KLEPIERRE

For immediate release

2013 FULL YEAR EARNINGS

Paris – February 3, 2014

Klépierre, a leading shopping center property company in Europe, today announced its 2013 full year earnings.

Operating and financial results above targets

- Total gross rents[1] up 2.5% on a current basis and up 2.2% like-for-like[2]
- Shopping center like-for-like net rents up 3.5%
- Net current cash flow per share up 3.8%, to 2.07 euros

Accelerated reshaping of the portfolio

- 1.3 billion euros worth of asset disposals completed above appraisal values, exceeding the 1 billion euro target
- Projected Transaction: 2.0 billion euro disposal of a portfolio of 127 retail malls that should be completed in Q2 2014[3].
- A reinforced pipeline of investments in selected regions, reaching 3.0 billion euros at end of 2013

Optimized financial structure targets credit rating upgrade

- A 43.6% LTV ratio[4] corresponding to 40% proforma the Projected Transaction[3]
- Klépierre's rating placed on credit watch with positive implications by S&P
- Average cost of debt down to 3.5% in 2013, with further improvement expected

Resilience of shopping center portfolio value

- 16.0 billion euros, stable on a like-for-like basis over 12 months
- EPRA NAV of 32.2 euros per share and NNNAV of 29.9 euros per share

Proposed dividend up 3.3%

- 1.55 euros per share, fully payable in cash

2014 guidance

- Net lease income growth like-for-like reflecting: positive reversion, further optimization in operational costs, limited contribution of indexation (<1%)
- Net current cash flow per share of at least 2.0 euros - to be updated after closing of the Proposed Transaction (expected Q2 2014)

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[1] Total excluding offices

[2] On a constant portfolio and constant exchange rate basis

[3] Projected disposal for 2.0 billion euros (including duties) of 127 Carrefour-anchored retail malls to a consortium of investors including Carrefour, for which a binding agreement was signed on January 24, 2014. Transaction should close in Q2 2014. In this press release, "the Projected Transaction" refers to this transaction.

[4] 2013 year-end level proforma the disposals of office buildings in Aubervilliers (closed January 2014) and Javel (under a sale and purchase promissory agreement, closing expected in early February 2014)

Laurent Morel, Chairman of the Klépierre Executive Board, commented: *"2013 was a year of great achievements for Klépierre. Solid growth in our rental income demonstrates not only the quality of our assets and the success of every initiative we undertake to constantly improve the appeal of our shopping centers; but also our ongoing focus on managing our malls and our organization with greater efficiency.*
After the completion of our 1 billion euro disposal program, the projected sale of a Carrefour-anchored retail mall portfolio will dramatically further the process of reshaping our global portfolio. As a result, our assets will be even more focused on selected high potential regions and we will be in a position to leverage our asset management expertise more efficiently by concentrating our resources and capital on a more consistent retail platform.
Last but not least, our already much-improved financial profile will benefit from further significant deleveraging, providing us with the capacity to seize future growth opportunities, whether through investments in our high quality pipeline or selective acquisitions."

SOLID PERFORMANCE OF SHOPPING CENTERS

Growth in rental income

Shopping Center gross rents, which account for 94.5% of Klépierre's total rents, reached 945.2 million euros, a 2.9% increase on a current basis. On a like-for-like basis, gross rents were up 2.6% whilst net rents were up 3.5%.

Growth in shopping center rents reflects significant outperformance versus index-linked rent adjustments, the result of sustained leasing renewals and relets in 2012-2013, notably in France-Belgium and Scandinavia. Net rental income reflects the efforts made to improve operating efficiency.

Net rents generated in France-Belgium and Scandinavia posted high like-for-like growth, respectively +4.7% and +7.1%. Net rents also went up in Italy (+2.1%) and Central Europe (+5.3%). Together, these countries accounted for 91% of 2013 shopping center net lease income.

Positive reversion against a backdrop of flat retail sales

Retail sales in Klépierre's shopping malls were virtually flat (-0.1%) compared to 2012. On a like-for-like basis, retail sales were down 0.7% in 2013.

In most countries, retail tenant sales in Klepierre malls outperformed national indices. In France, for the 11-month period through November, national sales[5] were down by 1.5% while Klepierre retail sales declined by 1.0%. On a sector basis, the Personal Products segment – the main segment as measured by sales - showed resilience in our portfolio, outperforming national indices, while retail sales in Beauty and Health – the second largest segment – continued to post a year-over-year increase.

In 2013, a total of 1,897 leases were renewed or relet, representing 94.8 million euros worth of annual gross rents. In France-Belgium notably, the reversion rate remained high at +17.8% for the year. Selected leasing business highlights:

- Klépierre signed leases with several leading exclusive brands, including Primark (2 leases, in Val d'Europe and Créteil), Lego, and Hollister (Jaude, Clermont-Ferrand).
- Klépierre continued to deploy retailer best concept and rejuvenate the merchandizing mix across its portfolio: for example, with discount department store Tati's new "chic" concept in Le Millénaire (Paris) and Belle-Epine (Paris); Hema Beauty in Belle-Epine; Terranova's (an Italian

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[5] Source: CNCC

young urban fashion brand) first store in France in Rives d'Arcins (Bordeaux); Lancel, Zadig & Voltaire and Mauboussin in Les Passages (Boulogne); Moleskine - Italy's upscale notebook manufacturer - in St.Lazare (Paris); Stradivarius – the third store in Klépierre malls - in Le Corti Venete (Italy).

- Klépierre also continued to focus on innovating and updating its food offer, adapting it to the specific needs and positioning of each mall: leases were signed with Lazare, 3-star Michelin Chef Eric Fréchon's fine dining restaurant and Burger King, both in St.Lazare Paris; Roadhouse Grill, the leading steakhouse chain in Italy, in Milanofiori (Milan); and Joe & the Juice, the international café concept in Bruun's Galleri (Denmark).

Marketing teams focused on making Klépierre's leading malls in Europe appealing venues in light of fast changing consumer habits and expectations, and on monetizing the mall as a medium. Initiatives included pop-up stores for exclusive online brands, broader implementation of the Klépierre Clubstore® concept (upgraded customers service, click and collect, gift cards, etc.), partnerships with major entertainment players (TF1-The Voice, Disney), and the continued optimization of digital tools.

High growth expected from recent openings

New openings in 2012 continued to be major commercial successes: This is particularly the case for St.Lazare Paris and Emporia, in Malmö, which welcomed 6.5 million visitors in its first year of operation and has already established itself as one of the highest sales per sq.m. shopping centers in Sweden.

Three new extensions opened in 2013:

- The Rives d'Arcins (Bordeaux, France) extension-refurbishment opened in May 2013. Since its opening, footfall has increased by more than 12% compared to the same period before the work was done. Rives d'Arcins has naturally become the largest shopping destination in this dynamic city.
- The new Jaude Center (Clermont-Ferrand, France) opened in November 2013. Jaude, which already attracted 9.5 million visitors a year before the extension, has confirmed its leading position in the Auvergne region for shopping.
- The Vinterbro (Greater Oslo Area, Norway) extension and refurbishment opened in June 2013. Vinterbro welcomed 25 brand new shops and 35 existing shops have also rolled out their new concepts, including Benetton, Burger King, Carlings, and H&M.

SIGNIFICANT INCREASE IN CASH FLOW GENERATION

Klépierre's total gross rents amounted to 999.7 million euros in 2013, up by 2.5%[1] on a current basis. The total rental increase attributable to recently opened spaces in new or extended shopping centers (+33.9 million euros), and the positive impact of lease indexation and reversion (+19.7 million euros), were partly offset by the loss of gross rents resulting from disposals (- 32.4 million euros). On a like-for-like basis total gross rents[1] were up by 2.2%.

In addition to shopping centers, gross rents generated by the retail property segment (Klémurs) reached 41.6 million euros in 2013 (4.2% of total gross rents). As a result of office disposals completed in 2012 and 2013, gross rents from the office property segment stood at 13.0 million euros for 2013, down 36% compared to last year.

Including other rental income (9.4 million euros, up 4.0% compared to 2012) and fee income (78.2 million euros, down 13.4%), total revenues for 2013 came to 1,087.4 million euros, an increase of 0.5% compared to 2012.

Net current cash flow per share up 3.8%

Net lease income was up 1.0% to 892.8 million euros. Group share, net current cash flow amounted to 403.8 million euros, up 6.1%. Cash flow was positively impacted by the 2013 debt re-financings, the low level of short-term interest rates, and optimization of the Group's hedging portfolio. Overall, the average cost of debt continued to fall, reaching 3.5% for 2013 compared to 3.95% for 2012.

On a per share basis, net current cash flow reached 2.07 euros, representing a 3.8% increase compared with 2012.

PORTFOLIO RESHAPING ACCELERATED

Further investment in leading shopping centers located in selected regions

Klépierre spent 408.3 million euros on shopping center developments and acquisitions in 2013 in France, Scandinavia and Northern Italy. This outlay includes 130.2 million euros spent in shopping malls recently redeveloped as well as 179.8 million euros invested on the acquisition of two strategic stakes in already partially-owned shopping centers: 50% of Odysseum (Montpellier), resulting in 100% ownership, and the consolidation of a stake in IGC, a high quality portfolio of 9 shopping centers in Italy, bringing its total ownership from 71.3% to 88%.

1.3 billion euros of assets sales completed over 2 years

With 538.4 million euros[6] worth of disposals concluded since the beginning of 2013, Klepierre outperformed the announced 2-year targeted disposal program of 1.0 billion euros. On average, 2013 transaction values reflected an 8.2% premium over latest appraisals. These transactions include:

- 308 million euros[6] worth of shopping centers sold in France and Norway at a 5.9% premium over the latest appraisal value on average and a 5.6% yield
- 211 million euros worth of office buildings located in Paris sold at an 11.2% premium over the latest appraisal value. In addition, the Le Millénaire office building (Aubervilliers) was sold in January 2014. A building located in Javel (Paris) is under a sale promissory agreement and the sale should be completed in February 2014. The last remaining asset (43 Grenelle, Paris) is well advanced in the process of being under promissory agreement. Klépierre therefore expects to have sold all of its office buildings by the end of the first half of 2014.

Projected disposal of retail mall portfolio: a landmark transaction

Klépierre announced on January 24, 2014 that it had signed a binding agreement confirming the terms of the projected disposal[7] of a portfolio of 127 Carrefour-anchored retail malls (located in France, Spain, and Italy) to a consortium of investors including Carrefour. Total consideration amounts to €2.01 billion. Klépierre would reduce its number of owned shopping centers to 129, from 256 at year-end 2013. The Projected Transaction, which is expected to close in the second quarter of 2014, would combine two immediate benefits, i) reinforcing Klépierre's strategic focus on the most evolutionary and effective retail format in selected regions, and ii) contributing to the acceleration of balance sheet deleveraging efforts.

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[6] Value excluding duties

[7] Please refer to the Klepierre press release dated December 16, 2013.

FURTHER OPTIMIZATION OF FINANCIAL PROFILE

Credit rating upgrade expected in 2014

The consolidated net debt was down 162 million euros to 7.2 billion euros as of December 31, 2013. The Loan-to-Value ratio stood at 43.6%.[8] As a result of the Projected Transaction, Klépierre expects to pay down 1.3 billion euros worth of debt with short maturities, which would translate into a 40% LTV pro forma. The Group's level of liquidity[9] stood at 1.9 billion euros on December 31, 2013, allowing both scheduled pipeline investments and all refinancing needs to be covered until March 2016, after having paid down 1.3 billion of debt with short maturities. The hedging position would be restructured, maintaining Klépierre's fixed rate position at around 70%.
After the Projected Transaction was announced on December 16, 2013, Klépierre was placed on credit watch with positive implications by Standard & Poor's.

Stable asset valuations

Total share, the value of the property portfolio excluding duties stood at 16.0 billion euros as of December 31, 2013. Shopping centers account for 95.6% of the total value. On a constant portfolio and forex basis, the value of the portfolio is unchanged (-0.1%) total share compared with December 31, 2012. The overall negative impact is mainly due to the depreciation of the Spanish assets included within the scope of the Projected Transaction, while France-Belgium and Scandinavia are driving the valuation up, reflecting continued rental growth in these regions.
Group share, the value of the property portfolio excluding duties is also fairly unchanged compared to last year, and stands at 12.7 billion euros. The average net initial yield of the portfolio remains unchanged at 6.2%.

The EPRA NNNAV stands at 29.9 euros per share, versus 30.2 euros per share on December 31, 2012. The NNNAV 0.3 euro decrease results from a 2.07 euro increase in cash flow, neutralized by the dividend payment (-1.50 euros) and the valuation impairment of the portfolio (-0.6 euros), mainly concentrated in Spain. The year-end portfolio valuation reflects the agreed price for retail malls included in the Projected Transaction.[3] EPRA NAV stands at 32.2 euros per share.

RENEWED 3 BILLION EURO QUALITY PIPELINE

The development pipeline has been reinforced and increased to a total of 3.0 billion euros worth of shopping center projects, exclusively located in France, Belgium, Northern Italy and Scandinavia (compared with 2.3 billion euros on June 30, 2013). It includes 1.5 billion euros worth of committed and controlled projects, of which 57% are extension-refurbishment programs and 43% greenfield projects.

The Val d'Europe extension (Paris region, France) is now included in the committed pipeline, as Klépierre has signed with anchor tenants, Primark in particular. The controlled pipeline includes Okernsenteret (Oslo, Norway), a 50,000 sq.m. project to create a new retail hub in one of the most buoyant districts of downtown Oslo and the first step in the extension-refurbishment of Créteil-Soleil (Paris region, France), Klépierre's largest asset, to rejuvenate its offering, including a food court.

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[8] Proforma the disposals of office buildings in Aubervilliers (closed January 2014) and Javel (closing expected early February 2014).

[9] Available credit lines and net cash

The estimated net initial yields are 6.4% for the committed projects and 7.1% for the controlled projects, translating into an estimated additional 67 million euros in annual rents by year-end 2016 and an estimated 300 million euros by year-end 2018.

PROPOSED DIVIDEND UP 3.3%

The Klépierre Supervisory Board will recommend the payment of cash dividend of 1.55 euros per share in respect of fiscal year 2013 (compared with 1.50 in respect of 2012). This amount reflects a payout ratio of 77% of group share net current cash flow. This recommendation will be submitted to the shareholders at their annual meeting on April 10, 2014 and will be payable on April 17, 2014.

OUTLOOK

For the fiscal year 2014, Klépierre's rents will continue to benefit from an overall positive reversion. The group expects the net lease income like-for-like to grow, also driven by further optimization of operational costs and a limited contribution of indexation (below 1%)
In view of the ongoing Projected Transaction[3], the net current cash flow is expected to be at least 2.0 euros per share; this guidance will be updated depending on the effective closing of the disposal (expected in the second quarter of 2014).

FINANCIAL HIGHLIGHTS FOR THE YEAR ENDED 12/31/2013

€M, total share	Current portfolio 2013	2012	Change	Change like-for-like [1]
Shopping centers	945.2	918.8	*2.9%*	*2.6%*
Retail assets	41.6	44.0	*-5.3%*	*-4.7%*
Gross Rents Retail Real Estate	**986.8**	**962.8**	***2.5%***	***2.2%***
Offices	13.0	20.2	*NR*	
Total gross rents	**999.7**	**983.0**	***1.7%***	
Other rental income	9.4	9.1	*4.0%*	
Lease Income	**1,009.2**	**992.1**	***1.7%***	
Fees	78.2	90.3	*-13.4%*	
Total Revenues	**1,087.4**	**1,082.5**	***0.5%***	
Net Lease Income				
Shopping centers	842.4	823.5	*2.3%*	*3.5%*
Retail assets	39.9	42.8	*-6.7%*	*-5.2%*
Net Rents Retail Real Estate	**882.3**	**866.2**	***1.9%***	***3.0%***
Offices	10.5	17.6	*NR*	
Total Net Lease Income	**892.8**	**883.8**	***1.0%***	
Net current cash-flow group share	**403.8**	**380.8**	***6.1%***	
Net current cash-flow per share (€)	**2.07**	**1.99**	***3.8%***	
Value of holdings, total share (excl. duties)	**15,972**	**16,445**		
Reconstitution NAV[2] per share (€)	**34.0**	**35.7**		
EPRA NAV[3] per share (€)	**32.2**	**34.0**		
EPRA NNNAV[4] per share(€)	**29.9**	**30.2**		

[1] Excluding new spaces (new centers and extensions) opened since January 1, 2012, disposals completed since January 1, 2012 and forex impact.
[2] Including transfer duties, before taxes on unrealized capital gains and marking to market of financial instruments.
[3] Excluding transfer duties, before taxes on unrealized capital gains and marking to market of financial instruments.
[4] Excluding transfer duties, after taxes on unrealized capital gains and marking to market of financial instruments.

The Supervisory Board met at the Company's headquarters on January 30, 2014 to examine the full-year financial statements approved by the Executive Board on January 27, 2014.

The annual consolidated financial statements have been subject to audit procedures for which the certification report is in the process of being issued.

Pursuant to the provisions of Article 225 of the Grenelle II Act, Klépierre's environmental and social information has been validated by the Executive Board and the Supervisory Board. This information will be published in Klépierre's 2013 registration document.

CUMULATIVE REVENUES FOR THE 12-MONTHS ENDED (TOTAL SHARE)

€M, total share	2013	2012	Change (€M)	*Change like-for-like [1]*	*% of consolidated rents*
France	400.0	385.9	14.1	*4.7%*	*40.0%*
Belgium	14.9	14.4	0.5	*3.8%*	*1.5%*
France-Belgium	**414.9**	**400.3**	**14.6**	***4.6%***	***41.5%***
Norway	91.9	98.2	-6.2	*3.3%*	*9.2%*
Sweden	95.2	75.6	19.7	*1.6%*	*9.5%*
Denmark	47.1	44.2	2.8	*6.5%*	*4.7%*
Scandinavia	**234.2**	**218.0**	**16.2**	***3.5%***	***23.4%***
Italy	**124.2**	**123.6**	**0.6**	***1.7%***	***12.4%***
Spain	72.0	75.3	-3.3	*-3.9%*	*7.2%*
Portugal	16.7	17.8	-1.1	*-6.0%*	*1.7%*
Iberia	**88.7**	**93.1**	**-4.4**	***-4.3%***	***8.9%***
Poland	35.0	35.3	-0.3	*1.9%*	*3.5%*
Hungary	21.9	22.1	-0.2	*-0.7%*	*2.2%*
Czech Republic	21.9	21.1	0.8	*5.2%*	*2.2%*
Central Europe	**78.8**	**78.4**	**0.3**	***2.0%***	***7.9%***
Other countries	**4.4**	**5.4**	**-1.1**	***NR***	***0.4%***
Shopping centers	**945.2**	**918.8**	**26.3**	***2.6%***	***94.5%***
Retail	41.6	44.0	-2.3	*-4.7%*	*4.2%*
Retail real estate	**986.8**	**962.8**	**24.0**	***2.2%***	***98.7%***
Offices	13.0	20.2	-7.3	*NR*	*1.3%*
TOTAL RENTS	**999.7**	**983.0**	**16.7**	***NR***	***100.0%***
Other rental income	9.4	9.1	0.4		
LEASE INCOME	**1009.2**	**992.1**	**17.1**		
FEES	**78.2**	**90.3**	**-12.1**		
TOTAL REVENUES	**1087.4**	**1082.5**	**4.9**		

[1] Excluding new spaces (new centers and extensions) opened since January 1, 2012, disposals completed since January 1, 2012 and forex impact.

CUMULATIVE REVENUES FOR THE 12-MONTHS ENDED (GROUP SHARE)

€M, group share	2013	2012	Change (€M)	*Change like-for-like* [1]	*% of consolidated rents*
France	322.5	313.7	8.7	*4.6%*	*40.7%*
Belgium	14.9	14.4	0.5	*3.8%*	*1.9%*
France-Belgium	**337.4**	**328.1**	**9.3**	***4.5%***	***42.6%***
Norway	51.6	55.1	-3.5	*3.3%*	*6.5%*
Sweden	53.4	42.4	11.0	*1.6%*	*6.7%*
Denmark	26.4	24.8	1.6	*6.5%*	*3.3%*
Scandinavia	**131.4**	**122.3**	**9.1**	***3.5%***	***16.6%***
Italy	**108.8**	**107.8**	**1.1**	***1.7%***	***13.7%***
Spain	62.9	65.5	-2.6	*-3.5%*	*7.9%*
Portugal	16.7	17.8	-1.1	*-6.0%*	*2.1%*
Iberia	**79.6**	**83.2**	**-3.7**	***-4.0%***	***10.0%***
Poland	35.0	35.3	-0.3	*1.9%*	*4.4%*
Hungary	21.8	22.0	-0.2	*-0.6%*	*2.7%*
Czech Republic	21.9	21.1	0.8	*5.2%*	*2.8%*
Central Europe	**78.7**	**78.4**	**0.3**	***2.1%***	***9.9%***
Other countries	**3.9**	**4.8**	**-0.9**	***NR***	***0.5%***
Shopping centers	**739.8**	**724.6**	**15.2**	***2.4%***	***93.3%***
Retail	40.0	37.0	3.0	*-4.7%*	*5.0%*
Retail real estate	**779.7**	**761.6**	**18.2**	***2.1%***	***98.4%***
Offices	13.0	20.2	-7.3	*NR*	*1.6%*
TOTAL RENTS	**792.7**	**781.8**	**10.9**	***NR***	***100.0%***
Other rental income	7.2	7.2	0.0		
LEASE INCOME	**799.9**	**789.0**	**10.9**		
FEES	**67.0**	**76.7**	**-9.7**		
TOTAL REVENUES	**866.8**	**865.7**	**1.2**		

[1] Excluding new spaces (new centers and extensions) opened since January 1, 2012, disposals completed since January 1, 2012 and forex impact.

GROSS RENTS BY QUARTER (TOTAL SHARE)

€M, total share	Q4 2013	Q3 2013	Q2 2013	Q1 2013
France	103.1	99.3	99.9	97.8
Belgium	3.9	3.6	3.8	3.6
France-Belgium	**106.9**	**102.9**	**103.7**	**101.4**
Norway	20.8	22.7	23.7	24.8
Sweden	23.7	24.5	23.3	23.7
Denmark	11.7	12.1	11.9	11.4
Scandinavia	**56.2**	**59.2**	**58.9**	**59.8**
Italy	**31.5**	**30.9**	**30.8**	**31.1**
Spain	18.4	17.8	17.2	18.6
Portugal	4.0	4.1	4.2	4.4
Iberia	**22.5**	**22.0**	**21.3**	**22.9**
Poland	8.7	8.5	8.8	9.0
Hungary	5.6	5.5	5.2	5.5
Czech Republic	5.5	5.5	5.5	5.4
Central Europe	**19.9**	**19.4**	**19.5**	**19.9**
Other countries	**0.7**	**1.1**	**1.3**	**1.3**
Shopping centers	**237.6**	**235.5**	**235.6**	**236.4**
Retail	10.2	10.4	10.6	10.5
Retail real estate	**247.9**	**245.9**	**246.1**	**246.9**
Offices	2.8	3.3	3.3	3.6
TOTAL RENTS	**250.7**	**249.2**	**249.4**	**250.5**

AGENDA

April 10, 2014	**General meeting of shareholders**
April 23, 2014	**2014 1st Quarter revenues** (press release after market close)

ABOUT KLEPIERRE

A leading shopping center property company in Europe, Klépierre combines development, rental, property and asset management skills.

Its portfolio is valued at 16.0 billion euros on December 31, 2013 and essentially comprises large shopping centers in 13 countries of Continental Europe. Klépierre holds a controlling stake in Steen & Strøm (56.1%), Scandinavia's number one shopping center owner and manager.

Klépierre's largest shareholders are Simon Property Group (28.9%), world leader in the shopping center industry, and BNP Paribas (21.9%).

Klépierre is a French REIT (SIIC) listed on Euronext ParisTM and is included into the SBF 80, EPRA Euro Zone and GPR 250 indexes. Klépierre is also included in several ethical indexes – DJSI World and Europe, FTSE4Good, STOXX® Global ESG Leaders, Euronext Vigeo France 20 and Eurozone 120 – and is a member of both Ethibel Excellence and Ethibel Pioneer investment registers. Klépierre is also ranked as a Green Star by GRESB (Global Real Estate Sustainability Benchmark). These distinctions mark the Group's commitment to a voluntary sustainable development policy.

For more information, visit our website: www.klepierre.com

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This press release and its appendices are available on Klépierre's website: www.klepierre.com

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1. CONSOLIDATED FINANCIAL STATEMENTS

COMPREHENSIVE INCOME STATEMENT (EPRA MODEL)

in thousands of euros	12/31/2013	12/31/2012
Lease income	1,009,186	992,121
Land expenses (real estate)	-7,857	-7,159
Non-recovered rental expenses	-42,655	-44,236
Building expenses (owner)	-65,912	-56,935
Net rents	***892,762***	***883,791***
Management, administrative and related income	78,187	90,329
Other operating revenue	19,323	14,108
Survey and research costs	-4,431	-2,413
Payroll expenses	-122,424	-120,475
Other general expenses	-44,362	-43,568
Depreciation and impairment allowance on investment property	-392,791	-374,603
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-11,348	-10,932
Provisions	-1,071	307
Proceeds from disposal of investment properties and equity investments	492,282	609,847
Net book value of investment properties and equity investments sold	-318,905	-405,018
Income from the disposal of investment properties and equity investments	***173,377***	***204,829***
Operating income	**587,222**	**641,374**
Net dividends and provisions on non-consolidated investments	15	-16
Financial income	*97,704*	*134,311*
Financial expenses	*-424,425*	*-452,021*
Net cost of debt	-326,721	-317,709
Change in the fair value of financial instruments	-94,203	-41,589
Effect of discounting	0	0
Share in earnings of equity method investees	1,705	1,499
Profit before tax	**168,018**	**283,559**
Corporate income tax	-30,998	-21,666
Net income of consolidated entity	**137,020**	**261,892**
Of which		
Group share	*53,601*	*166,587*
Non-controlling interests	*83,419*	*95,305*
Undiluted average number of shares	**195,400,982**	**191,271,591**
Undiluted comprehensive earnings per share (euro)	**0.3**	**0.9**
Diluted average number of shares	**195,400,982**	**191,271,591**
Diluted comprehensive earnings per share (euro)	**0.3**	**0.9**

in thousands of euros	12/31/2013	12/31/2012
Net income of consolidated entity	**137,020**	**261,892**
Other comprehensive income items recognized directly as equity	**137,974**	**10,753**
Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	*249,744*	*-57,264*
Translation profits and losses	*-70,817*	*54,134*
Tax on other comprehensive income items	*-44,400*	*10,290*
Items that will be reclassified subsequently to profit or loss	***134,527***	***7,160***
Income from sales of treasury shares	*3,447*	*3,593*
Actuarial gains	-	-
Items that will not be reclassified subsequently to profit or loss	***3,447***	***3,593***
Share of other comprehensive income items of equity method investees	-	-
Total comprehensive income	**274,994**	**272,645**
Of which		
Group share	*198,850*	*170,699*
Non-controlling interests	*76,144*	*101,946*
Undiluted comprehensive earnings per share (euro)	**1.0**	**0.9**
Diluted comprehensive earnings per share (euro)	**1.0**	**0.9**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EPRA MODEL)

in thousands of euros	12/31/2013	12/31/2012
Goodwill	133,757	135,325
Intangible assets	37,394	33,805
Property, plant and equipment and work in progress	15,339	31,482
Investment property	9,847,578	11,301,038
Investment property under construction	317,002	446,270
Equity method securities	19,910	19,789
Other non-current assets	15,528	17,055
Non-current derivatives	118,703	153,632
Deferred tax assets	57,709	106,691
NON-CURRENT ASSETS	***10,562,920***	***12,245,087***
Investment property held for sale	1,115,816	73,148
Investment held for sale	7,957	0
Inventory	433	389
Trade accounts and notes receivable	113,242	133,165
Other receivables	227,612	271,252
Tax receivables	*32,203*	*33,533*
Other debtors	*195,409*	*237,719*
Current derivatives	0	*0*
Cash and cash equivalents	142,368	206,014
CURRENT ASSETS	***1,607,428***	***683,968***
TOTAL ASSETS	**12,170,347**	**12,929,055**
Share capital	279,259	279,259
Additional paid-in capital	1,773,630	1,773,630
Legal reserves	27,926	26,551
Consolidated reserves	-45,027	-35,988
Treasury shares	*-93,500*	*-99,211*
Hedging reserves	*-181,861*	*-371,065*
Other consolidated reserves	*230,334*	*434,288*
Consolidated earnings	53,601	166,587
Shareholders’ equity, group share	2,089,390	2,210,040
Non-controlling interests	1,308,065	1,410,684
SHAREHOLDERS’ EQUITY	***3,397,455***	***3,620,725***
Non-current financial liabilities	5,343,915	6,699,826
Long-term provisions	13,937	13,417
Pension commitments	14,682	16,169
Non-current derivatives	173,389	419,327
Security deposits and guarantees	148,727	141,704
Deferred tax liabilities	365,968	420,907
NON-CURRENT LIABILITIES	***6,060,617***	***7,711,350***
Current financial liabilities	2,127,884	1,004,004
Bank facilities	31,334	39,276
Trade payables	110,890	122,080
Payables to fixed asset suppliers	44,943	49,805
Other liabilities	208,095	261,639
Current derivatives	103,868	40,740
Social and tax liabilities	85,262	79,437
Short-term provisions	0	0
CURRENT LIABILITIES	***2,712,275***	***1,596,981***
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	**12,170,347**	**12,929,055**

SEGMENT EARNINGS

in million of euros	SHOPPING CENTERS Total		RETAIL UNITS France		OFFICES France		UNAFFECTED		KLEPIERRE GROUP	
	12/31/13	12/31/12	12/31/13	12/31/12	12/31/13	12/31/12	12/31/13	12/31/12	12/31/13	12/31/12
Rents	945.2	918.8	41.6	44.0	13.0	20.2	0.0	0.0	999.7	983.0
Other rental income	9.4	8.7	0.0	0.0	0.0	0.4	0.0	0.0	9.4	9.1
Lease income	**954.6**	**927.5**	**41.6**	**44.0**	**13.0**	**20.6**	**0.0**	**0.0**	**1009.2**	**992.1**
Rental & building expenses	-112.2	-104.0	-1.7	-1.3	-2.5	-3.1	0.0	0.0	-116.4	-108.3
NET RENTS	**842.4**	**823.5**	**39.9**	**42.8**	**10.5**	**17.6**	**0.0**	**0.0**	**892.8**	**883.8**
Management and other income	94.0	102.8	0.2	0.4	3.3	1.2	0.0	0.0	97.5	104.4
Payroll and other general expenses	-136.4	-138.6	-1.3	-2.0	-1.1	-0.9	-32.4	-25.0	-171.2	-166.5
EBITDA	**800.0**	**787.7**	**38.7**	**41.2**	**12.7**	**17.9**	**-32.4**	**-25.0**	**819.1**	**821.8**
Depreciation and allowance	-389.8	-359.4	-12.5	-18.7	-3.1	-5.9	0.2	-1.2	-405.2	-385.2
Income from disposals	94.0	164.0	1.9	0.0	77.4	40.8	0.0	0.0	173.4	204.8
Share in earnings of equity method investees	1.7	1.5	0.0	0.0	0.0	0.0	0.0	0.0	1.7	1.5
SEGMENT INCOME	**505.9**	**593.9**	**28.2**	**22.4**	**87.0**	**52.8**	**-32.2**	**-26.2**	**588.9**	**642.9**
Net dividends and provisions on non-consolidated investments									0.0	0.0
Cost of debt									-326.7	-317.7
Change in the fair value of financial instruments									-94.2	-41.6
Effect of discounting									0.0	0.0
PROFIT BEFORE TAX									**168.0**	**283.6**
Corporate income tax									-31.0	-21.7
NET INCOME									**137.0**	**261.9**

COMPREHENSIVE INCOME STATEMENT (EPRA MODEL)
PRESENTATION IN FAIR VALUE

In thousands of euros	12/31/2013	12/31/2012
Lease income	1,009,186	992,121
Land expenses (real estate)	-6,202	-4,880
Non-recovered rental expenses	-42,655	-44,236
Building expenses (owner)	-65,603	-56,406
Net rents	***894,726***	***886,599***
Management, administrative and related income	78,187	90,329
Other operating revenue	19,323	14,108
Change in the fair value of investment property	-153,876	80,423
Survey and research costs	-4,431	-2,413
Payroll expenses	-122,424	-120,475
Other general expenses	-44,362	-43,568
Depreciation and impairment allowance on investment property	-9,523	-9,549
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-11,348	-10,932
Provisions	-1,071	307
Gains on the disposal of investment property and equity investments	492,282	609,847
Net book value of investment property and equity investments sold	-407,794	-599,009
Income from the disposal of investment property and equity investments	**84,488**	**10,838**
Operating income	**729,689**	**895,667**
Net dividends and provisions on non-consolidated investments	15	-16
Financial income	*97,704*	*134,311*
Financial expenses	*-424,425*	*-452,021*
Net cost of debt	-326,721	-317,709
Change in the fair value of financial instruments	-94,203	-41,589
Effect of discounting	0	0
Share in earnings of equity method investees	2,155	1,397
Profit before tax	**310,935**	**537,750**
Corporate income tax	773	-57,406
Net income of consolidated entity	**311,708**	**480,344**
of which		
Group share	*176,441*	*275,130*
Non-controlling interests	*135,267*	*205,214*
Undiluted average number of shares	**195,400,982**	**191,271,591**
Undiluted comprehensive earnings per share in euros	**0.9**	**1.4**
Diluted average number of shares	**195,400,982**	**191,271,591**
Diluted comprehensive earnings per share in euros	**0.9**	**1.4**

in thousands of euros	12/31/2013	12/31/2012
Net income of consolidated entity	**311,708**	**480,344**
Other comprehensive income items recognized directly as equity	**128,091**	**19,357**
Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	*249,744*	*-57,264*
Translation profits and losses	*-80,700*	*62,738*
Tax on other comprehensive income items	*-44,400*	*10,290*
Items that will be reclassified subsequently to profit or loss	***124,644***	***15,764***
Income from sales of treasury shares	*3,447*	*3,593*
Actuarial gains	-	-
Items that will not be reclassified subsequently to profit or loss	***3,447***	***3,593***
Share of other comprehensive income items of equity method investees	-	-
Total comprehensive income	**439,799**	**499,701**
Of which		
Group share	*311,639*	*285,925*
Non-controlling interests	*128,160*	*213,776*
Undiluted comprehensive earnings per share (euro)	**1.6**	**1.5**
Diluted comprehensive earnings per share (euro)	**1.6**	**1.5**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EPRA MODEL)
PRESENTATION IN FAIR VALUE

in thousands of euros	12/31/2013	12/31/2012
Goodwill	129 107	130 675
Intangible assets	37 394	33 805
Property, plant and equipment and work in progress	15 339	31 482
Investment property at fair value	13 308 108	15 738 643
Investment property at cost model	328 275	286 677
Equity method securities	26 703	26 132
Other non-current assets	15 528	17 055
Non-current derivatives	118 703	153 632
Deferred tax assets	57 736	98 584
NON-CURRENT ASSETS	***14 036 893***	***16 516 685***
Fair value of property held for sale	2 040 446	96 901
Investment held for sale	7 957	0
Inventory	433	389
Trade accounts and notes receivable	113 242	133 165
Other receivables	189 672	220 456
Tax receivables	*32 203*	*33 533*
Other debtors	*157 469*	*186 923*
Current derivatives	0	0
Cash and cash equivalents	142 368	206 014
CURRENT ASSETS	***2 494 118***	***656 925***
TOTAL ASSETS	**16 531 010**	**17 173 610**
Share capital	279 259	279 259
Additional paid-in capital	1 773 630	1 773 630
Legal reserves	27 926	26 551
Consolidated reserves	3 143 029	3 046 822
Treasury shares	-93 500	-99 211
Hedging reserves	-181 861	-371 065
Fair value of investment property	3 204 553	3 089 254
Other consolidated reserves	213 837	427 844
Consolidated earnings	176 441	275 130
Shareholders' equity, group share	5 400 286	5 401 393
Non-controlling interests	2 096 812	2 170 205
SHAREHOLDERS' EQUITY	***7 497 098***	***7 571 598***
Non-current financial liabilities	5 343 915	6 699 826
Long-term provisions	13 937	13 417
Pension commitments	14 682	16 169
Non-current derivatives	173 389	419 327
Security deposits and guarantees	148 727	141 704
Deferred tax liabilities	626 988	714 588
NON-CURRENT LIABILITIES	***6 321 637***	***8 005 031***
Current financial liabilities	2 127 884	1 004 004
Bank facilities	31 334	39 276
Trade payables	110 890	122 080
Payables to fixed asset suppliers	44 943	49 805
Other liabilities	208 095	261 639
Current derivatives	103 868	40 740
Social and tax liabilities	85 262	79 437
Short-term provisions	0	0
CURRENT LIABILITIES	***2 712 275***	***1 596 981***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**16 531 010**	**17 173 610**

2. GROSS RENTS AND NET LEASE INCOME

GROSS RENTS

In million of euros	Current portfolio			Like-for-like		
	12/31/2013	12/31/2012	%	12/31/2013	12/31/2012	%
Shopping centers	**945.2**	**918.8**	**2.9%**	**860.1**	**838.4**	**2.6%**
France - Belgium	414.9	400.3	3.7%	389.4	372.2	4.6%
Scandinavia	234.2	218.0	7.4%	180.3	174.2	3.5%
Italy	124.2	123.6	0.5%	119.8	117.9	1.7%
Iberia	88.7	93.1	-4.7%	88.7	92.7	-4.3%
Central Europe	78.8	78.4	0.4%	77.5	76.0	2.0%
Other countries	4.4	5.4	-	4.4	5.4	-
Retail	**41.6**	**44.0**	**-5.3%**	**41.6**	**43.7**	**-4.7%**
S/ Total SC + Retail	**986.8**	**962.8**	**2.5%**	**901.7**	**882.1**	**2.2%**
Offices	**13.0**	**20.2**	**-**			
TOTAL	**999.7**	**983.0**	**1.7%**			

NET LEASE INCOME

In million of euros	Current portfolio			Like-for-like		
	12/31/2013	12/31/2012	%	12/31/2013	12/31/2012	%
Shopping centers	**842.4**	**823.5**	**2.3%**	**768.0**	**742.1**	**3.5%**
France-Belgium	382.5	373.2	2.5%	358.6	342.5	4.7%
Scandinavia	203.2	189.2	7.4%	155.7	145.4	7.1%
Italy	112.4	111.4	0.9%	108.7	106.5	2.1%
Iberia	76.3	81.9	-6.9%	76.5	80.8	-5.3%
Central Europe	67.2	64.2	4.8%	66.7	63.3	5.3%
Other countries	0.7	3.6	-	1.8	3.6	-
Retail	**39.9**	**42.8**	**-6.7%**	**40.3**	**42.5**	**-5.2%**
S/ Total SC + Retail	**882.3**	**866.2**	**1.9%**	**808.3**	**784.6**	**3.0%**
Offices	**10.5**	**17.6**	**-**			
TOTAL	**892.8**	**883.8**	**1.0%**			

3. CASH FLOW STATEMENT

in million of euros	2013	2012	2013 / 2012 %
Lease income	1009.2	992.1	1.7%
Rental & building expenses	-116.4	-108.3	7.5%
NET LEASE INCOME	**892.8**	**883.8**	**1.0%**
Management and other income	97.5	104.4	
Other operating expenses	-171.2	-166.5	
Restatement payroll and deferred expenses	8.7	6.3	
Net cost of debt	-326.7	-317.7	
Restatement financial allowance	54.7	21.4	
Share in earnings of equity method investees	1.7	1.5	
Current tax expenses	-23.9	-24.4	
NET CURRENT CASH FLOW (TOTAL SHARE)	**533.5**	**508.9**	**4.8%**
NET CURRENT CASH FLOW (GROUP SHARE)	**403.8**	**380.8**	**6.1%**
Restatement payroll and deferred expenses	-7.6	-5.9	
Restatement amortization allowances and provisions for contingencies and losses	-10.4	-8.8	
Other restatements related to tax	-1.0	-0.8	
EPRA EARNINGS (GROUP SHARE)	**384.9**	**365.2**	**5.4%**
Per share			
NET CURRENT CASH FLOW PER SHARE	**2.07**	**1.99**	**3.8%**
EPRA EARNINGS PER SHARE	**1.97**	**1.91**	**3.2%**
Average number of shares	195,400,982	191,271,591	

4. ACCOUNTING PRINCIPLES AND METHODS

4.1. CORPORATE REPORTING

Klépierre is a French corporation (*Société anonyme* or SA) subject to French company legislation, and more specifically to the provisions of the French Commercial Code. The Company's registered office is located at 21 avenue Kléber in Paris.

On January 27, 2014, the Executive Board approved the Klépierre SA consolidated financial statements for the period from January 1 to December 31, 2013 and authorized their publication.

4.2. PRINCIPLES OF FINANCIAL STATEMENT PREPARATION

In accordance with Regulation (EC) No. 1126/2008 dated November 3, 2008 on the application of international accounting standards, the Klépierre group consolidated financial statements to December 31, 2013 have been prepared in accordance with IFRS published by the IASB, as adopted by the European Union and applicable on that date.

The IFRS framework as adopted by the European Union includes the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards) and their interpretations (SIC and IFRIC).

This framework is available on the website: *http://ec.europa.eu/internal_market/accounting/ias/index_en.htm*

Standards, amendments and applicable interpretations as of January 1, 2013

The accounting principles applied to the consolidated financial statements for the year ended December 31, 2013 are identical to those used for the consolidated financial statements for the year ended December 31, 2012, with the exception of the adoption of the following new standards and interpretations, for which application is mandatory for the Group:

- Amendment to IAS 1: Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income
- Amendment to IAS 12: Deferred Tax – Recovery of Underlying Assets
- Amendment to IAS 19: Employee Benefits
- Amendment to IFRS 7: Disclosures - Offsetting Financial Assets and Financial Liabilities
- Amendment to IFRS 1: Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
- IFRS 13: Fair Value Measurement
- Annual improvements (2009-2011 cycle): Annual improvements of IFRS (2009-2011 cycle) - IAS 1 “Presentation of Financial Statements”, IAS 16 “Property, Plant and Equipment”, IAS 32 “Financial Instruments: Presentation”, IAS 34 “Interim Financial Reporting”.

These amendments had no significant impact on the Group's financial statements for the year ended December 31, 2013 except for IAS 19 amendment and IFRS 13.

The first time application of IAS 19 amendment resulted in the recognition in equity of actuarial gains and losses balance amounting to 0.9 million euros for the year ended December 31, 2012.

According to IFRS 13, fair values are classified by level in the fair value hierarchy:

- The instrument is quoted in an active market (Level 1);
- The valuation uses measurement techniques based on observable inputs, either directly (price) or indirectly (derived from price) (Level 2);
- At least one significant component of the fair value is based on unobservable inputs (Level 3).

All derivatives held by the Group were classified as level 2 instruments.

Fair values of investment properties used for impairment tests realized on assets are classified as level 3.

Further to the application of the standard IFRS 13, there was no change in the appraisers' valuation method but additional information will be given in the notes.

Standards, amendments and interpretations whose application is not compulsory as of January 1, 2013

Klépierre has not opted for early application of the new standards, amendments and interpretations adopted by the European Union whose application in 2013 was optional. This applies to the following standards:

- Amendment to IAS 27: Separate Financial Statements
- Amendment to IAS 28: Investments in Associates and Joint Ventures
- Amendment to IAS 32: Offsetting Financial Assets and Financial Liabilities
- IFRS 10: Consolidated Financial Statements
- IFRS 11: Joint Arrangements
- IFRS 12: Disclosure of Interests in Other Entities
- Amendment to IFRS 10, 11, 12: Transaction Guidance
- Amendment to IAS 36: Recoverable Amount Disclosures for Non-financial Assets
- Amendment to IFRS 10, IFRS 12 and IAS 27: Investment Entities
- Amendment to IAS 39 and IFRS 9: Novation of Derivatives and Continuation of Hedge Accounting

Klépierre is in the process of determining the potential impacts on the consolidated financial statements of the Group. The estimated impacts for IFRS 10, 11 and 12 are presented in the table below.

Balance sheet - in thousands of euros	Consolidated accounts December 31, 2013	IFRS 10-11 Restatements	Restated consolidated accounts December 31, 2013
ASSETS			
Investment properties	11,280,396	-692,466	10,587,930
Equity method securities	19,910	450,651	470,561
Loans granted to equity method investees	0	193,695	193,695
Financial assets and other non-current assets	23,485	2	23,487
Deferred tax assets	57,709	-3,964	53,744
Cash and cash equivalents	142,368	-14,873	127,496
Other items	646,480	-31,433	615,047
TOTAL ASSETS	**12,170,347**	**-98,387**	**12,071,960**
LIABILITIES			
Shareholder's equity	3,397,455	0	3,397,455
Financial liabilities	7,471,798	-65,245	7,406,554
Deferred tax liabilities	365,968	-12,973	352,995
Other items	935,125	-20,169	914,956
TOTAL LIABILITIES	**12,170,347**	**-98,387**	**12,071,960**

Income statement - in thousands of euros	Consolidated accounts december 31, 2013	IFRS 10-11 Restatements	Restated accounts December 31, 2013
Net rents	892,762	-47,766	844,996
Deprectiation and impairment	-392,791	23,497	-369,293
Net cost of debt	-326,721	8,640	-318,081
Corporate income tax	-30,998	1,068	-29,930
Share in earnings of equity method investees	1,705	11,107	12,812
Other items	-6,938	3,454	-3,484
NET INCOME	**137,020**	**0**	**137,020**

The following texts have been published by the IASB but not yet adopted by the European Union:

- IFRS 9: Financial Instruments
- IFRIC 21: Levies

5. SCOPE OF CONSOLIDATION

As of December 31, 2013 the Group scope of consolidation includes 251 companies compared to 244 for the year ended December 31, 2012, including 216 fully consolidated companies, 29 proportionally consolidated companies and 6 companies consolidated using the equity method.

Highlights of 2013

In France

- After the tender offer followed by a squeeze-out procedure for the shares of Klémurs which took place from February 21 to March 8, 2013 and from April 10 to April 15, 2013, respectively, Klépierre SA acquired all outstanding minority interests, i.e. 15.89% of the capital. The interest held in the share capital of Klémurs increased from 84.11% to 100%. As a result, the interest held in the subsidiaries Klecapnor and Immo Dauland, increased from 84.11% and 84.13%, respectively to 100%. These subsidiaries continue to be fully consolidated. This acquisition of non-controlling interests was recorded as an equity transaction, since it was a transaction with no change in control. As a consequence no goodwill adjustment was recorded.
- On November 29, 2013, Klépierre acquired the 50% held by Icade in the Odysseum shopping center in Montpellier (SCI Odysseum Place de France). Upon completion of this transaction, Klépierre held 100% of this center. This company is thus fully consolidated. This transaction also led to the acquisition of the company SCI Odysseum 2 and the creation of the company SCI Kléber Odysseum, both wholly-owned by Klépierre and fully consolidated.

In Norway

- The Group sold 50% of the shares of Nordbyen Senter DA to the company KLP in early February 2013. The subsidiary is now under joint control and therefore was proportionally consolidated in the financial statements for the six months ended June 30, 2013. In accordance with IAS 27 amended, this transaction which resulted in a loss of control, led to the recognition of a capital gain on disposal and the remaining interest was remeasured at fair value. The change in value was recognized in income.
- As part of the disposal of four shopping centers on November 26, 2013, three real estate companies left the scope of consolidation (Torvbyen Senter AS, Os Alle 3 AS and Storvner Senter AS), as well as a management company (Torvbyen Drift AS). These four centers were acquired by Sektor Portefølje II AS, an investment vehicle jointly owned by Partner Group managed entities (75%), Sektor Gruppen AS (15 %) and Steen & Strøm AS (10 %). The Group's residual stake in these four centers is considered as a short-term investment and thus is classified under investments held for sale in the consolidated financial statements.

In Italy

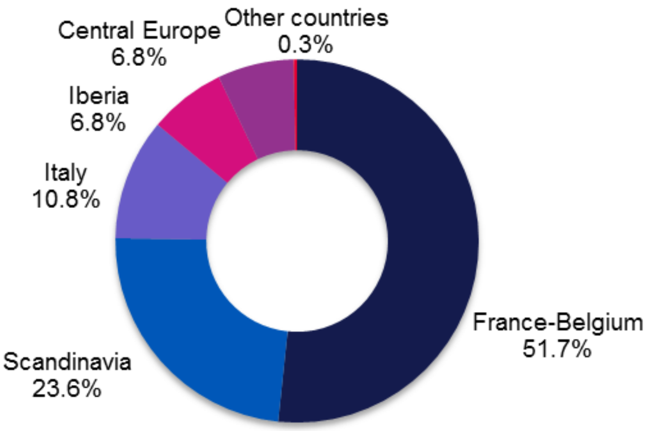
- On December 5, 2013, Klépierre Luxembourg acquired 16.7% of the Italian company IGC from the company Finiper. Following this transaction, Klépierre Luxembourg held 88% of IGC, with no impact on the method of consolidation. In accordance with IAS 27, this acquisition of non-controlling interests was recorded as an equity transaction, sine it was a transaction with no change in control. Consequently, no additional goodwill was recognized.

Operational reporting

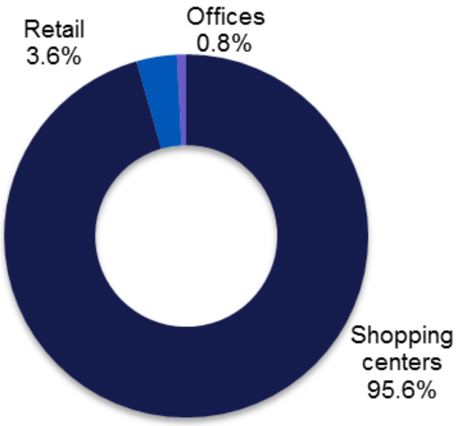
The Group is organized into 5 main territories: France-Belgium; Scandinavia; Italy; Iberia and Central Europe. France is the dominant market.

The Group is also organized into three main segments: Shopping Centers, Retail and Office, though in practice this concerns France only. As Klépierre's strategy is to become pure player in the shopping center business, it has engaged the process of exiting from the Retail and Office segments. Regarding the latter segment, thanks to a major improvement in 2013, this goal will be fully achieved in H1 2014. As for the Retail segment, as mentioned above, Klémurs was delisted in the spring of 2013 and the gradual disposal of this portfolio is currently being pursued.

Valuation breakdown by region as of December, 31, 2013 (total share, excl. duties)



Valuation breakdown by business line as of December, 31, 2013 (total share, excl. duties)



6. ECONOMIC ENVIRONMENT

The economic recovery is still expected to be slow in Europe, but business climate surveys have suggested continued improvement in the fourth quarter. After a slight contraction in 2013 (-0.4%), activity in the Eurozone should grow by 1.0% in 2014, supported by moderate fiscal consolidation, an investment recovery and a decline in precautionary household savings.

The economic outlook is expected to improve in every country where Klépierre operates. In Scandinavia, growth should reach 2.8% in Norway, 2.3% in Sweden and 1.6% in Denmark. Central Europe should also maintain a certain momentum (Poland: +2.7%, Hungary: +2.0% and Czech Republic: +1.1%). GDP growth will remain more measured in France (+1.0%) and Belgium (+1.1%) and will be weaker but positive in Southern Europe (Italy: +0.6%, Spain: +0.5% and Portugal: +0.4%).

Overall, household spending will continue to show resilience, with positive figures in most countries (except Spain:-0.4% and Portugal: -0.5%).

Expected GDP changes for 2014[10]

France-Belgium		Scandinavia			Italy	Iberia		Central Europe		
France	Belgium	Norway	Sweden	Denmark		Spain	Portugal	Poland	Hungary	Czech Republic
1.0%	1.1%	2.8%	2.3%	1.6%	0.6%	0.5%	0.4%	2.7%	2.0%	1.1%

[10] OECD (November 2013)

7. CHANGE IN RETAIL TENANT SALES

In 2013, retailer sales[11] in Klépierre's shopping malls were flat (-0.1%) compared to 2012. On a like-for-like basis (excluding the impact of asset sales and the opening of new spaces), retail sales were slightly due to the currently lackluster consumption environment across Europe (-0.7%).

Year-on-year retail tenant sales change through December 2013		
	current portfolio	comparable portfolio
France	-2.6%	-1.4%
Belgium	-0.8%	-0.8%
France-Belgium	**-2.5%**	**-1.4%**
Norway	-3.5%	-1.2%
Sweden	17.2%	1.7%
Denmark	-0.4%	-0.4%
Scandinavia	**4.0%**	**0.0%**
Italy	**-0.5%**	**-0.5%**
Spain	-5.7%	-5.7%
Portugal	2.0%	2.0%
Iberia	**-3.6%**	**-3.6%**
Poland	-0.9%	-0.9%
Hungary	10.9%	10.9%
Czech Republic	3.4%	3.4%
Central Europe	**3.6%**	**3.6%**
SHOPPING CENTERS	**-0.1%**	**-0.7%**

7.1. FRANCE-BELGIUM

In France, retailer sales in Klépierre shopping malls outperformed national indices in 2013. For the year through November, national sales (source: CNCC) were down 1.5%, compared with -1.0% for retailers located in Klépierre shopping centers.

Like-for-like change

In France, sales by Klépierre tenants remained driven by regional shopping centers where sales increased by 1.3% compared with 2012. Val d'Europe (+9.4%), Le Millénaire (+7.9%), Blagnac (Toulouse: +4.3%) and Odysseum (Montpellier: +3.3%) posted especially strong numbers.
For the portfolio as a whole, sales decreased slightly for the full year (-1.4%), reflecting disappointing results in December (with adverse calendar effects).

The Personal Products segment – the main segment as measured by sales – continued to show resilience and even improved slightly in the second half of 2013 (-0.9% on a like-for-like stores basis, versus -1.4% for the first half of the year).

In Belgium, retail sales at L'esplanade (Louvain-la-Neuve) decreased by 0.8%, mostly impacted by the household equipment segment. Excluding this segment, sales were up slightly (+0.4%).

Change in current portfolio

Asset sales - completed for the most part in 2012 (Bourges, Flins-sur-Seine, Lormont, Nîmes Etoile, Dijon Quétigny, Mulhouse Illzach, Rambouillet, Aulnoy-lez-Valenciennes, Beaune, Moulins and Guingamp) and 2013 (Lomme) – impacted the overall sales figures. In France, retail tenants sales were down by 2.6% compared with last year.

[11] Sales numbers for France, Sweden and Italy include Apple Store sales estimates based on a conservative approach of Apple Inc. reports and information publicly available

7.2. SCANDINAVIA

Like-for-like change

In Sweden, sales were up by 1.7%. Performances were driven by Sollentuna (Greater Stockholm Area), Marieberg (Örebro) and Mirum Galleria (Norrköping) which rank among the most dynamic centers.

In Norway (-1.2% for the full year), sales were negatively impacted for most of 2013 by the strategy of the major food operator ICA, which closed the ICAMAXI concept, and by several competitors that reopened after major extensions. Nevertheless, sales exceeded last year's figures in both November (+3.3%) and in December (+1.2%).

In Denmark, retail sales were virtually unchanged in 2013 (-0.4%) with Field's reporting growth (+0.6%). It is the largest shopping center in terms of sales.

Change in current portfolio

In Sweden, the +17.2% sales performance was boosted by the contribution of Emporia (which opened in October 2012), the largest center in terms of retail sales. The center welcomed 6 million visitors in 2013.

In Norway, retail sales were impacted by the sales of four shopping centers in December (Halden Storsenter, Markedet, Stovner Senter, and Torvbyen). Vinterbro (Greater Oslo Area), for which an extension-refurbishment was completed in June, posted a strong increase in sales in December (+15.5%), and was up by 5.5% for the full year.

7.3. ITALY

Aggregate sales for the full year remained resilient (-0.5%). Retailer sales in Klépierre shopping centers significantly outperformed the national sales index (for the first 11 months of the year, sales by Klépierre retailers were unchanged at 0.0%, versus national sales down -2.1%[12]).
After good performances in November (+2.3%), December turned negative (-4.2% due to a calendar effect: one less Saturday than last year). There was also a base effect in December as tenants were allowed to offer promotions last year but were no longer allowed to do so in 2013.

7.4. IBERIA

In Spain, where the macroeconomic environment remains challenging, tenant sales declined by 5.7% in 2013. La Gavia (Madrid) continues to outperform, with sales for the period up by 3.5%.
In Portugal, shopping center sales also showed improvement after the first half of the year. Tenant sales increased by 2.0% in 2013 (versus -2.2% through June). Aqua Portimão (Algarve) once again showed the strongest gain in retail sales (+4.1%).

7.5. CENTRAL EUROPE

In Poland, retail tenant sales fell slightly in 2013 (-0.9%), but recovered gradually during the second half of the year, especially in the fourth quarter (the change was -2.6% for the 6 months ended June). Overall, results remained globally impacted by Ruda which is facing a new competitor. Conversely, Lublin posted strong growth (+8.1%).

In Hungary, the proactive approach to leasing in 2012 and 2013 led to a 10.9% increase in retail tenant sales this year. Sales rose by 17.2% at Corvin in Budapest (which opened in 2010). In the Czech Republic, thanks to the re-tenanting program rolled out at Nový Smíchov (the main contributor in terms of retail sales), retail tenant sales continued to grow throughout the year (+3.4% for the full year versus +3.0% for the first half of the year). Sales were also up in the country's three shopping centers.

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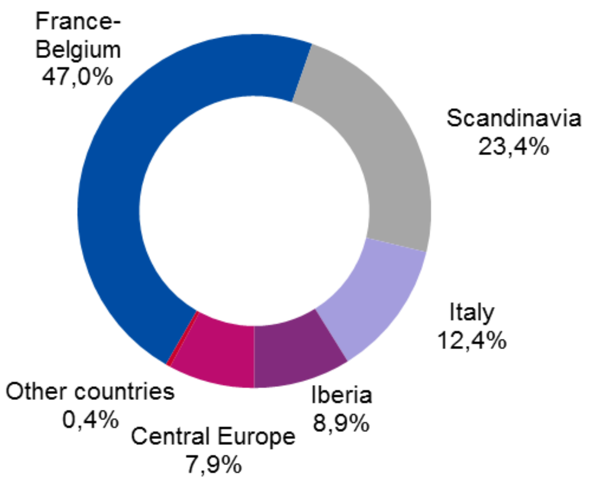
[12] Source ISTAT.

8. RENTAL BUSINESS

Breakdown in gross rents by area
Year ended December, 31, 2013
(total share)



Breakdown in gross rents by segment
Year ended December, 31, 2013
(total share)

€M, total share	GROSS RENTS 12 MONTHS					
	2013	2012	Change current portfolio	2013	2012	Change like-for-like
Shopping centers	945.2	918.8	2.9%	860.1	838.4	2.6%
Retail assets	41.6	44.0	-5.3%	41.6	43.7	-4.7%
RENTS RETAIL REAL ESTATE	**986.8**	**962.8**	**2.5%**	**901.7**	**882.1**	**2.2%**
Offices	13.0	20.2	-			
TOTAL	**999.7**	**983.0**	**1.7%**			

8.1. SHOPPING CENTER SEGMENT (94.5% OF CONSOLIDATED RENTS)

Shopping centers gross rents increased by 2.9% on a current portfolio basis and by 2.6% on a like-for-like basis. After deduction of rental and building expenses, shopping centers net lease income rose by 2.3% and by 3.5% on a like-for-like basis[13].

Shopping centers activity summary

	Volume of leases renewed and relet (€M)	Reversion (%)	Reversion (€M)	OCR [1]	Financial occupancy rate	Late payment rate [2]
France-Belgium	20.7	17.8%	3.7	11.9%	97.8%	1.2%
Scandinavia	33.8	1.4%	0.5	10.5%	97.0%	0.4%
Italy	11.9	-2.9%	-0.3	12.0%	98.3%	2.4%
Iberia[3]	13.0	-7.7%	-1.0	13.7%	89.9%	3.2%
Central Europe[3]	12.7	-4.1%	-0.5	12.9%	95.3%	2.6%
TOTAL[4]	**92.6**		**2.1**	**11.7%**	**96.5%**	**1.7%**

[1] Rate 6 months out
[2] Occupancy Cost Ratio
[3] Data for Iberia and Central Europe include temporary rental discounts
[4] Total Shopping centers, including Greece and Slovakia

[13] See Section 2 "Gross rents and Net rental income".

8.1.1. France-Belgium (41.5% of consolidated rents)

€M, total share	GROSS RENTS 12 MONTHS				Financial occupancy rate		Late payment rate [1]	
	2013	2012	Change current portfolio	Change like-for-like	2013	2012	2013	2012
France	400.0	385.9	3.6%	4.7%	97.8%	98.5%	1.2%	1.1%
Belgium	14.9	14.4	3.8%	3.8%	97.8%	99.3%	1.3%	1.6%
FRANCE-BELGIUM	414.9	400.3	3.7%	4.6%	97.8%	98.5%	1.2%	1.1%

[1] Rate 6 months out

France

Gross rents increased by 4.7% on a like-for-like basis, outperforming index-linked rent adjustments (+3.4%) thanks to the positive impact of renewals and relets signed in Q4 2012 and in 2013. This year, 258 leases were signed with an average reversion rate of +17.9%. This strong performance, delivered by refeshed and reorganized leasing teams, shows that retailers are interested in investing in Klépierre's high-quality portfolio. On a current portfolio basis, the increase in gross rents reached 3.6%, impacted by disposals completed in 2012 (Aulnoy-lez-Valenciennes, Beaune, Moulins, Guingamp, La Roche-sur-Yon, Nîmes Etoile, Dijon Quétigny, Mulhouse Illzach, Rambouillet, Flins-sur-Seine, Bourges, Lormont) and 2013 (Lomme). Successful new developments and acquisitions contributed positively, as indicated below:

- The Rives d'Arcins (Bordeaux, France) extension-refurbishment opened in May 2013. Since its opening, footfall has increased by more than 12% compared to the corresponding prior period before works. With 150 shops and an updated retail mix featuring Adidas Originals, Intimissimi (Calzedonia Group), Mango Touch, Hema and Terranova (for the first time in France), Rives d'Arcins has indeed refreshed the retail offer in the Greater Bordeaux Area and has naturally become the leading shopping destination in this dynamic city.
- The new Jaude Center (Clermont-Ferrand, France) opened in November 2013. It features 54 additional shops and has introduced new brands to the region (Hollister, Mauboussin, Kiko, Hema, American Vintage, etc.). Jaude, which was already attracting 9.5 million visitors a year before the makeover, has succeeded its transformation, becoming the dominant shopping facility in Auvergne.
- St.Lazare Paris, the retail space at the Saint-Lazare train station, opened on March 30, 2012. 2013 was another year of tremendous success for this unique shopping center located in the very heart of Paris. In 2013, St.Lazare Paris continued to outperform and built on efforts to appeal to the best retailers. In Q3 and Q4, leases were signed with Moleskine, the upscale Italian notebook manufacturer, and Burger King, one of the most eagerly anticipated food brands for French consumers.
- Les Sentiers de Claye-Souilly (Greater Paris Area) extension-refurbishment opened on November 21, 2012. One year after its inauguration, it has proven to be a genuine success. Its strengthened retail offering and the deployment of new concepts from international retailers (H&M, Zara, Mango) have given the shopping center a larger footprint in its catchment area. Since it opened last year, footfall has increased by more than 20% compared to the corresponding period prior to the extension-refurbishment.
- The acquisition in December 2013 of the remaining 50% stake in Odysseum (Montpellier), the leading retail destination for Montpellier opened in 2009.

Belgium

Gross rents for L'esplanade (Louvain-la-Neuve) rose by 3.8%, including 1.4% index-linked growth. This outperformance, reflecting Louvain-la-Neuve's power of attraction for both retailers and customers, is mainly due to active management of the shopping center and a changing retail mix. On September 28, for instance, the center welcomed a Superdry store, which posted the highest revenues in the country for the brand during its first days of operation. Leases signed since the beginning of the year include M.A.C – the Estée Lauder group's high-end make-up brand – and Undiz – the Etam Group's trendy lingerie brand.

8.1.2. Scandinavia (23.4% of consolidated rents)

€M, total share	GROSS RENTS 12 MONTHS				Financial occupancy rate		Late payment rate [1]	
	2013	2012	Change current portfolio	Change like-for-like	2013	2012	2013	2012
Norway	91.9	98.2	-6.4%	3.3%	97.9%	97.9%	0.0%	0.1%
Sweden	95.2	75.6	26.0%	1.6%	96.7%	96.0%	0.5%	0.4%
Denmark	47.1	44.2	6.3%	6.5%	95.7%	93.6%	0.9%	0.4%
SCANDINAVIA	**234.2**	**218.0**	**7.4%**	**3.5%**	**97.0%**	**96.1%**	**0.4%**	**0.3%**

[1] Rate 6 months out

Norway

Gross rents increased by 3.3% on a like-for-like basis, outperforming index-linked rent adjustments (+1.1%). In 2013, 360 lease renewals/changes were concluded, with a reversion rate of 3.9%. Leasing and reletting at the Gulskogen shopping center continued to translate into sound performances.
On a current portfolio basis, gross rents were impacted:

- Downward by the sale of a 50% stake in Nordbyen (Larvik) completed on February 1, 2013, by the disposal of a portfolio of four shopping centers on November 29, 2013 (Halden Storsenter, in Halden; Torvbyen, in Fredrikstad; Stovner Senter, in Oslo; and Markedet, in Haugesund) and by a significant negative forex effect.
- Upward by the 7,600 sq.m. extension and refurbishment of the Vinterbro shopping center (Greater Oslo Area). With the opening of this extension in June 2013, Vinterbro's GLA now totals 42,000 sq.m. and features 25 brand new shops. In addition, the shopping center's 35 existing shops have rolled out new concepts, including Benetton, Burger King, Carlings and H&M.

Sweden

Gross rents rose by 1.6% on a like-for-like basis (including a 0.4% indexation effect). A strong leasing activity - 195 leases were signed in 2013- and healthy fundamentals account for this success. Its strategic positioning in the most dynamic and flourishing cities allow Klépierre to capture the solid increase in consumption in this market (consumer spending up 2%[14] for the past three years).
The change on a current portfolio basis (+26.0%) is mainly attributable to the contribution of Emporia, which opened on October 25, 2012 in Malmö and welcomed 6.5 million visitors in its first year of operation. One year after its opening, Emporia has already established itself as one of the most profitable shopping centers for retailers in Sweden.

Denmark

Gross rents rose by 6.5% on a like-for-like basis, reflecting the impact of new leasing operations at Field's and index-linked rent adjustments (+1.9%). Leases signed include Helly Hansen – the Norwegian brand specialized in manufacturing gear for extreme sports and sailing – and StyleBox by Matas – the Danish cosmetics chain that offers an outstanding personal shopping experience.

8.1.3. Italy (12.4% of consolidated rents)

€M, total share	RENTS 12 MONTHS				Financial occupancy rate		Late payment rate [1]	
	2013	2012	Change current portfolio	Change like-for-like	2013	2012	2013	2012
ITALY	124,2	123,6	0,5%	1,7%	98,3%	98,1%	2,4%	2,6%

[1] Rate 6 months out

Gross rents from Italian shopping centers rose by 1.7% on a like-for-like basis. 158 leases were signed in 2013. New tenants include Roadhouse Grill, the leading steakhouse chain in Italy, with 600 sq.m. at Milanofiori (Milan) and Scarpe&Scarpe – a dominant Italian fashion player with more than 100 stores in the country, at La Romanina (Rome). Discrepancies in rents growth between the well-performing centers in the north and the southern malls intensified in 2013.

[14] Source: European Commission Autumn 2013

The change in gross rents on a current portfolio basis is mainly attributable to strategic vacancies in the Romagna Center to accommodate the completion of redevelopment work and several positive one-off items posted in 2012.

8.1.4. Iberia (8.9% of consolidated rents)

€M, total share	GROSS RENTS 12 MONTHS				Financial occupancy rate		Late payment rate [1]	
	2013	2012	Change current portfolio	Change like-for-like	2013	2012	2013	2012
Spain	72.0	75.3	-4.4%	-3.9%	89.5%	89.7%	3.7%	3.1%
Portugal	16.7	17.8	-6.0%	-6.0%	91.6%	93.2%	1.8%	2.0%
IBERIA	88.7	93.1	-4.7%	-4.3%	89.9%	90.3%	3.2%	2.9%

[1] Rate 6 months out

In Spain, gross rents decreased by 3.9% on a like-for-like basis, reflecting a decline in retail sales and the generally challenging macro-economic environment. The challenges are nevertheless concentrated in five shopping centers. Excluding these assets, the decrease in like-for-like gross rents is limited to 1.5% (-1.0 €M), mainly driven by the resilient performances of the two largest shopping centers (La Gavia in Madrid and Meridiano in Tenerife).
In Portugal, gross rents fell by 6.0%.

In those markets, which are expected to slowly recover from 2014 (the GDP[15] growth forecast for Spain and Portugal in 2014 is +0.5% and +0.4%, respectively, after two years of contraction), Klépierre's strategy is to focus on the most awaited international brands and expand their presence in the portfolio. For instance, Primark will soon begin fit-in work at Meridiano, where it plans to open a 4,000 sq.m. store in early 2014.

8.1.5. Central Europe (7.9% of consolidated rents)

€M, total share	GROSS RENTS 12 MONTHS				Financial occupancy rate		Late payment rate [1]	
	2013	2012	Change current portfolio	Change like-for-like	2013	2012	2013	2012
Poland	35.0	35.3	-0.8%	1.9%	96.3%	95.5%	2.4%	3.6%
Hungary	21.9	22.1	-1.0%	-0.7%	91.1%	89.5%	3.7%	5.4%
Czech Republic	21.9	21.1	3.9%	5.2%	98.2%	98.0%	1.3%	3.2%
CENTRAL EUROPE	78.8	78.4	0.4%	2.0%	95.3%	94.3%	2.6%	4.1%

[1] Rate 6 months out

In Poland, gross rents were up by 1.9% on a like-for-like basis and down by 0.8% on a current basis, including a negative forex impact. Leases signed during 2013 include Douglas – one of the leading perfume retailers in Europe – at Lublin Plaza, Sony Center at Poznan Plaza and Gino Rossi – the Polish shoe manufacturer with 80 stores spread across Poland, Germany and Russia – at Sadyba Best Mall.

In Hungary, gross rents were down by 0.7% on a like-for-like basis. During 2013, leases were signed with KFC in Alba Plaza and with CCC – a Polish shoe retailer operating in Eastern Europe and in the United Kingdom – at Zala Plaza.

In the Czech Republic, the increase in gross rents on a like-for-like basis (+5.2%) outperformed the average index-linked rent adjustment (+2.5%) thanks to lease renegotiations at Nový Smíchov. The ongoing re-tenanting program at Nový Smíchov led to the signing of additional leases: new tenants include international retailers such as Ecco – the Danish innovative comfort footwear retailer for men, women and children –, Gerry Weber – the German clothing retailer for modern and sophisticated women –, La Martina – the Argentine polo manufacturer, Nike, Paul – the famous French bakery and patisserie –, and Samsung. Plzen Plaza will welcome a Mohito store – the trendy Polish women's clothing retailer – in November of 2014.

[15] Source : OECD November 2013

8.1.6. Forex impact on gross rents over 12 months

12-month change like-for-like (total share)	constant forex	current forex
Norway	3.3%	-1.1%
Sweden	1.6%	2.3%
Denmark	6.5%	6.3%
Scandinavia	**3.5%**	**2.0%**
Poland	1.9%	1.4%
Hungary	-0.7%	-1.7%
Czech Republic	5.2%	3.9%
Central Europe	**2.0%**	**1.2%**
SHOPPING CENTERS	2.6%	2.2%
TOTAL RENTS	2.2%	1.9%

8.2. RETAIL SEGMENT – KLEMURS (4.2% of consolidated rents)

€M, total share	GROSS RENTS 12 MONTHS				Financial occupancy rate		Late payment rate [1]	
	2013	2012	Change current portfolio	Change like-for-like	2013	2012	2013	2012
RETAIL-KLEMURS	41.6	44.0	-5.3%	-4.7%	99.5%	99.1%	0.1%	0.5%

[1] Rate 6 months out

Gross rents from retail properties/Klémurs fell by 4.7%, reflecting the following items:

- The anticipated renewal in January 2013 of all Buffalo Grill leases for a 12-year period
- Index-linked rent adjustments (+3.2%) on minimum guaranteed rents
- A decrease in variable rents
- The disposal of a Sephora store in July.

8.3. OFFICE PROPERTY SEGMENT (1.3% of consolidated rents)

€M, total share	GROSS RENTS 12 MONTHS			Financial occupancy rate		Late payment rate [1]	
	2013	2012	Change current portfolio	2013	2012	2013	2012
OFFICES	13.0	20.2	-36.0%	98.1%	83.7%	0.0%	0.0%

[1] Rate 6 months out

The change in gross rents from office properties mainly reflects the impact of Klépierre's gradual withdrawal from the office property business, with several asset disposals completed in 2012 and 2013 for a total consideration of 211.0 million euros.

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8.4. FEE INCOME

Fee income for 2013 was 78.2 million euros, down by 13.4% compared to 2012. The decrease is attributable to the delivery of large projects in the Group's development pipeline (in particular Emporia, Les Sentiers de Claye-Souilly and Rives d'Arcins).

Overall, revenues for 2013 came to 1 087.4 million euros, an increase of 0.5% compared to 2012.

8.5. LEASE EXPIRY SCHEDULES AS OF DECEMBER 31, 2013

Shopping center lease expiry schedule

Country/Area	< 2014	2014	2015	2016	2017	2018	2019	2020	2021	2022+	TOTAL	Average lease length
France	8.2%	4.7%	4.3%	7.5%	9.7%	7.4%	9.6%	12.5%	13.9%	22.2%	100.0%	5.4
Belgium	1.0%	59.5%	4.1%	10.5%	2.1%	1.7%	12.2%	1.6%	1.6%	5.6%	100.0%	2.4
France-Belgium	**8.0%**	**6.5%**	**4.3%**	**7.6%**	**9.4%**	**7.2%**	**9.7%**	**12.2%**	**13.6%**	**21.7%**	**100.0%**	**5.3**
Denmark												0.0
Norway	12.1%	13.9%	10.8%	16.0%	15.7%	19.1%	5.3%	2.7%	1.4%	2.9%	100.0%	3.5
Sweden	13.6%	15.8%	20.8%	19.4%	13.5%	5.7%	3.3%	2.5%	0.3%	5.2%	100.0%	3.0
Scandinavia	**13.0%**	**15.0%**	**16.5%**	**17.9%**	**14.5%**	**11.5%**	**4.1%**	**2.6%**	**0.8%**	**4.2%**	**100.0%**	**3.2**
												0.0
Italy	**4.6%**	**10.5%**	**8.8%**	**14.7%**	**12.3%**	**8.4%**	**8.0%**	**9.5%**	**3.4%**	**19.9%**	**100.0%**	**4.7**
Spain	0.6%	9.9%	6.5%	9.9%	7.4%	7.2%	9.8%	3.4%	5.4%	39.9%	100.0%	6.5
Portugal	2.3%	11.0%	12.6%	12.2%	24.5%	9.9%	5.3%	1.5%	2.0%	18.7%	100.0%	5.3
Iberia	**1.0%**	**10.1%**	**7.8%**	**10.4%**	**11.0%**	**7.7%**	**8.9%**	**3.0%**	**4.7%**	**35.4%**	**100.0%**	**6.2**
Poland	0.6%	6.7%	32.1%	7.9%	36.5%	6.6%	2.7%	3.8%	0.0%	3.1%	100.0%	3.1
Hungary	3.6%	22.3%	35.5%	11.0%	9.9%	11.2%	0.6%	0.2%	1.4%	4.4%	100.0%	3.1
Czech Republic	1.5%	9.3%	12.0%	27.0%	24.1%	0.0%	0.0%	0.0%	0.0%	26.2%	100.0%	3.3
Central Europe	**1.8%**	**12.1%**	**27.1%**	**14.5%**	**24.9%**	**6.0%**	**1.3%**	**1.6%**	**0.4%**	**10.3%**	**100.0%**	**3.2**
TOTAL	7.2%	9.5%	9.4%	11.3%	12.1%	8.1%	7.6%	8.3%	7.7%	18.6%	100.0%	4.7

Retail segment / Klémurs lease expiry schedule

< 2014	2014	2015	2016	2017	2018	2019	2020	2021	2022+	Average lease length
3.4%	1.1%	3.0%	2.3%	0.3%	4.5%	1.8%	14.9%	6.1%	59.1%	**8.6**

9. DEVELOPMENT-DISPOSALS

9.1. THE RETAIL REAL ESTATE INVESTMENT MARKET IN 2013[16]

In 2013, transactions in the retail real estate market in Continental Europe totaled 18.1 billion euros, a decrease of 34% compared to 2012 due to a lack of large high quality projects being transacted.
Shopping centers represent 67% of retail investment in Continental Europe.

The retail investment market was dominated in 2013 by Germany, the Nordics and France. Germany, the Nordics and France once again captured the bulk of the capital flows targeting the European market in 2013, with 27%, 19% and 12% of the market respectively. Several major portfolio sales and large size unit assets sales have boosted the performance.

The supply/demand gap persists for prime products. Prime yields have been globally unchanged over the last 6 months except for French assets, for which the decrease was 15 bps and for Spanish assets, for which yields rose by 25 bps.

Pending deals in France (the Beaugrenelle shopping center in Paris, the proposed disposal of 127 Carrefour-anchored retail malls by Klépierre, etc.) could give a significant boost to the market.

[16] Source: Jones Lang LaSalle

9.2. INVESTMENTS IN 2013

In 2013, a total of 408.3 million euros was invested in shopping centers for strategic acquisitions and selected developments. With regard to investments, Klépierre continues to favor regions that enjoy strong purchasing power and a favorable demographic outlook for the years ahead.

Acquisitions totaled 201.6 million euros in 2013 with two major transactions:

- Acquisition of the remaining 50% stake in the Odysseum shopping center (Montpellier, France) on November 29, 2013. Opened in 2009, located just 15 minutes from Montpellier town center, and served by the city's light rail network, this open air shopping center houses more than 120 stores over more than 50,000 sq.m. and has become the top first shopping destination in the Montpellier region in the past few years.
- Acquisition of an additional 16.7% stake in IGC in Italy on December 5, 2013, bringing Klépierre's share in this vehicle, which owns 9 centers to 88%. This transaction has enabled Klépierre to increase its exposure to Italy's most dynamic regions (Lombardy and Emilia-Romagna), which outperform Italian national average indices in terms of both GDP per capita and demographic growth.

130.2 million euros were invested in recently developed shopping malls as well as in shopping center extension-refurbishments that opened in 2013. These centers largely met the demand of retailers and were almost fully let on opening.

- Rives d'Arcins (Greater Bordeaux Area, France) inaugurated on May 16, 2013. The extension and restructuring brought the total size of this regional center to 87,000 sq.m. The new 150 store-complex, which includes a large number of entirely new retailers to the region, has posted strong performances since it opened.
- Jaude (Clermont-Ferrand, France), inaugurated on November 13, 2013. This totally refurbished and extended shopping center has created quite a revolution for shoppers in Clermont-Ferrand's city center. With a brand new, state-of-the-art design, the new Jaude center has introduced exclusive retailers to Clermont-Ferrand, bringing 54 new names to the city center.
- Vinterbro (Greater Oslo Area, Norway), inaugurated on June 13, 2013, now features 85 stores spread over more than 40 000 sq.m. The extension-refurbishment provided an opportunity to strengthen the center's retail offering: 25 new stores have opened and 35 existing retail names have rolled out new concepts.
- Salanca (Perpignan, France), inaugurated on April 2, 2013. The existing shopping center has been transformed into a 40,000 sq.m. regional retail hub that features 65 stores.

A total of 76.5 million euros was allocated to the Group's development pipeline, mainly in France and Sweden (see section 9.3, entitled "2014-2018 Development pipeline"). In addition, a total of 32.2 million euros was outlaid to buy back Klémurs' minority shares during the first half of the year.

9.3. 2014-2018 DEVELOPMENT PIPELINE

With the delivery of four successful extension-refurbishments and the launch of four new projects in 2013, Klépierre demonstrated once again in 2013, its ability to develop high-quality leading shopping centers that offer superior growth prospects:

- Val d'Europe (Paris region, France): In the interest of continuing Val d'Europe's extraordinary success story, Klépierre has decided to launch an extension of the shopping mall and has already signed leases for certain units to some of the best-performing international best performing global retailers, such as Primark.
- Romagna Center (Rimini, Italy): Located in Emilia-Romagna, one of the most dynamic Italian regions in terms of demographic growth (population forecast to grow by 20%[17] by 2040 versus 5% nationwide average), the extension program consists of the redevelopment of the existing shopping center, transforming it into a regional hub adapted to this city's growth and appeal as a touristic destination.
- Galleria Boulevard (Kristianstad, Sweden): Located close to the Danish border, in one of Sweden's most attractive region, the Galleria Boulevard shopping cente is being refurbished by Klépierre in

[17] Source: ISTAT

phases. The redevelopment, which will be opened at the end of 2014 will complete this program and offer a brand new scheme unique to the city.

- Field's (Copenhagen, Denmark): To remain the leader in the Copenhagen's competitive market, Klépierre has launched an ambitious project to create a unique super jumbo for the Danish market. Besides a revamped shopping mall, the new complex will host several cinemas, a hypermarket, a food area and a leisure center.

99% of all investments are concentrated in France, Belgium, Northern Italy and Scandinavia:

- 57.3% of the committed and controlled projects are extension-refurbishment projects that enable the Group to capitalize on retail facilities that have demonstrated leadership in their respective catchment areas.
- 42.7% are greenfield projects that are part of large urban redevelopment programs supported by powerful transportation network plans, housing and office building projects.

The Group's global development pipeline has a value of 3.0 billion euros, which includes 0.4 billion euros worth of committed projects,[18] 1.1 billion euros worth of controlled projects,[19] and 1.5 billion euros worth of identified[20] projects. Expressed in group share terms, the respective amounts are 2.5 billion euros, 0.2 billion euros, 0.9 billion euros and 1.4 billion euros.

For the period 2014-2018, the Group plans to invest 2.3 billion euros (total share), which breaks down as follows: 0.2 billion euros for committed projects, 0.8 billion euros for controlled projects, and 1.3 billion euros for identified projects.

Development project	Country	City	Type	Klépierre equity interest	Estimated cost (1) (M€)	Cost to date (M€)	Estimated net initial yield (2)	Floor area (sq.m.)	Expected opening date	Pre-let rate (%) MGR (3)	Pre-let rate (%) Floor area
Romagna Center	Italy	Rimini	extension-refurbishment	88.0%	26.4	3.9	7.9%	7,800	Q3 2014	73%	76%
Galleria Boulevard	Sweden	Kristianstad	redevelopment	56.1%	129.8	86.1	4.7%	21,760	Q4 2014	73%	74%
Field's	Denmark	Copenhagen	extension	56.1%	15.7	1.7	11.3%	8,500	Q2 2015	77%	84%
Les Passages Pasteur	France	Besançon	new development	100.0%	56.9	17.9	5.8%	15,000	Q3 2015	25%	37%
Centre Bourse	France	Marseille	extension-refurbishment	50.0%	20.7	5.4	6.0%	2,700	Q4 2015	-	-
Val d'Europe	France	Paris region	extension	55.0%	99.1	12.5	7.3%	17,000	Q1 2017	26%	44%
Other projets											
TOTAL COMMITTED PROJECTS					**395.5**	**167.1**	**6.4%**	**82,813**			
Allum	Sweden	Allum	redevelopment	56.1%	56.3	5.1	8.7%	14,500	Q1 2015		
Viva	Denmark	Odense	new development	56.1%	175.6	41.0	7.9%	48,500	Q4 2017		
Créteil Soleil - Phase 1	France	Paris region	extension	80.0%	66.3	0.0	8.2%	7,500	Q2 2016		
Grand Portet	France	Toulouse region	extension-refurbishment	83.0%	60.1	3.8	7.8%	8,000	Q4 2016		
L'esplanade	Belgium	Brussels region	extension	100.0%	128.1	18.1	6.4%	18,000	Q2 2017		
Les Portes de Chaumont	France	Chaumont	new development	100.0%	37.9	0.6	9.4%	31,600	Q2 2017		
Vitrolles	France	Marseille region	extension	83.0%	56.0	0.0	7.0%	10,900	Q3 2017		
Arcades	France	Paris region	extension	53.6%	142.0	0.0	6.6%	28,000	Q4 2017		
Økernsenteret (50%)	Norway	Oslo	redevelopment	56.1%	211.2	4.4	6.2%	25,300	Q4 2018		
TOTAL CONTROLLED PROJECTS					**1,118.9**	**106.5**	**7.1%**	**258,758**			
TOTAL IDENTIFIED PROJECTS					**1,525.5**	**29.4**	**-**	**289,602**			
TOTAL					**3,039.9**	**303.0**	**-**	**631,172**			

1 Estimated cost price before financial costs

2 Expected net rents / Total estimated cost price before financial costs

3 MGR: Minimum guaranteed rent

In the years to come, the Group will continue to deliver the development projects included in this pipeline. The launch of controlled projects is subject to profitability, timing and pre-letting criteria. Supported by a high level of liquidity (1.9 billion euros on December 31, 2013), the Group will be able to strengthen its presence in targeted areas in Continental Europe, either by launching projects included in the pipeline or by seizing accretive acquisition opportunities.

18 Projects that are in the process of completion, for which Klépierre controls the land and has obtained the necessary administrative approvals and permits

19 Projects that are in the process of advanced review, for which Klépierre has control over the land (acquisition made or under offer, contingent on obtaining the necessary administrative approvals and permits)

20 Projects that are in the process of being put together and negotiated

9.4. DISPOSALS COMPLETED IN 2013

9.4.1. Assets sold since January 1, 2013

Klépierre's strategy - re-affirmed two years ago - is to become a leading pure player in the European shopping center segment. Ambitious when it was announced at the beginning of 2012, Klépierre's 1.0 billion euro disposal program to refine its portfolio has turned out to be a great success. The 1 billion euros target was largely exceeded (1,236 million euros of assets disposed as of 31/12/2013) and the asset by asset approach strategy resulted in average disposal yields of 5.8% in 2012 and 5.2% in 2013.

Klépierre completed 11 asset sales in 2013, totaling 538.4 million euros (excluding duties, total share).

Assets	GLA (sq.m.)	Sale price	Date
Nordbyen (50%; Norway)	21,000		02/01/2013
Lomme (France)	30,000		03/28/2013
Halden (90%; Norway)	14,200		11/29/2013
Markedet (90%; Norway)	17,000		11/29/2013
Torvbyen (90%; Norway)	19,000		11/29/2013
Stovner (90%; Norway)	51,000		11/29/2013
TOTAL SHOPPING CENTERS		**308.0**	
Sephora (Avignon, France)			07/17/2013
Retail unit (Châlon, France)			11/04/2013
TOTAL SHOPPING RETAIL		**19.5**	
21 La Pérouse / 21 Kléber (Paris 16th)	4,000		06/25/2013
Meyerbeer (Paris 9th)	4,200		12/27/2013
192 Charles de Gaulle (Neuilly-sur-Seine)	13,500		12/20/2013
TOTAL OFFICES		**211.0**	
TOTAL DISPOSALS (€M, excl. duties)		**538.4**	

9.4.2. Assets in the process to be sold as of January 2014

Klépierre signed a memorandum of understanding with Carrefour and a consortium of investors for the disposal of a 2 billion euros portfolio of retail galleries. This portfolio consists of 127 small to medium-sized retail galleries initially acquired from Carrefour in 2000-2001. Their disposal would significantly tilt the balance in Klépierre's shopping center portfolio toward Klépierre's key strategic regions and leading shopping centers. The transaction is expected to close in the second quarter of 2014.

On January 20, 2014, Klépierre completed the sale of a 50% stake in Le Millénaire offices (17,063 sq.m.).

In addition, a sale and purchase promissory agreement was signed for an office building located in Paris (Javel) in December 2013 and is expected to be sold in early February.

10. CONSOLIDATED EARNINGS AND CASH FLOW

10.1. CONSOLIDATED EARNINGS

This section refers to the earnings statement displayed in Section 1. “Consolidated financial statements”.

Lease income amounted to 1,009.2 million euros, with 954.6 million euros of the total provided by shopping centers, 41.6 million euros provided by retail properties, and 13.0 million euros provided by office properties.

Net rents for the year came to 892.8 million euros, an increase of 1.0% compared with the year ended December 31, 2012.

Management and administrative income (fees) from service businesses totaled 78.2 million euros, down by 12.1 million euros, mainly attributable to the delivery of large projects in the Group’s development pipeline.

Other operating income primarily includes gains on work reinvoiced to tenants and various indemnities.

Owner’s building expenses for the year came to 65.9 million euros, an increase of 9.0 million euros (+15.7%) reflecting the impact of recent openings and an increase in doubtful debtors.

Depreciation and impairment allowance on property was 392.8 million euros for the year, an increase of 18.2 million euros compared with 2012. This variation includes an 80.1 million euros asset impairment allowance, an increase of 7.1 million euros. The 3.7% rise in depreciation and amortization allowance reflects the development of the property portfolio.

Depreciation and impairment allowance on intangible assets and equipment came to 11.3 million euros, compared to 10.9 million euros for the previous year.

Provisions for the year came to 1.1 million euros, versus 0.3 million euros for 2012.

Net proceeds from the sale of assets reached 173.4 million euros for the year, compared with 204.8 million euros for the previous year. This item includes the capital gain on the disposals of offices in the Paris area, the Lomme shopping mall in France, 50% of Nordbyen and 4 other Norwegian shopping centers.

Operating income, 587.2 million euros for the period, down by 8.4% compared with December 31, 2012.

The net cost of debt amounted to 326.7 million euros (+2.8%). The increase in financial expenses is attributable in particular to the reduction in capitalized costs in connection with recent openings and changes in the status of development projects. The average cost of debt - the ratio of interest expense to average financing – decreased to below 3.5% at year-end 2013.

The change in the fair value of financial instruments was -94.2 million euros for the year ended December 31, 2013, versus -41.6 million euros on December 31, 2012. This major difference comes from the reclassification from cash flow hedge to fair value of €1.3 Bn worth of swaps in connection with the expected net proceeds of the contemplated transaction with Carrefour.

Klépierre’s financial policy and structure are described in more detail in paragraph 13.

Tax expense was 31.3 million euros, compared to 21.7 million euros for the year ended December 31, 2012:

- Tax payable was 31.1 million euros, versus 26.8 million euros for the preceding period including the impact of the 3% dividend tax in France.
- Deferred taxes amounted to a credit of 0.3 million euros, versus 5.1 million euros in 2012.

Consolidated net income was 137.0 million euros, down by 47.7% compared with December 31, 2012.

Minority share of net income (non-controlling interests) for the period was 83.5 million euros, mainly from the shopping center segment, bringing group share of net income to 53.6 million euros, a decrease of 67.8%.

10.2. CHANGE IN NET CURRENT CASH FLOW

This section refers to the cash-flow statement displayed in Section 3 “Cash flow statement”.

After-tax, global net current cash flow for the year came to 533.5 million euros, an increase of 4.8%. Group share, it amounts to 403.8 million euros (2.07 euros per share), up by 6.1% (+3.8% per share) versus 2012.

11. PARENT COMPANY EARNINGS AND DISTRIBUTION

Summary earnings statement for the parent company Klépierre SA

in millions of euros	12/31/2013	12/31/2012	%
Operating revenue	16.2	27.5	-41.0%
Operating expenses	- 27.6	- 31.6	-12.7%
Operating Income	**- 11.4**	**- 4.1**	**175%**
Share income from subsidiaries	158.9	371.9	-57.3%
Net financial income	- 157.6	104.1	-251.4%
NET INCOME FROM ORDINARY OPERATIONS BEFORE TAX	**- 10.0**	**471.9**	**-102%**
Non-recurring income	86.2	43.4	98.7%
Corporate income tax	- 0.6	- 0.5	21.8%
NET INCOME	**75.5**	**514.8**	**-85%**

Net income for Klépierre SA was 75.5 million euros for fiscal year 2013, compared to 514.8 million euros for fiscal year 2012. This decrease is mainly attributable to the following items:

- The decrease in operating revenue in line with the decrease in rental income following the disposal of offices premises completed during the period (Collines de l’Arche, Sereinis and Equilis in 2012; 21 La Pérouse / 21 Kléber Paris, 192 Charles de Gaulle Neuilly-sur-Seine and 7 Meyerbeer Paris in 2013). These disposals explain the increase in non-recurring income for the year ended December 31, 2013.
- The decrease in income from subsidiaries, mainly due to the effect of the non-recurring income from Klecar in 2012. As a reminder, last year Klecar income included capital gains on the disposal of several shopping centers.
- The decrease in net financial income due to the changes in dividends received from subsidiaries (mainly Klecar and Klémurs) and the impact of provision for swap unwinding.

The mandatory distribution is 174.6 million euros after discharging the obligation relative to capital gain on assets sales.

The Supervisory Board will recommend that the shareholders present or represented at the shareholders meeting on April 10, 2014 approve the payment of a cash dividend in respect of fiscal year 2013 of 1.55 euros per share, versus 1.50 euros per share in respect of fiscal year 2012 (+3.3%), reflecting a payout ratio of 77% of the group share of net current cash flow.

12. NET ASSET VALUE (NAV)

12.1. APPRAISAL OF THE GROUP'S ASSETS

12.1.1. Methodology

On December 31 and June 30 of each year, Klépierre adjusts the value of its net assets per share (NAV). The valuation method used entails adding unrealized capital gains to the book value of consolidated shareholders' equity. These unrealized gains reflect the difference between independently appraised market values and book values recorded in the consolidated financial statements.

Klépierre entrusts the task of appraising its real estate assets to various appraisers. For the year ended December 31, 2013, these appraisals were carried out by the following appraisers:

Appraisers	Portfolios	Number of assets	Valuation[1]	%	June report	December report
JLL	France	208	3294	19.5%	summarized	detailed + summarized
	Italy	27	1563	9.3%	summarized	detailed + summarized
39%	Poland	7	449	2.7%	summarized	detailed + summarized
	Hungary	7	149	0.9%	summarized	detailed + summarized
	Greece	5	36	0.2%	summarized	detailed + summarized
	Belgium	2	280	1.7%	summarized	detailed + summarized
	Norway	6	839	5.0%	summarized	detailed + summarized
DTZ	France	8	2375	14.1%	summarized	detailed + summarized
	Italy : Klépierre Italy	35	277	1.6%	summarized	detailed + summarized
38%	Spain : KFI	8	352	2.1%	summarized	detailed + summarized
	Hungary	7	135	0.8%	summarized	detailed + summarized
	Czech Republic and Slovakia	4	362	2.1%	summarized	detailed + summarized
	Norway	6	608	3.6%	summarized	detailed + summarized
	Sweden	10	1483	8.8%	summarized	detailed + summarized
	Denmark	3	891	5.3%	summarized	detailed + summarized
Auguste Thouard / BNPP Real Estate	France (Offices, shopping centers and retail properties)	222	2782	16.5%	summarized	detailed + summarized
22%	Spain : KFE and KFV	36	721	4.3%	summarized	detailed + summarized
	Portugal	7	286	1.7%	summarized	detailed + summarized

[1] Values in millions of euros including transfer duties

These appraisal assignments were conducted in accordance with the Code of Compliance for SIICs, as well as with the Real Estate Appraisal Guidelines (*Charte de l'Expertise en Evaluation Immobilière),* the recommendations of the COB/CNCC working group chaired by Mr. Barthès de Ruyther, and the standards set forth by the RICS and the IVSC.

12.1.2. Results of appraisals

The value of Klépierre's property portfolio excluding transfer duties was 16.0 billion euros total share and 12.6 billion euros group share. Total share, shopping centers accounted for 95.6% of the portfolio, retail properties for 3.6%, and office properties for 0.8%. On a group share basis, these percentages are respectively for 94.4%, 4.5%, and 1.0%.

In accordance with IAS 40, the Group's committed development projects are taken into account at fair value using appraisals established by in-house teams. In particular, the following projects have been assessed at fair value: Jaude in Clermont-Ferrand (France) and Besançon Pasteur (France). Projects that are not appraised are carried at their cost price. These are mainly Scandinavian projects, in particular Kristianstad (Sweden) and Viva in Odense (Denmark). Projects under development represent 3.7% of the Group's property portfolio.

For the year-end valuations, the agreed price was used for all Carrefour-anchored retail malls included in the Projected Transaction.[21]

On a constant portfolio and exchange rate basis, the change in the valuation of assets - excluding transfer duties - over 6 months is +0.4% (+ 54 million euros) for the shopping center segment and -0.6% for the retail segment. Over 12 months, the change is -0.1% (-19 million euros) for shopping centers and -0.5% for retail properties.

Valuation of the property portfolio, total share (excluding duties)

In millions of euros	12/31/2013	In % of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2013	Current portfolio basis	Like-for-like change*	12/31/2012	Current portfolio basis	Like-for-like change*
France	7,247	45.4%	6,940	4.4%	1.6%	6,841	5.9%	3.3%
Belgium	299	1.9%	280	6.9%	7.4%	277	8.2%	8.8%
France- Belgium	**7,546**	**47.2%**	**7,220**	**4.5%**	**1.9%**	**7,118**	**6.0%**	**3.5%**
Norway	1,209	7.6%	1,561	-22.5%	-0.9%	1,706	-29.1%	0.2%
Sweden	1,588	9.9%	1,586	0.1%	0.1%	1,540	3.1%	-1.7%
Denmark	970	6.1%	944	2.8%	2.7%	930	4.3%	4.0%
Scandinavia	**3,767**	**23.6%**	**4,091**	**-7.9%**	**0.4%**	**4,176**	**-9.8%**	**0.6%**
Italy	**1,728**	**10.8%**	**1,702**	**1.5%**	**1.5%**	**1,780**	**-2.9%**	**-3.5%**
Spain	845	5.3%	993	-14.9%	-14.9%	1,047	-19.3%	-19.3%
Portugal	247	1.5%	247	-0.2%	-0.2%	248	-0.4%	-0.4%
Iberia	**1,092**	**6.8%**	**1,240**	**-11.9%**	**-11.9%**	**1,295**	**-15.7%**	**-15.7%**
Poland	446	2.8%	432	3.3%	3.3%	441	1.2%	1.2%
Hungary	289	1.8%	294	-1.5%	2.1%	324	-10.8%	-8.1%
Czech Republic	347	2.2%	334	3.9%	3.9%	334	3.8%	3.8%
Central Europe	**1,083**	**6.8%**	**1,060**	**2.1%**	**3.1%**	**1,100**	**-1.6%**	**-0.6%**
Other countries	**50**	**0.3%**	**52**	**-**	**-**	**56**	**-**	**-**
TOTAL SHOPPING CENTERS	**15,266**	**95.6%**	**15,366**	**-0.7%**	**0.4%**	**15,525**	**-1.7%**	**-0.1%**
TOTAL RETAIL ASSETS	**574**	**3.6%**	**596**	**-3.7%**	**-0.6%**	**596**	**-3.7%**	**-0.5%**
TOTAL OFFICES	**132**	**0.8%**	**282**	**-53.2%**	**NA**	**324**	**-59.3%**	**NA**
TOTAL PORTFOLIO	**15,972**	**100.0%**	**16,244**	**-1.7%**	**0.3%**	**16,445**	**-2.9%**	**-0.1%**

* For Scandinavia change is indicated on constant portfolio and forex basis

[21] The proposed transaction refers to the proposed disposal of 127 Carrefour-anchored retail galleries to a consortium of investors announced in December 2013 (cf. Klépierre press release dated December 16, 2013)

Valuation of the property portfolio, group share (excluding duties)

In millions of euros	12/31/2013	In % of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2013	Current portfolio basis	Like-for-like change*	12/31/2012	Current portfolio basis	Like-for-like change*
France	5,813	46.0%	5,540	4.9%	1.5%	5,464	6.4%	3.0%
Belgium	299	2.4%	280	6.9%	7.4%	277	8.2%	8.8%
France- Belgium	**6,113**	**48.4%**	**5,820**	**5.0%**	**1.7%**	**5,741**	**6.5%**	**3.3%**
Norway	678	5.4%	876	-22.5%	-0.9%	957	-29.1%	0.2%
Sweden	891	7.0%	890	0.1%	0.1%	864	3.1%	-1.7%
Denmark	544	4.3%	530	2.8%	2.7%	522	4.3%	4.0%
Scandinavia	**2,113**	**16.7%**	**2,295**	**-7.9%**	**0.4%**	**2,343**	**-9.8%**	**0.6%**
Italy	**1,586**	**12.5%**	**1,489**	**6.5%**	**1.2%**	**1,556**	**1.9%**	**-3.6%**
Spain	749	5.9%	871	-14.0%	-14.0%	917	-18.3%	-18.3%
Portugal	247	2.0%	247	-0.2%	-0.2%	248	-0.4%	-0.4%
Iberia	**996**	**7.9%**	**1,119**	**-11.0%**	**-11.0%**	**1,165**	**-14.5%**	**-14.5%**
Poland	446	3.5%	432	3.3%	3.3%	441	1.2%	1.2%
Hungary	289	2.3%	294	-1.5%	2.1%	324	-10.8%	-8.1%
Czech Republic	347	2.7%	334	3.9%	3.9%	334	3.8%	3.8%
Central Europe	**1,083**	**8.6%**	**1,060**	**2.1%**	**3.1%**	**1,100**	**-1.6%**	**-0.6%**
Other countries	**45**	**0.4%**	**46**	**-**	**-**	**50**	**-**	**-**
TOTAL SHOPPING CENTERS	**11,936**	**94.4%**	**11,829**	**0.9%**	**0.3%**	**11,954**	**-0.1%**	**-0.4%**
TOTAL RETAIL ASSETS	**574**	**4.5%**	**596**	**-3.7%**	**-0.6%**	**501**	**14.5%**	**-0.5%**
TOTAL OFFICES	**132**	**1.0%**	**282**	**-53.2%**	**NA**	**324**	**-59.3%**	**NA**
TOTAL PORTFOLIO	**12,642**	**100.0%**	**12,707**	**-0.5%**	**0.3%**	**12,779**	**-1.1%**	**-0.4%**

* For Scandinavia change is indicated on constant portfolio and forex basis

Shopping centers

The value of the shopping center portfolio, excluding transfer duties, was 15,266 million euros (11,936 million euros group share) on December 31, 2013, a decrease of 100 million euros compared with June 30, 2013 (-0.7%). Over 12 months, the portfolio total share decreased in value by 259 million euros (-1.7%).

The change on a current portfolio basis includes the forex effect related to the depreciation of Scandinavian currencies since December 31, 2012 against the euro (for -257 million euros total share and –144 million euros group share). This forex impact translates into a decrease in the amount of debt contracted in Scandinavian currencies when converted in euros.

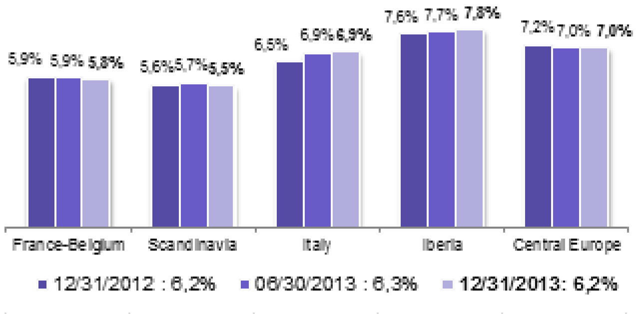
External growth added 312 million euros to the increase in the value of this portfolio over 12 months on a current basis. Most of the increase is attributable to developments and openings in France (+214 €M) and in Scandinavia (+98 €M). Significant changes are listed below:

- In France, the acquisition of a 50% interest in Montpellier Odysseum in December 2013, the acquisition of Monoprix in Le Havre and the impact of the opening of Jaude (Clermont-Ferrand) in November 2013 ;
- In Sweden, the first external appraisal of Emporia (Malmö), which was completed by in-house teams in December 2012.

This change was partly offset by the impact of the disposal program (-296 €M) in France with Lomme in March of 2013, and in Norway with 50% of Nordbyen in February 2013 and the disposal of 4 assets in December 2013 (Halden, Torvbyen, Stovner, Markedet).

Group share, the average yield rate of the portfolio is at 6.2%, excluding duties, a decrease of 4 bps compared with June 30, 2013 and an increase of 3 bps compared with December 31, 2013.

Change in yields (group share) – shopping center portfolio



Retail assets – Klémurs

The value of the retail assets portfolio excluding transfer duties stands at 574 million euros (the figure is the same expressed in group share), a decrease of 3.7% over 6 months and 12 months. On a constant portfolio basis, the change in the value of the retail assets is -0.6% over 6 months (-0.5% over 12 months).
The change in group share on a current portfolio basis over 12 months (+14.5%) is due to the acquisition of the minority interests (15.9%) in March of 2013.

The average yield rate of the retail assets is 6.9% excluding duties, a decrease of 10 bps compared with June 30, 2013 and down by 13 bps compared with December 31, 2012.

12.2. CHANGE IN EPRA NNNAV PER SHARE

In millions of euros	12/31/2013	06/30/2013	12/31/2012	Change over 6 months		Change over 12 months	
Consolidated shareholders' equity (group share)	**2 089**	**1 981**	**2 210**	**109**	**5,5%**	**-121**	**-5,5%**
	0	0	0	0	#DIV/0!	0	#DIV/0!
Unrealized capital gains on portfolio (duties included)	4 095	4 121	4 032	-26	-0,6%	62	1,5%
Fair value of financial instruments	182	293	413	-111	-37,9%	-231	-55,9%
Defered tax on asset values on the balance sheet	278	299	306	-20	-6,9%	-27	-9,0%
Reconstitution NAV	**6 644**	**6 693**	**6 961**	**-49**	**-0,7%**	**-317**	**-4,5%**
Duties and fees on the sale of assets	-344	-354	-327	9	-2,6%	-18	5,4%
EPRA NAV	**6 300**	**6 339**	**6 634**	**-40**	**-0,6%**	**-334**	**-5,0%**
Effective taxes on capital gains	-144	-188	-210	44	-23,4%	66	-31,5%
Fair value of financial instruments	-182	-293	-413	111	-37,9%	231	-55,9%
Fair value of fixed-rate debt	-137	-125	-108	-11	NA	-29	NA
EPRA NNNAV	**5 837**	**5 733**	**5 903**	**104**	**1,8%**	**-66**	**-1,1%**
Number of shares, end of period (after dilutive effect)	195 556 518	195 485 003	195 217 631				
Per share (€)							
Reconstitution NAV per share	**34,0**	**34,2**	**35,7**	**-0,3**	**-0,8%**	**-1,7**	**-4,7%**
EPRA NAV per share	**32,2**	**32,4**	**34,0**	**-0,2**	**-0,7%**	**-1,8**	**-5,2%**
EPRA NNNAV per share	**29,9**	**29,3**	**30,2**	**0,5**	**1,8%**	**-0,4**	**-1,3%**

EPRA NNNAV[22] is 29.9 euros per share, versus 29.3 euros per share on June 30, 2013 and 30.2 euros per share on December 31, 2012.

The positive impact of the 2013 cash flow on the EPRA NNNAV (+ 2.1 euros) was neutralized by the dividend payment (-1.5 euro) and the valuation of the portfolio (-0.6 euros), mainly concentrated on Spain in connection with the Projected Transaction with Carrefour.

[22] Excluding transfer duties, after deferred taxation and marking to market of financial instruments.

13. FINANCIAL POLICY

13.1. FINANCIAL RESOURCES

13.1.1. Change in net debt

Consolidated net debt stood at 7,191 million euros on December 31, 2013, compared to 7,353 million euros on December 31, 2012 (-162 million euros).

The main withdrawals during the year are related to:

- the 2012 dividend payment made in cash (293 million euros) in April and distributions to other minorities (110 million euros);
- 440 million euros worth of investments during 2013, including the buy-back of Klémurs' minority shares (32.2 million euros), and the acquisition of the remaining 50% stake in Odysseum , for a total consideration of 180 million and of an additional 17% of IGC minority shares.

These expenditures were more than offset by disposals (538.4 million euros) and free cash flow for the year. The forex effect on net debt was -159 million euros, due to the depreciation of Scandinavian currencies against the euro in 2013.

13.1.2. Available resources

At year-end 2013, the Group's level of liquidity remains high at 1.9 billion euros, a total that includes 1.6 billion euros in unused committed credit lines. The quality of liquidity improved in 2013, thanks to the replacement of former bilateral revolving credit facilities with 1,050 million euros in new lines granted by several banks for a longer duration. In Scandinavia, the Group confirmed its footprint in the Norwegian bond market by issuing 690 million NOK in new bonds (average maturity over 3.5 years) either on a secured or on an unsecured basis.

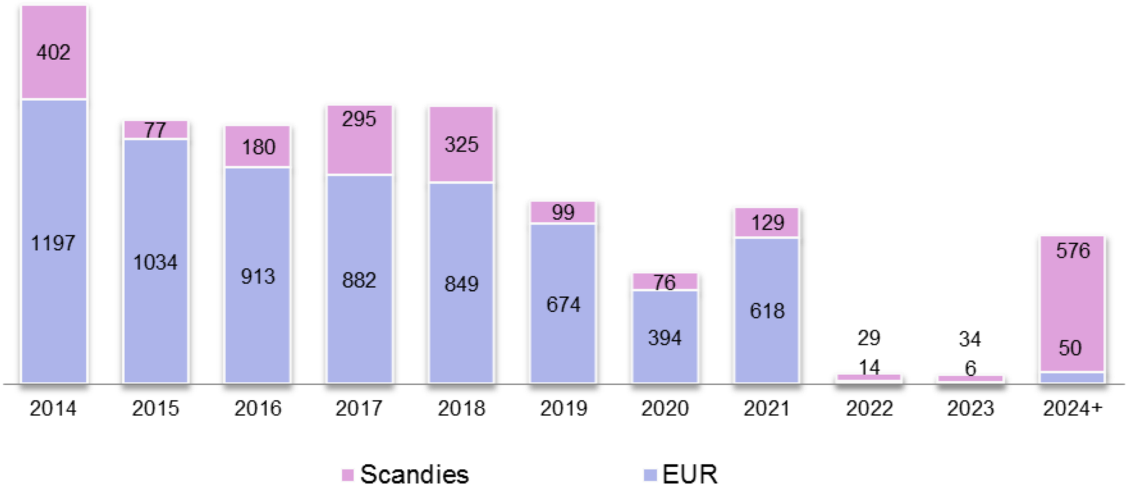
As of December 31, 2013:

- the average remaining maturity of available credit lines is 3.5 years (versus 3 years at year-end 2012);
- the banking pool has been enlarged to 11 new banks and BNP Paribas now represents less than 22% of all authorized financing;
- the average duration on the Group's debt remains high (4.9 years).

In January 2014, Klépierre signed a term sheet for a 200 million euros revolving credit facility. Including this new financing the level of liquidity of the Group is over 2.0 billion euros. This strong liquidity position is expected to be reinforced by the proceeds from the Projected Transaction[23] (1.5 billion euros net proceeds). A significant portion of these funds is expected to be used to early repay most of the debt falling due in 2014 and 2015. Taking all these items into consideration, the Group more than covers all its financings needs over the next two fiscal years.

[23] The Projected Transaction refers to the proposed disposal of 127 Carrefour-anchored retail galleries to a consortium of investors announced in December 2013 (cf. Klépierre press release dated December 16, 2013)

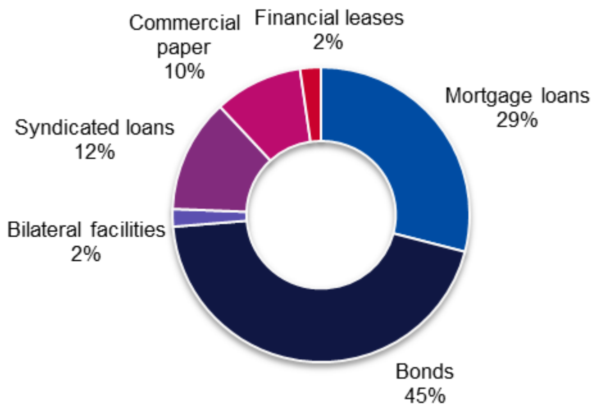
Klépierre Group's financing by due date
(Authorizations – in millions of euros)



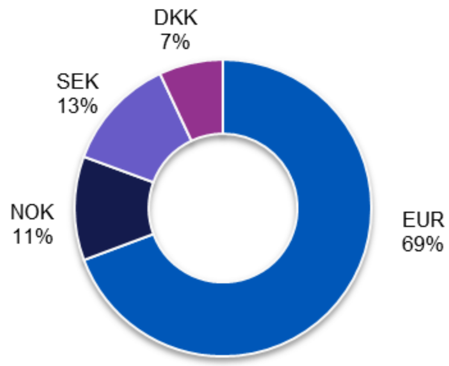
13.1.3. Debt structure and duration

The breakdown of funding by sources remains balanced, with a good degree of diversification between the capital markets (55%) and banking resources (45%).

Klépierre Group's financing breakdown by type of resource (Utilizations)



Klépierre Group's financing breakdown by currency (Utilizations)



The breakdown of financing resources by currency remains consistent with the geographic exposure of the Group's property portfolio. Proforma the Projected Transaction with Carrefour, the percentage of capital market resources will reach 66%, since most of the proceeds from the sale will be used to repay banking facilities.

13.2. INTEREST RATE HEDGING

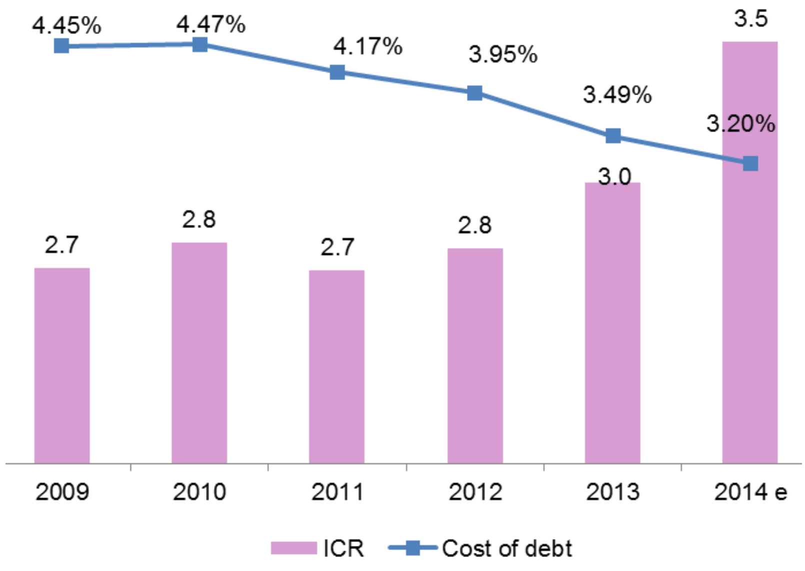
The Group's hedging position was adjusted during 2013 to take into account both the issuance of new fixed-rate notes in 2012 and the completion of the disposal program. Klépierre unwound 700 million euros of medium-term payer swaps, benefiting from occasional sharp spikes in euro swap rates since the beginning of the period. At year end, the hedging ratio reached 69% at the Group level and the average duration of the fixed-rate position (3.8 years) remains compliant with the balance-sheet structure. Subsequently to the

Projected Transaction with Carrefour, Klépierre intends to restructure its interest-rate hedging portfolio in euros by replacing part of its fixed payer swaps portfolio with caps while maintaining its target of 70% fixed at all times. The swaps related to the floating rate debt repaid (1.3 Bn€) due to the transaction will be terminated.
Based on the financing and hedging structure at year-end 2013, the Group's annual cash cost at risk is 9 million euros, i.e. the loss due to short-term interest rates moves would be less than 9 million euros 99% of the time.

13.3. COST OF DEBT

The average cost of debt over the period continued to fall, reaching 3.5%. This figure reflects the low level of short-term interest rates, the adjustment of the hedging ratio, and the impact of the most recent refinancing operations, which were carried out at a significantly lower cost. The low cost of debt in 2013 led to an improvement in the Interest Coverage Ratio to 3 x. Post the Projected Transaction with Carrefour, the cost of debt is expected to decrease by 30 bps thanks to the ongoing restructuring of the interest rate hedging portfolio. In the meantime, ICR is expected to improve to 3.5 times.

Historical ICR and Cost of debt



13.4. FINANCIAL RATIOS AND RATING

As of December 31, 2013, the Group's financing covenants remain in line with the commitments agreed to under its financing agreements.

The Loan-to-Value ratio stands at 43.9% at year-end 2013. After taking into account disposals completed and sale and purchase promissory agreements signed in January 2014, the Loan-to-Value ratio is reduced to 43.6%, unchanged compared with year-end 2012. Proforma the Projected Transaction with Carrefour, the Loan-to-Value is expected to be around 40%.

After the announcement of the Projected Transaction with Carrefour, Standard & Poor's placed Klépierre rating (BBB+) on credit watch positive in December 2013. Standard & Poor's stated it could raise the rating by one notch (from BBB+ to A-) if the transaction is completed within 6 months and allows Klépierre to significantly improves its credit metrics (ICR and debt to debt-and-equity).

Financing	Ratios / covenants	Limit [1]	12/31/2013	12/31/2012
Syndicated loans and bilateral loans Klépierre SA	Net debt / Portfolio value ("Loan to Value")	≤ 60%	43.9%	43.6%
	EBITDA / Net interest expenses	≥ 2,0 [2]	3.0	2.6
	Secured debt / Portfolio value	≤ 20%	14.0%	15.7%
	Portfolio value, group share	≥ €10 Bn	€13.0 Bn	€13.1 Bn
	Ratio of financings of subsidiaries (excluding Steen & Strøm) over total gross financial debt	≤ 25% [2]	9.2%	3.6%
Bond issues Klépierre SA	Secured debt / Revalued Net Asset Value (excluding Steen & Strøm)	≤ 50% [2]	8.9%	9.0%

[1] Where applicable, the limit imposed by the most restrictive contract is adopted
[2] Ratios are based on the revolving credit facility 2013

A portion of Steen & Strøm's debt is subject to a financial covenant that requires shareholders' equity to be equal to at least 20% of NAV at all times. On December 31, 2013, this ratio was 36.1%.

14. EVENTS SUBSEQUENT TO THE ACCOUNTING CUT-OFF DATE

In January 2014, Klépierre cancelled 300 million euro fixed-rate-paying swaps and signed a 200 million euro revolving credit.

On January 20, the Group completed the sale of the offices of the shopping center Le Millénaire located at the gateway of Paris.

On January 24, the Group signed the binding agreement for the disposal of a portfolio of 127 Carrefour-anchored retail galleries in Europe. This agreement confirms the terms included in the memorandum of understanding signed on December 16, 2013. The transaction remains subject to approval of the competent regulatory authorities. This transaction is expected to close in the second quarter of 2014.

15. OUTLOOK

For the fiscal year 2014, Klépierre's rents will continue to benefit from an overall positive reversion. The group expects the net lease income like-for-like to grow, also driven by further optimization of operational costs and a limited contribution of indexation (below 1%). In view of the ongoing Projected Transaction, the net current cash flow is expected to be at least 2.0 euros per share; this guidance will be updated depending on the effective closing of the disposal (expected in the second quarter of 2014).