



2005 ACQUISITIONS: KLEPIERRE CONFIRMS ITS LEADERSHIP IN EUROPE

Klépierre pursued development of its shopping center portfolio at a very sustained pace throughout 2005, expanding its scope of ownership with acquisitions in Poland and Belgium, and strengthening its European management capability.

SHOPPING CENTER ACTIVITY BRISK IN 2005

780 million euros invested, primarily in France, Italy and Poland

Klépierre pursued development in France, investing 200 million euros in 2005. The acquisition of Rennes Colombia, a mall measuring 20,215 square meters of useable commercial retail floor area including an Inno supermarket, 4 mid-size retail units (Fnac, Habitat, Sephora and Super Sport) and 67 smaller retail outlets, was completed as part of an asset swap. The counterpart is an office building located at 280/282 Boulevard Saint Germain (Paris 7th).

The extension of the Grand Marché in Quétigny, inaugurated in October 2005 and acquired at the very end of the year, added 8,625 square meters to the original shopping center, including 1 mid-size retail unit and 45 smaller retail outlets.

This sustained acquisition program confirms the potential of the French market, as identified by Klépierre, which also offers the advantage of a well-adapted tax environment.

In Italy, Klépierre acquired 3 shopping centers for a total of 250 million euros, including the shopping malls Tor Vegata (Rome), de Lecce (Pouilles) and Assago (Milan). The latter, inaugurated last June, is the major extension of an existing center whose retail drawing power is already well established. It now offers 24,600 square meters of useable retail commercial floor area, including 9 mid-size retail units and 87 smaller retail outlets, fully leased up, and a Carrefour hypermarket covering 25,000 square meters. Klépierre now owns 32 shopping centers in Italy, offering total useable commercial retail floor area of 273,865 square meters.

After the Czech Republic in 2003 and then Hungary in 2004, Klépierre further strengthened its position in Central Europe last year by acquiring key properties in Poland, the region's most important market. Under the terms of a memorandum of agreement dated May 20, 2005 with Plaza Centers (Europe) BV, Klépierre acquired 4 shopping centers in Poland on July 29, 2005, for a total investment of 203 million euros. The agreement also includes the acquisition in 2006 and 2007 of shopping center properties currently under development in Poland (projects are under way in Rybnik, Sosnowiec and Lublin), for a total estimated investment of 133 million euros; and in the Czech Republic (projects are under way in Prague and Pilzen), for a total estimated outlay of 87 million euros.

Since October 5, 2005 Klépierre owns the Louvain-la-Neuve shopping center in Belgium, the group's first investment in that country. The 34,500 sq.m shopping center is built on two levels and features 7 mid-size retail units, 90 smaller retail outlets and a UGC Cineplex with 13 screening rooms, for a total value of 157 million euros (49.9 million outlaid in 2005).



Overall, Klépierre added 9 shopping centers to its existing retail holdings, resulting in 719.6 million euros of outlay in 2005. It now owns 232 shopping centers, measuring a total of 1,873,261 square meters. These acquisitions will generate additional full-year net rent of 68 million euros. Based on their acquisition dates, mainly in the second half of 2005, they are expected to add some 19 million euros to lease income for the year just ended.

Marginal arbitrages in the portfolio

In 2005, the sale of shopping center assets totaled 58.5 million euros. Disposals included a 20.6% interest in SCOO (the holding company for the Blagnac, Saint-Orens and Noisy Arcades shopping centers) and 859 square meters owned in the Lille Gambetta center, with no strategic value for the Group.

A fully controlled management network

Ségécé further reinforced its management network, buying out minority interests in its Hungarian subsidiary, and more recently in its Italian affiliate (January 5, 2006), as well as pursuing the construction of a European network that enables it to maintain direct and total management control over Klépierre's property assets in 10 countries. As part of this strategy, Ségécé acquired PCM Poland, which manages the Group's shopping center holdings in this country, late last July.

OFFICE PROPERTIES: 125 MILLION EUROS SOLD IN 2005

Pursuant to the opportunistic strategy it employs in the office property segment, Klépierre disposed of 8 office assets in 2005, representing a total floor area of 35,049 square meters, for a total price of 124.8 million euros. Disposals included 3 properties in Paris: 280/282 Boulevard Saint-Germain (7th arrondissement), 43/45 Avenue Kléber (16th arrondissement), and Le Ponant Quai André Citroën (15th arrondissement).

In 2005, these assets generated aggregate lease income of 2.3 million euros.

2006 OUTLOOK

Commenting on the achievements of 2005, Michel Clair, Chairman of the Klépierre Executive Board, stated: "This was an excellent year, surpassing our early expectations with our foothold in Poland. It attests to our potential across Europe—both in our traditional markets and in developing markets located in Central Europe. In the office property segment, we are pursuing our opportunistic acquisition and disposal policy in Paris and the immediate outlying area, paying particular attention to how the market is evolving. Consequently, we expect to continue disposing of mature assets in 2006, and will probably sell around 100 million euros worth of properties. At the same time, we have not ruled out the possibility of once again becoming buyers in this market. Hence our confidence that Klépierre will be able once again to meet an annual investment target of 600 million euros in 2006."

Upcoming releases: *2005 revenues (January 25, 2006)*
 2005 earnings (February 8, 2006)

KLÉPIERRE, SHOPPING CENTER LEADER IN CONTINENTAL EUROPE

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INVESTMENTS COMPLETED SINCE JANUARY 1, 2005

Total share	2004	2005		Future outlays	
	Investment outlays	Investments	o/w Outlaid	Total	Committed in 2005
	In €M	In €M	In €M	In €M	In €M
Shopping centers	658,2	778,9	718,4	590,7	328,2
• France	242,2	200,6	194,6	109,6	82,0
- in operation	157,6	95,1	95,1		
- projects	15,0	91,4	91,4		
- others	69,6	14,1	8,1		
• Spain	65,5	45,5	45,2	136,2	0,3
- in operation	20,3	0,2	0,2		
- projects	45,0	45,0	45,0		
- others	0,2	0,3	0,0		
• Italy	42,9	250,7	244,9	18,6	3,0
- in operation	35,4	223,1	223,1		
- projects	6,0	0,0	0,0		
- others	1,5	27,6	21,8		
• Belgium	26,3	78,1	49,9	28,2	2,5
- in operation	0	78,1	49,9		
- projects	26,3	0,0	0,0		
• Czech Republic	0,0	0,8	0,8	86,9	86,9
• Hungary	274,5	0,0	0,0	0,0	0,0
- in operation	274,5	0,0	0,0		
• Poland	0,0	203,0	183,0	153,5	153,5
- in operation	0,0	203,0	183,0		
• Others (Greece-Portugal)	6,8	0,2	0,0	57,7	0,0
Offices	9,4	0,0	0,0	0,0	0,0
Service providers	14,6	1,2	1,2	8,0	8,0
Total	682,3	780,1	719,6	598,7	336,2
<i>o/w projects</i>	<i>92,3</i>	<i>136,4</i>	<i>136,4</i>		

PRINCIPAL ACQUISITIONS IN OPERATION AT 12.31.2005

COUNTRY	Location	Date	Floor area acquired (GLA sq.m)	Klépierre share	Description of center
France	Rennes Columbia	11/30/2005	20 215	100%	INNO supermarket (3,300 sq.m) 4 MU: Fnac, Habitat, Célio, Super Sport 67 retail units, 1,250 parking spaces
	Sevran Beau Sevran	12/15/2005	6 180	83%	Acquisition of additional lots (19,704 sq.m held previously)
					Extension (1984), renovation (1986) Carrefour hypermarket, 5 MU, Babou, Peugeot, Intersport, 89 retail units, 2,700 parking spaces
	Quétigny extension	12/30/2005	8 625	83%	An additional 45 retails units and 1 MU (Intersport, 2,500sq.m)
					GLA after extension: 12,205 sq m Carrefour hypermarket, 1 MU, 70 units, 2,800 parking spaces
	TOTAL INVESTMENT: 95.1 million euros/ average net cap rate: 6.5%				
Belgium	Louvain L'Esplanade	10/05/2005	34 500	100%	Total GLA: 42,000 sq.m 7 MU (Delhaize, H&M, Go Sport, C&A, Esprit, La Grande Récré, Hema, Zara), 90 retail units, service spaces and restaurants
					TOTAL INVESTMENT: 49.9 million euros*/ average net cap rate: 6.7%
Poland	Warsaw Sadyba	07/29/2005	23 216	100%	Total GLA: 54,000 sq.m Champion hypermarket, Cinéma City, 110 units
	Ruda Slaska Plaza		14 497	100%	Total GLA: 22,000 sq.m Cinéma city, Reserved, 88 units
	Krakow Krakow Plaza		30 375	100%	Total GLA: 60,000 sq.m Cinéma City, Zara, Reserved, 133 units
	Poznan		30 160	100%	Total GLA: 40,000 sq.m Cinéma City, Zara, Esprit, Mexx, 133 units, 1,300 parking spaces
	TOTAL INVESTMENT: 183.0 million euros/ average net cap rate: 8.1%				
Italy	Tor Vergata (Rome)	05/03/2005	12 690	100%	Total GLA: 30,000 sq.m Carrefour (10,000 sq.m), 4 MU (Zara, Nike, Tata, Piazza Italia), 61 retail units, 2,200 parking spaces
	Assago (Milan)	12/06/2005	24 576	100%	Total GLA: 50,000 sq.m Carrefour (25,000 sq.m), 9 MU, 97 retail units, 4,000 parking spaces
	Lecce (Pouille)	12/06/2005	5 775	100%	Total GLA: 20,573 sq.m Carrefour (13,013 sq.m), 28 units including 2 MU (Upim, Eldo appliances), 1,800 parking spaces
	TOTAL INVESTMENT: 223.1 million euros/ average net cap rate: 6.9%				

* For the amount outlaid in 2005



SHOPPING CENTER PORTFOLIO AT 12.31.2005 ⁽¹⁾

Country	Number of centers owned	Total SQ.M
France	104	923 152
Spain	69	275 020
Italy	32	273 865
Greece	4	22 337
Belgium	1	52 219
Slovakia	1	12 312
Portugal	4	82 668
Czech Republic	1	38 077
Hungary	12	168 445
Poland	4	98 248
TOTAL	232	1 873 617

(1) Excluding projects under construction

SHOPPING CENTER DIVESTITURES COMPLETED AT DECEMBER 31, 2005

- 20.06% of SCOO (holding company for Blagnac, Saint-Orens and Noisy Arcades centers)
- 859 sq.m owned in Lille Gambetta center (total square meters: 6,678)

In 2005, the disposal of shopping center assets generated 58.5 million euros

OFFICE PROPERTY DIVESTITURES COMPLETED AT DECEMBER 31, 2005

	SQ.M
Paris 16, 43/45 Avenue Kléber	3 507
Montigny-le-bretonneux 78- 6, Avenue Jean-Pierre Timbaud	2 980
Villepinte 93- ZI Paris Nord 2 - Place des Nymphéas	6 605
Paris 15 – Le Ponant – 83/85 Quai André Citroën	3 467
Issy-les-Moulineaux 92 – Le Florentin – 16 rue J.J.Rousseau	1 894
Paris 4 – 10 Impasse Guéménée	1 059
Paris 7 – 280/282, Bd Saint Germain	7 898
Tour Marcel Brot - Nancy	7 630
8 assets sold for a total of 124.8 million euros	