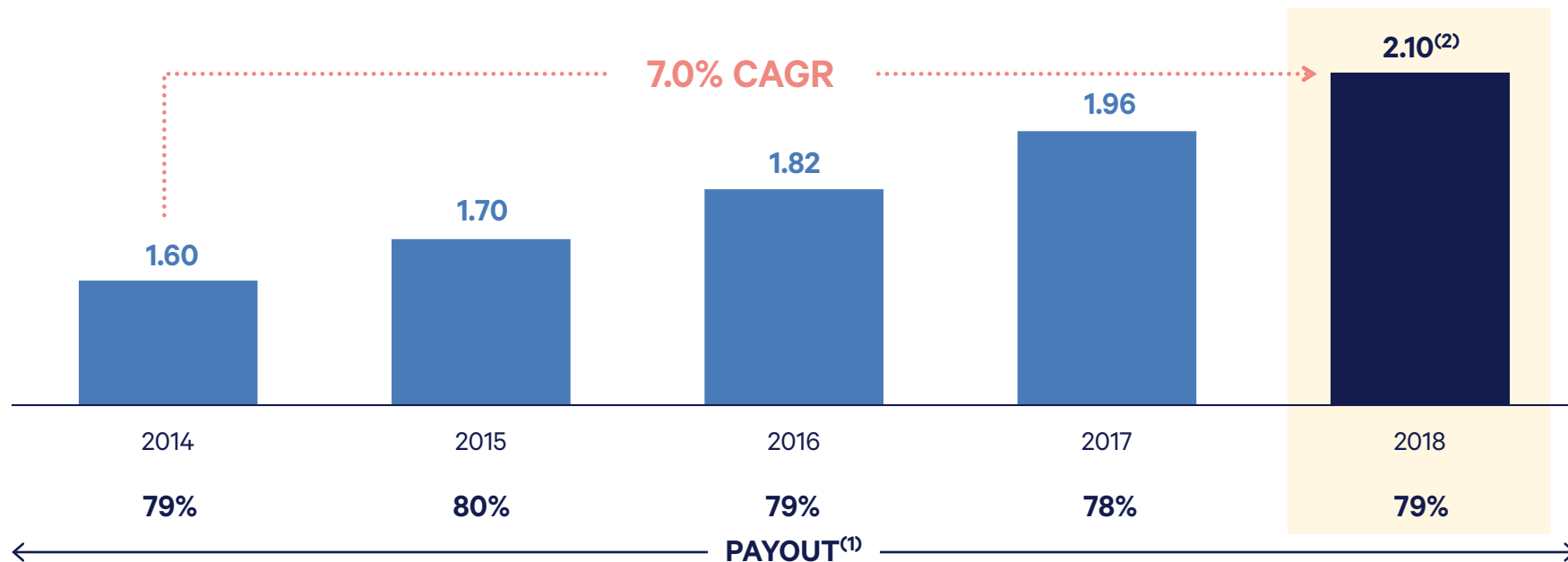


<sup>(1)</sup> Per-share figures rounded to the nearest 10 cents.

<sup>(2)</sup> Number of shares end of period (excl. treasury shares).

# PROPOSED 2018 DIVIDEND: €2.10 PER SHARE, +7.1% VS. 2017

Dividend evolution (in € per share)



**Proposed dividend: €2.10<sup>(2)</sup> per share (€1.13 SIIC),**  
to be paid in 2 equal installments (€1.05) on March 11 and July 10, 2019

<sup>(1)</sup> Dividend (excluding treasury shares) / Net current cash flow (Group share).

<sup>(2)</sup> Submitted to a vote of the shareholders at their April 16, 2019 Annual General Meeting.

# 04 OUTLOOK



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## 2018: ANOTHER YEAR OF OUTSTANDING PERFORMANCE

**+3.4%**

High **net rental income** like-for-like growth, thanks to 11% reversion

**+6.5%**

Strong **net current cash flow growth**

**€613m**

Sustained pace of **disposals**

**8.3x**

Further reduction in **net debt / EBITDA** (−0.3x)

**+7.1%**

Sound results leading to a material increase in the **dividend**

# OUTLOOK

**New share buyback program of €400m**

Pace of execution planned to match that of asset disposals



## 2019 GUIDANCE

**Net current cash flow per share €2.72–€2.75**

# AGENDA

**March 11, 2019**

**Interim dividend payment**

**April 16, 2019**

**Annual General Meeting**

**April 18, 2019**

**2019 1<sup>st</sup> quarter business review<sup>(1)</sup>**

**July 10, 2019**

**Final dividend payment**

**July 24, 2019**

**2019 Half-year earnings<sup>(2)</sup>**



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<sup>(1)</sup> Press release before market open.

<sup>(2)</sup> Press release after market close.

# APPENDIX



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# 2018 OPERATING HIGHLIGHTS

	RETAILER SALES	NET RENTAL INCOME		LEASING ACTIVITY		
	Change LfL <sup>(1)</sup>	2018 Current (€m)	Change LfL	Reversion (%)	OCR (%)	EPRA Vacancy rate (%)
<b>France-Belgium</b>	<b>+0.4%</b>	<b>405.1</b>	<b>+2.9%</b>	<b>+11.7%</b>	<b>12.9%</b>	<b>3.3%</b>
France	+0.6%	387.0	+2.8%			3.4%
Belgium	-3.2%	18.1	+6.0%			1.0%
<b>Italy</b>	<b>-1.6%</b>	<b>196.5</b>	<b>+2.4%</b>	<b>+11.5%</b>	<b>11.5%</b>	<b>1.5%</b>
<b>Scandinavia</b>	<b>-1.4%</b>	<b>168.4</b>	<b>+2.4%</b>	<b>+9.1%</b>	<b>11.6%</b>	<b>4.5%</b>
Norway	-1.2%	64.0	+1.5%			3.3%
Sweden	-0.6%	53.5	+3.0%			5.9%
Denmark	-3.1%	51.0	+2.9%			4.9%
<b>Iberia</b>	<b>+4.9%</b>	<b>121.3</b>	<b>+7.6%</b>	<b>+21.6%</b>	<b>13.1%</b>	<b>2.4%</b>
Spain	+4.8%	99.3	+7.6%			1.8%
Portugal	+5.2%	22.0	+8.0%			4.3%
<b>CE and Turkey</b>	<b>+5.0%</b>	<b>108.1</b>	<b>+4.8%</b>	<b>+10.1%</b>	<b>13.4%</b>	<b>4.9%</b>
Czech Republic	+1.5%	33.4	+7.1%			1.5%
Poland	-0.8%	31.7	+2.6%			1.5%
Hungary	+9.1%	21.8	+12.5%			1.8%
Turkey	+11.8%	18.6	-2.5%			10.2%
<b>Netherlands</b>	<b>n.m.</b>	<b>56.7</b>	<b>+6.7%</b>	<b>+11.4%</b>	<b>-</b>	<b>5.6%</b>
<b>Germany</b>	<b>+0.1%</b>	<b>39.5</b>	<b>+0.0%</b>	<b>-9.6%</b>	<b>11.0%</b>	<b>4.1%</b>
<b>TOTAL SHOPPING CENTERS</b>	<b>+0.9%</b>	<b>1,095.6</b>	<b>+3.4%</b>	<b>+11.1%</b>	<b>12.3%</b>	<b>3.2%</b>

<sup>(1)</sup> Like-for-like change is on a same-center basis and excludes the impact of asset sales and acquisitions

# PROFIT & LOSS

In €m	TOTAL SHARE		GROUP SHARE	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
Gross rental income	1,252.2	1,236.0	1,082.6	1,064.1
Rental & building expenses	(133.2)	(130.4)	(111.9)	(109.3)
<b>NET RENTAL INCOME</b>	<b>1,119.0</b>	<b>1,105.6</b>	<b>970.8</b>	<b>954.8</b>
Management, administrative and related income	86.0	85.6	81.8	81.5
Other operating income	8.9	10.5	7.1	8.5
Survey and research costs	(0.9)	(1.0)	(0.9)	(1.0)
Payroll expenses	(121.9)	(124.9)	(115.7)	(118.1)
Other general expenses	(65.4)	(63.6)	(61.7)	(60.0)
<b>EBITDA</b>	<b>1,025.7</b>	<b>1,012.2</b>	<b>881.4</b>	<b>865.7</b>
Depreciation, amortization and impairment of intangible assets and property, plant and equipment	(13.0)	(15.2)	(12.0)	(14.1)
Provisions	(2.5)	(0.6)	(2.5)	(0.3)
Profit or losses on disposal of investment properties	(10.7)	6.8	(11.4)	2.1
Goodwill impairment	(43.4)	(1.7)	(43.4)	(1.7)
Change in value of investment properties	313.7	825.9	246.0	678.3
<b>OPERATING INCOME</b>	<b>1,269.8</b>	<b>1,827.5</b>	<b>1,058.2</b>	<b>1,529.9</b>
Cost of net debt	(151.6)	(169.8)	(137.3)	(155.8)
Change in the fair value of financial instruments	(11.1)	(15.1)	(11.2)	(14.4)
Share in earnings of equity-accounted companies	31.0	74.4	30.8	64.3
<b>PROFIT BEFORE TAXES</b>	<b>1,138.2</b>	<b>1,717.0</b>	<b>940.6</b>	<b>1,424.0</b>
Tax due	(40.4)	(18.3)	(37.3)	(15.9)
Deferred taxes	(68.8)	(201.0)	(64.4)	(179.5)
<b>CONSOLIDATED NET INCOME</b>	<b>1,029.0</b>	<b>1,497.8</b>	<b>838.8</b>	<b>1,228.6</b>

# CASH FLOW STATEMENT

In €m	TOTAL SHARE		GROUP SHARE	
	12/31/2018	12/31/2017	12/31/2018	12/31/2017
<b>GROSS RENTAL INCOME</b>	<b>1,252.2</b>	<b>1,236.0</b>	<b>1,082.6</b>	<b>1,064.1</b>
Rental and building expenses	(133.2)	(130.4)	(111.9)	(109.3)
<b>NET RENTAL INCOME</b>	<b>1,119.0</b>	<b>1,105.6</b>	<b>970.8</b>	<b>954.8</b>
Management and other income	94.9	96.1	88.9	90.0
General and administrative expenses	(188.2)	(89.5)	(178.3)	(179.2)
<i>Restatement for employee benefits, stock option expense and non-current operating expenses</i>	17.2	14.4	17.2	14.4
Cost of net debt	(151.6)	(169.7)	(137.3)	(155.8)
<i>Restatement for financial allowance &amp; financial restructuring</i>	9.3	14.1	9.8	14.1
Share in equity-accounted companies	54.1	51.5	51.2	48.5
Current tax expenses	(31.2)	(29.2)	(28.6)	(26.2)
<b>NET CURRENT CASH FLOW</b>	<b>923.5</b>	<b>893.4</b>	<b>793.7</b>	<b>760.6</b>
<i>Restatement for employee benefits, stock option expense and non-recurring operating expenses</i>			(11.9)	(13.8)
<i>Restatement for depreciation, amortization and provisions for contingencies and losses</i>			(14.4)	(14.4)
<b>EPRA EARNINGS</b>			<b>767.3</b>	<b>732.4</b>
<i>Per share (in €)<sup>(1)</sup></i>				
<b>NET CURRENT CASH FLOW PER SHARE</b>			<b>2.65</b>	<b>2.48</b>
<b>EPRA EARNINGS PER SHARE</b>			<b>2.56</b>	<b>2.39</b>

<sup>(1)</sup> Average number of shares excluding treasury shares

# VALUATION OF THE PORTFOLIO

(€M. TOTAL SHARE. INCL. transfer taxes)

	12/31/2018	% of total portfolio	12/31/2017	12-month change Current	12-month change Like-for-like <sup>(1)</sup>
France	9,231	37.8%	9,171	0.6%	0.6%
Belgium	454	1.9%	432	5.2%	5.0%
<b>France-Belgium</b>	<b>9,684</b>	<b>39.6%</b>	<b>9,603</b>	<b>0.8%</b>	<b>0.8%</b>
<b>Italy</b>	<b>4,052</b>	<b>16.6%</b>	<b>4,016</b>	<b>0.9%</b>	<b>3.1%</b>
Norway	1,424	5.8%	1,461	-2.6%	-2.1%
Sweden	1,252	5.1%	1,295	-3.3%	0.6%
Denmark	1,196	4.9%	1,139	5.1%	4.0%
<b>Scandinavia</b>	<b>3,872</b>	<b>15.8%</b>	<b>3,894</b>	<b>-0.6%</b>	<b>0.6%</b>
Spain	1,918	7.8%	1,896	1.2%	3.6%
Portugal	394	1.6%	389	1.5%	2.3%
<b>Iberia</b>	<b>2,313</b>	<b>9.5%</b>	<b>2,284</b>	<b>1.2%</b>	<b>3.4%</b>
Czech Republic	696	2.8%	622	11.8%	10.7%
Poland	388	1.6%	409	-4.9%	-7.8%
Hungary	201	0.8%	252	-20.0%	7.6%
Turkey	363	1.5%	448	-19.1%	6.6%
<b>CE &amp; Turkey</b>	<b>1,672</b>	<b>6.8%</b>	<b>1,758</b>	<b>-4.9%</b>	<b>4.2%</b>
<b>Netherlands</b>	<b>1,514</b>	<b>6.2%</b>	<b>1,419</b>	<b>6.7%</b>	<b>0.7%</b>
<b>Germany</b>	<b>976</b>	<b>4.0%</b>	<b>1,066</b>	<b>-8.4%</b>	<b>-1.4%</b>
<b>TOTAL SHOPPING CENTERS</b>	<b>24,083</b>	<b>98.5%</b>	<b>24,040</b>	<b>0.2%</b>	<b>1.5%</b>
<b>Other activities</b>	<b>357</b>	<b>1.5%</b>	<b>379</b>	<b>-5.9%</b>	<b>-3.5%</b>
<b>TOTAL</b>	<b>24,440</b>	<b>100.0%</b>	<b>24,419</b>	<b>0.1%</b>	<b>1.5%</b>

<sup>(1)</sup> Excludes the impact of new centers opened, acquisitions, asset sales completed since January 1, 2017 extension capex and foreign exchange impacts.



# VALUATION OF THE PORTFOLIO

(€M. GROUP SHARE. INCL. transfer taxes)

	12/31/2018	% of total portfolio	12/31/2017	12-month change Current	12-month change Like-for-like <sup>(1)</sup>
France	7,385	35.5%	7,405	-0.3%	-0.2%
Belgium	454	2.2%	432	5.2%	5.0%
<b>France-Belgium</b>	<b>7,839</b>	<b>37.7%</b>	<b>7,836</b>	<b>0.0%</b>	<b>0.1%</b>
<b>Italy</b>	<b>4,021</b>	<b>19.3%</b>	<b>3,974</b>	<b>1.2%</b>	<b>3.2%</b>
Norway	799	3.8%	820	-2.6%	-2.1%
Sweden	702	3.4%	726	-3.3%	0.6%
Denmark	671	3.2%	639	5.1%	4.0%
<b>Scandinavia</b>	<b>2,172</b>	<b>10.4%</b>	<b>2,185</b>	<b>-0.6%</b>	<b>0.6%</b>
Spain	1,918	9.2%	1,895	1.2%	3.6%
Portugal	394	1.9%	389	1.5%	2.3%
<b>Iberia</b>	<b>2,313</b>	<b>11.1%</b>	<b>2,284</b>	<b>1.3%</b>	<b>3.4%</b>
Czech Republic	696	3.3%	622	11.8%	10.7%
Poland	388	1.9%	409	-4.9%	-7.8%
Hungary	201	1.0%	252	-20.0%	7.6%
Turkey	341	1.6%	426	-19.9%	5.4%
<b>CE &amp; Turkey</b>	<b>1,650</b>	<b>7.9%</b>	<b>1,733</b>	<b>-4.8%</b>	<b>4.0%</b>
<b>Netherlands</b>	<b>1,514</b>	<b>7.3%</b>	<b>1,419</b>	<b>6.7%</b>	<b>0.7%</b>
<b>Germany</b>	<b>927</b>	<b>4.5%</b>	<b>1,012</b>	<b>-8.4%</b>	<b>-1.4%</b>
<b>TOTAL SHOPPING CENTERS</b>	<b>20,436</b>	<b>98.3%</b>	<b>20,443</b>	<b>0.0%</b>	<b>1.4%</b>
Other activities	357	1.7%	379	-5.9%	-3.5%
<b>TOTAL</b>	<b>20,793</b>	<b>100.0%</b>	<b>20,822</b>	<b>-0.1%</b>	<b>1.3%</b>

<sup>(1)</sup> Excludes the impact of new centers opened, acquisitions, asset sales completed since January 1, 2017 extension capex and foreign exchange impacts.

# SHOPPING CENTER PORTFOLIO VALUE DOWN 0.2%

OVER 6 MONTHS ON A LIKE-FOR-LIKE BASIS

€m, including transfer taxes	TOTAL SHARE	
	12/31/2018	06/30/2018
France-Belgium	9,684	9,707
Italy	4,052	4,112
Scandinavia	3,872	3,921
Iberia	2,313	2,271
CE & Turkey	1,672	1,768
Netherlands	1,514	1,471
Germany	976	978
<b>TOTAL SHOPPING CENTERS</b>	<b>24,083</b>	<b>24,229</b>
Other activities	<b>357</b>	<b>365</b>
<b>TOTAL</b>	<b>24,440</b>	<b>24,594</b>
<i>of which Equity accounted Investees</i>	<i>1,370</i>	<i>1,413</i>

GROUP SHARE		
12/31/2018	06/30/2018	6-month LfL change <sup>(1)</sup>
7,839	7,869	-0.9%
4,021	4,072	+0.5%
2,172	2,200	-0.6%
2,313	2,271	+1.7%
1,650	1,745	-0.2%
1,514	1,471	+0.1%
927	929	-1.1%
<b>20,436</b>	<b>20,557</b>	<b>-0.2%</b>
<b>357</b>	<b>365</b>	-1.8%
<b>20,793</b>	<b>20,922</b>	<b>-0.2%</b>
<i>1,293</i>	<i>1,332</i>	

<sup>(1)</sup> Excludes the impact of new centers opened, acquisitions, asset sales completed since January 1, 2017, extension capex and foreign exchange impacts.

# SHOPPING CENTER VALUATION ASSUMPTIONS USED BY INDEPENDENT APPRAISERS



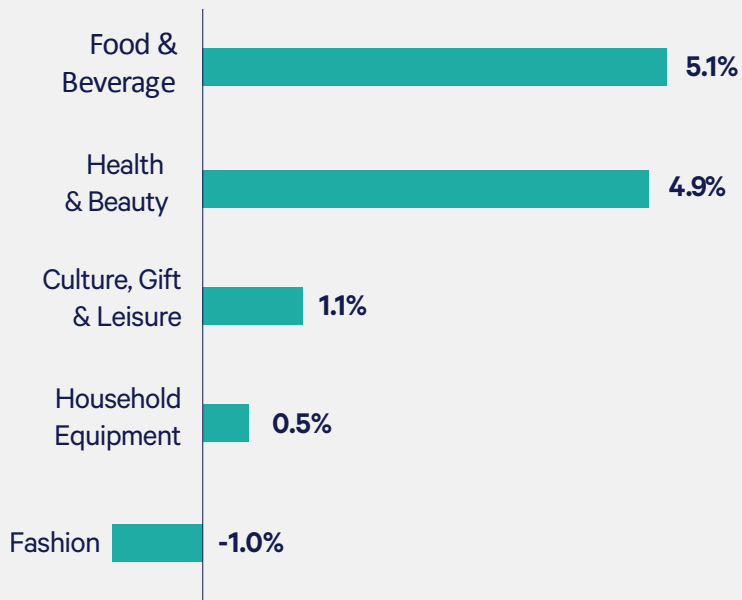
Valuation based on **DCF**, benchmarked using metrics for **comparable property** and recent **market transactions**



Based on current risk-free rate, the implicit **risk premium** used by appraisers stands at **510 bps**

	Risk-free rate	Discount rate	Exit rate	NRI CAGR
France-Belgium	0.8%	5.7%	4.8%	2.7%
Italy	3.4%	7.1%	5.5%	2.0%
Scandinavia	1.0%	6.7%	4.7%	2.0%
Iberia	1.7%	7.4%	5.6%	2.3%
CE and Turkey	3.4%	9.3%	7.1%	4.0%
Netherlands	0.0%	6.5%	6.0%	2.9%
Germany	0.2%	5.2%	4.4%	1.0%
<b>TOTAL</b>	<b>1.5%</b>	<b>6.6%</b>	<b>5.2%</b>	<b>2.5%</b>

## SOME RETAIL SEGMENTS POSTING OUTSTANDING PERFORMANCE



**Food & Beverage, Health & Beauty** and Culture, Gift & Leisure (including **Sport**) largely benefiting from **solid** underlying **trends** and recent **leasing initiatives**

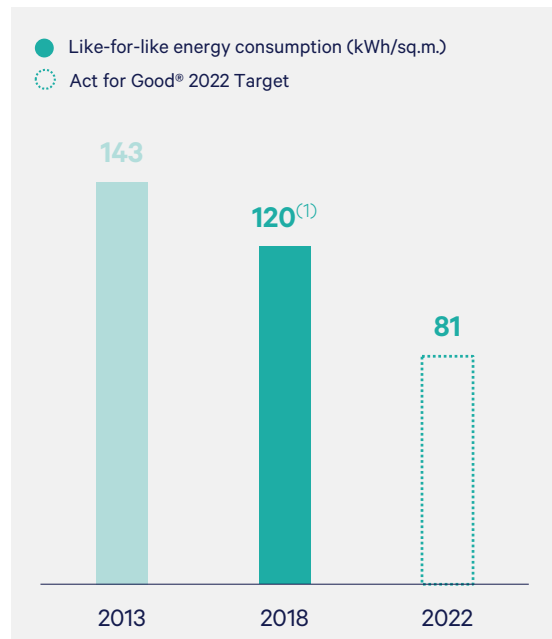


**Fashion** still resilient considering inclement **weather conditions** in a still competitive market

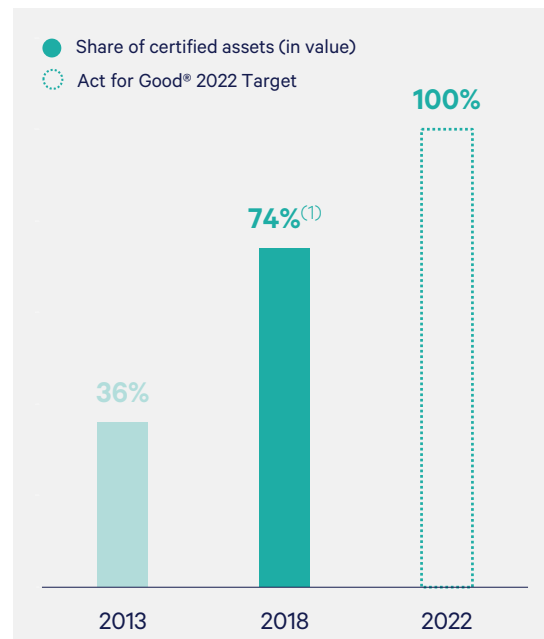
# ACT FOR GOOD®: ON TRACK TO MEET OUR 2022 TARGETS



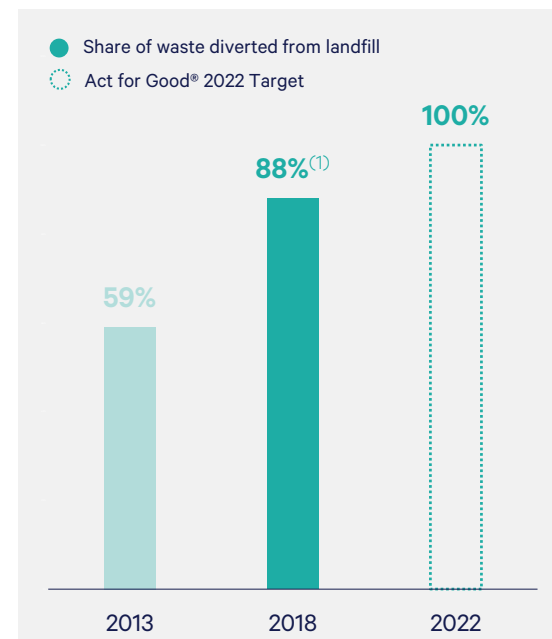
## Energy footprint



## Building Certification



## Waste efficiency

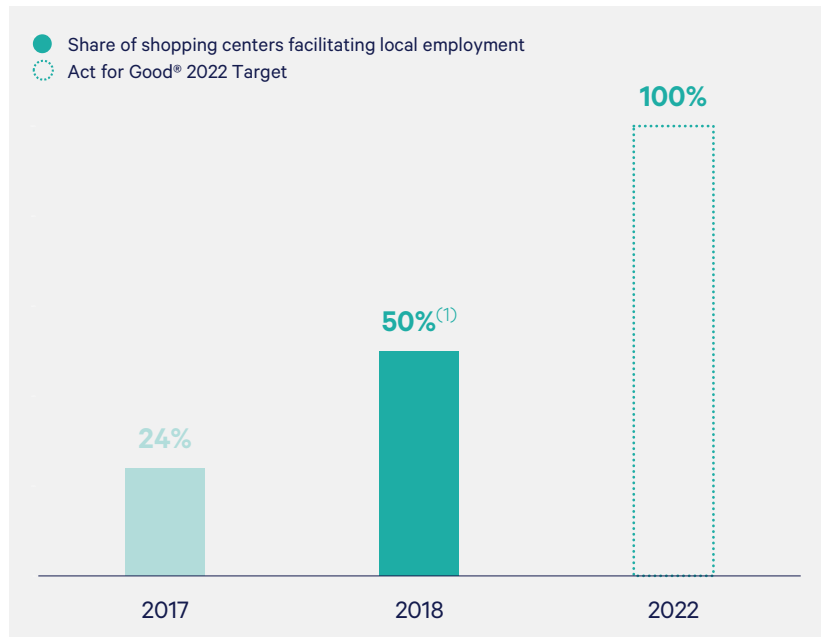


<sup>(1)</sup> The 2018 non-financial data have been subject to audit procedures. The independent verifier's report is to be issued with the registration document

# ACT FOR GOOD®: ON TRACK TO MEET OUR 2022 TARGETS



## Local employment



## Visitor satisfaction



<sup>(1)</sup> The 2018 non-financial data have been subject to audit procedures. The independent verifier's report is to be issued with the registration document