For immediate release

2014 FULL-YEAR EARNINGS

Swift execution of repositioning strategy, resulting in leading retail pure play platform in Europe and strong 2014 performances

Paris – February 12, 2015

2014, a year of landmark transactions, leading to a quality portfolio refocus and a top position in Continental Europe

- Portfolio profile significantly enhanced with disposals of 2.4 billion euros worth of mostly retail galleries
- Major scale-up of European footprint with successful acquisition of Corio, now 94% owned, creating a 21 billion euro platform of 178 leading shopping centers across Continental Europe, with a clear vision to unlock further value
- Active debt and LTV management, leading to an A- credit rating upgrade in April, confirmed post-Corio transaction.

2014, a year of robust operating and financial performance across all geographies

- Good performance in all regions, with shopping center net rental income up 3.1% like-for-like
- Strong reduction of the net cost of debt, thanks to rerating and favorable market conditions
- Lower operating costs and organizational streamlining
- Resulting in sound cash flow generation per share, above target, at 2.07 € (stable vs. 2013)
- While Group net debt decreased by 1.8 billion euros

Meanwhile, good figures reflect quality of the portfolio

- Retailer sales up 2.6 % on average on a like-for-like basis
- Targeted leasing initiatives, leading to a significant increase in reversion rate vs. last year (+7.7%), with occupancy rate up to 97.0%
- Proposal to increase 2014 dividend to 1.60 euro per share.

2015, a clear roadmap aimed at getting the full benefits of the merger

- Integration process well underway, merger to be completed on March 31, 2015
- New combined organization in place, Group country management appointed
- Synergies of around 20 million euros expected in year 1, on track to meet the targeted 60 million euros worth of annual synergies within 3 to 5 years.

2015 full-year guidance on net current cash flow per share of 2.10-2.15 euros, driving further distribution per share increase

Laurent Morel, Chairman of the Klépierre Executive Board, stated:

"For Klépierre, 2014 was a remarkable and decisive year. Not only did we successfully complete a major portfolio optimization project with the sale of 2 billion euros worth of retail galleries, we also accelerated our strategy of becoming a specialist in Europe's leading shopping centers with the acquisition of Corio. In 2014, Klépierre's economic model once again showed its qualities: all of the regions in which we operate made a positive contribution to organic revenue growth. Net current cash flow per share exceeded our target and is unchanged versus 2013, despite the dilutive effect of the disposals we completed. On the strength of its operating performances and its financial profile, Klépierre will be able to fully leverage the merger with Corio in 2015. We will apply our dynamic and disciplined management style to this additional asset base in order to offer our clients a unique portfolio of leading shopping centers in more than 50 European cities. The process of integrating our teams is going forward quickly and the new organizations are in place. For 2015, and taking into account the first synergies to emerge from our alliance, Klépierre expects to see all of its principal indicators improve."

A YEAR OF KEY STRATEGIC ACHIEVEMENTS AND LANDMARK TRANSACTIONS

Klépierre to create the leading pure player in shopping centers in Continental Europe

On January 16, 2015, Klépierre completed the acquisition of Corio following a public exchange offer launched in October 2014, acquiring 93.6% of the outstanding shares. With this acquisition, Klépierre becomes the leading pan-European pure player in the retail property business, with a broad platform of dominant shopping destinations in key strategic regions of Europe. On a combined basis, the portfolio value amounts to 21 billion euros[1] (excluding duties), comprised of 178 shopping centers and total proforma gross rents amount to 1,247 million euros[1] for the full year 2014. The combined Group features a best in class financial profile, with an A- credit rating confirmed by S&P in January 2015, following the closing of the offer, a proforma Loan-to-Value ratio of 40%, and a proforma liquidity position of 2.7 billion euros. This transaction is a unique opportunity to capture significant embedded growth and rental income, by capitalizing on an enlarged pan-European platform to implement an active re-tenanting and retail management strategy.

A major reshaping and enhancement of the portfolio, with 2.4 billion euros of disposals completed in 2014

In April, Klépierre completed the disposal of a portfolio of 126 Carrefour-anchored retail galleries for a total of 1.9 billion euros[2] (56 assets in France, 63 assets in Spain, and 7 assets in Italy). In July, Klépierre finalized the sale of 5 shopping centers in Sweden, for a total value of 354 million euros.
In addition, Klépierre sold a portfolio of retail assets and fully exited the office property business, selling the 3 remaining offices in its portfolio for a total consideration of 151 million euros.
Through these transactions, Klépierre's reshaped portfolio is leaner, with shopping centers located in Europe's most dynamic regions, creating new development opportunities.
Investments in shopping centers amounted to 205 million euros, of which around 174 million euros for projects included in the development pipeline and 31.2 million euros spent on completing the acquisition of the remaining 12% stake in IGC Italy (a portfolio of 9 shopping centers in Northern Italy). Following the earlier acquisition of a 16.7% stake in December 2013, Klépierre now owns 100% of IGC.

[1] Corio 2014 financial accounts are unaudited, proforma figures reported in this press release are unaudited

[2] Disposal prices are reported excluding duties

Klépierre and Corio merger on track to unlock further value

Klépierre and Corio have engaged in a merger process that it is expected to be completed by March 31, 2015. The integration process is underway and dedicated local teams with deep knowledge of regional and global retail markets have already started working together. This merger is expected to generate 60 million euros of annual operating synergies in 3 to 5 years.

A YEAR OF REMARKABLE OPERATING AND FINANCIAL PERFORMANCE

2014 was a year of robust performance for Klépierre: the Group delivered net rental growth above 3%, with all regions contributing positively to the performance

Shopping center net rental income grew by 3.1% on a like-for-like basis, reaching 622.4 million euros for the year. In a low indexation environment across Europe (+0.6% index-linked adjustments for the Group in 2014), Klépierre posted solid operating performances that demonstrate the relevance of its business model, which focuses on the leading shopping malls in Continental Europe's strongest regions.
On a current basis, the change in net rental income (-11.3%) reflects the 2.6 billion euros worth of shopping center disposals that have been completed in the past 2 years to optimize the portfolio.
France-Belgium, Scandinavia and Italy represented 83% of shopping center net rental income. Net rents in **France-Belgium** increased +2.0% on a like-for-like basis, significantly above the 0.3% indexation impact. A 15.0% reversion on renewals and relets was posted in 2014 for the region. The extensive renewal campaign pursued in L'esplanade (Louvain-la-Neuve) last year translated into a strong reversion rate of 23.3%.
In **Scandinavia**, like-for-like net rental growth reached 4.5%. The reshaping of the portfolio in Norway and Sweden, combined with strong efforts to reduce operating costs, together account for this performance.
In **Italy**, net rental income reached +1.7% like-for-like, outperforming index-linked adjustments by 120 bps. In November, the Group successfully inaugurated the Romagna Shopping Valley (Rimini) extension-refurbishment (7,800 sq.m, 24 new stores), which strengthened its retail mix in the fashion segment.
The portfolio in **Iberia**, completely transformed by the disposal of 63 retail galleries in April, posted a 3.5% increase in net rental income like-for-like, driven by the sustained performances of La Gavia (Madrid) and Meridiano (Tenerife).
In **Central Europe**, the 6.0% like-for-like net rental growth reflects significant cost streamlining. The Czech Republic posted particularly strong revenue growth thanks to new leases and active re-tenanting actions pursued at Nový Smìchov (Prague).

Retailer sales up 2.6%, driven by outstanding performances in Scandinavia and Iberia

On a like-for-like portfolio basis and including extensions that have opened since April 2013, retailer sales in Klépierre's shopping malls rose by 2.6% this year compared to last year (+1.5% on a like-for-like basis excluding extensions). Particularly good performances were recorded in Norway, Sweden, Iberia, and the Czech Republic.
In **France** (+1.0%), medium-size units (>750 sq.m) outperformed small stores on average.
In **Scandinavia**, retailer sales were up 4.5%, boosted by retailer sales in Norwegian shopping centers (+4.0%) and Sweden (+7.2%).
In **Italy**, sales growth reached 1.9%, as sales in the fourth quarter were sustained and retail sales in the ready-to-wear segment increased by 3.0% last year.

Retailer sales in **Iberia** (+6.3%) reflect the leading position of two assets in the portfolio (La Gavia and Meridiano), combined with the positive momentum in the macroeconomic situation.
In **Central Europe**, the +3.3% increase in retailer sales was driven by the strong performances of leading assets in the Czech Republic.

On the property management front, Klépierre's leasing teams operate dynamically with a leaner and stronger shopping center portfolio, which translated into superior reversion

Klepierre's active property management led to the signature of 1,667 leases this year, translating into additional annual gross rents of 13.8 million euros, 6% above the amount generated last year with a larger portfolio. These signatures included 1,450 leases that were renewed or relet, representing 6.7 million euros worth of additional annual gross rents, a +7.7% uptick for the portfolio (versus +2.3% in 2013).
At the Group level, the vacancy rate (EPRA format) was reduced to 3.0% at year-end, down from 3.3% on December 31, 2013.

Leasing teams were particularly successful last year in their efforts to enhance the retail offer and merchandising mix, attracting the most dynamic and powerful brands to Klépierre malls: Two Primark stores were opened; a 5,400 sq.m. unit at Créteil Soleil (Greater Paris Area) in June and a 3,000 sq.m. unit at Meridiano (Canary Islands) in February. Both openings have proven to be a real success for Primark and for the malls, driving both retailer demand for additional spaces, and significant additional footfall: since the arrival of the Irish brand, footfall has increased by 45% in Meridiano and 2 million additional annual visitors have been attracted in Créteil Soleil. Klépierre also continues to promote distinctive concepts, such as Victoria's Secret. The American lingerie brand selected Emporia shopping center (Sweden) as its first store in Scandinavia. Kiehl's Since 1851 opened its first store in the Czech Republic at Nový Smíchov (Prague) in May. Nike selected Field's shopping center (Denmark) for its largest store in Scandinavia.

Improved portfolio quality reflected in year-end valuations: shopping center portfolio value up 2.0% like-for-like compared to December 2013

As of Dec 31 2014, the value[3] of Klépierre's property portfolio was 13.8 billion euros total share and 11.0 billion euros group share. Shopping centers accounted for 96.3% of the portfolio total share. On a constant portfolio and exchange rate basis, the change in asset value over 12 months was +2.0% for the shopping center segment. In France-Belgium (47.3% of portfolio), portfolio value increased 2.5% like-for-like and +3.9% in Scandinavia (24.7% of portfolio). The average yield of the shopping centers portfolio stood at 5.9% (excluding duties), a 20 bp compression like-for-like versus the end of 2013.

[3] Values do not include transfer duties

NET CURRENT CASH FLOW PER SHARE AT 2.07 €

Dynamic cash flow and balance sheet management, leading to net current cash flow per share above guidance

Total gross rents for the year 2014 amounted to 822.7 million euros, compared with 945.2 million euros[4] for the same period last year. The 2.9 billion euros worth of disposals completed in the past two years translated into a 132.2 million euro decrease in gross rents compared to 2013. Extensions opened in 2013, reversion, and the impact of indexation brought in 19.3 million euros in additional rents; depreciation of Scandinavian currencies vs. the euro had a negative impact of 9.6 million euros on gross rents.
Including 10.4 million euros of other rental income, total lease income was down 12.6%, to 833.0 million euros, for the period. Including 70.8 million euros in fees, overall revenues for 2014 reached 903.8 million euros. The implementation of operating cost efficiencies in shopping centers led to a 19% decrease in rental and building expenses for the year.

Net proceeds on disposals were essentially dedicated to the repayment of some floating-rate short term debt (1.3 billion euros) and to the optimization of the financial structure, notably the restructuring of the euro hedging portfolio. This optimization, combined with an improved credit rating of A- (from BBB+) since April 2014 and low interest rates, resulted in a lower average cost of debt for the year (3.0% on average) and significant financial savings. Total share, net current cash flow amounted to 520.4 million euros, down 2.5% versus year-end 2013. On a per share basis, net current cash flow remained unchanged compared with 2013, at 2.07 euros, exceeding guidance, a significant achievement considering the large amount of disposals completed during the year.

One of the strongest credit profiles in the industry: A- rating (S&P) upgrade in April 2014, further confirmed post Corio acquisition

As of December 31, 2014, consolidated net debt stood at 5.3 billion euros, down 1.8 billion euros compared to year-end 2013. Cash proceeds from asset sales largely offset the swap restructuring cost of 144 million euros, investments of 205 million euros, and a cash dividend payment of 304 million euros. Thanks to liability management, the average duration of the debt was increased by 1.1 year vs. 2013, reaching 6 years at year-end. At the end of the year, the level of liquidity (available lines and net cash) stood at 2.1 billion euros. The Loan-to-Value (LTV) ratio stood at 37.6%.
Proforma[1] the acquisition of Corio as of year-end 2014, the LTV ratio remains just below 40%, the average debt duration stands at 5.3 years, and the liquidity position of the combined Group is 2.7 billion euros, a position which covers all refinancing needs until the end of 2017.

A Klépierre EPRA NAV at 32.1 euros per share, unchanged vs. last year

EPRA NAV[5] was 32.1 euros per share, virtually unchanged compared to December 31, 2013 (32.2 euros).

As of year-end 2014, Klépierre's EPRA NNNAV[6] was 29.6 euros per share, versus 28.7 euros per share on June 30, 2014 and 29.9 euros per share on December 31, 2013.

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[4] Restated after adoption of IFRS 10/11 on January 1, 2014, resulting in a change in the method of consolidation. 28 entities that were previously proportionally consolidated and that Klépierre does not control are now consolidated under the equity method. 2013 revenues have been restated accordingly.

[5] Including transfer duties, before deferred taxation and marking to market of financial instruments.

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

Over 12 months and, on a per share basis, the change in EPRA NNNAV reflects a cash-flow contribution of 2.07 euros, the payment of the 2013 dividend (-1.55 euro), the increase in like-for-like portfolio valuation (+0.6 euro), partly offset by forex and other effects (-0.4 euro) and the change in the fair value of financial instruments (-0.88 euro).

A high visibility pipeline worth 3.7 billion euros, including 2.4 billion euros of committed and controlled projects

The total pipeline for Klépierre and Corio[1] combined amounts to 3.7 billion euros worth of investments (project value), of which 1,069 million euros correspond to committed projects (358 million euros already spent) with an estimated net initial yield of 6.9%, and 1.4 billion euros worth of controlled projects.
In the second quarter of 2014, Klépierre officially launched a large-scale extension program (+17,000 sq.m.) at Val d'Europe, a shopping center that already welcomes 16.4 million visitors a year. The purpose of the project is to accommodate new international anchors (including Primark and Uniqlo) and leverage this powerful retail hub in Eastern Paris. Klépierre also refueled its pipeline by seizing opportunistic acquisitions. In November 2014, the company signed an agreement to acquire 60% of the Massalia Shopping Mall investment company set up to develop the Prado shopping center, a landmark 23,000 sq.m. shopping center ideally located in the heart of Marseille, France's second largest city.
In acquiring Corio, the extension-refurbishment of Hoog Catharijne (Utrecht, the Netherlands) becomes the largest project in the pipeline. The aim of this committed project is to renew and extend the success of the existing shopping center, built over Utrecht's train station and welcoming nearly 26 million passengers a year.

PROPOSED DIVIDEND OF 1.60 EUROS PER SHARE UP +3.2%

The Klépierre Supervisory Board will recommend the payment of cash dividend of 1.60 euro per share in respect of fiscal year 2014 (compared with 1.55 for fiscal year 2013). Entirely taken from Klépierre's SIIC activity,[7] this amount reflects a payout ratio of 79% of group share net current cash flow. This recommendation will be submitted to the shareholders at their annual meeting on April 14, 2015. An interim dividend of 0.91 euro per share was already been paid on January 12, 2015 in connection with the Corio public exchange offer; accordingly, a cash dividend of 0.69 euro per share will be payable on April 21. All of Corio's former shareholders having exchanged their shares against Klépierre's will be entitled to receive this additional payment.

OTHER EVENTS SUBSEQUENT TO THE CLOSE OF YEAR 2014

Post-closing events are related to Klépierre recommended exchange offer launched on October 27, 2014 for Corio. On January 9, 2015, Klépierre declared its exchange offer for Corio unconditional. 84.07% of Corio shares had been tendered during the Offer period. On January 15, 2015, 96,589,672 New Klépierre

[7] Subject to withholding tax applicable to French and foreign OPCI. This amount does not constitutes a revenue eligible for an allowance at a rate of 40% (as stated in article 158-3-2° of the French General Tax Code) for physical persons who are fiscal residents of France. These elements are provided for information purposes only and do not constitute fiscal advice and should not be taken as such. Readers are advised to liaise with their fiscal advisors.

shares were issued and delivered in connection with the Settlement of the Offer. Klépierre shares were admitted to trading on Euronext Amsterdam and Klépierre joined the AEX index.
On January 16, 2015, Klépierre announced that following the Post-Closing Acceptance Period, a total of 93.6% of Corio shares had been tendered and on January 19, 2015, 10,976,874 New Klépierre shares were issued in connection with the Post-Closing Acceptance Period. Klépierre also announced its intention to implement the statutory cross-border merger between Klépierre and Corio which is expected to be completed on March 31, 2015

OUTLOOK

The net current cash flow for fiscal year 2015 is expected to be between 2.10 and 2.15 euros per share, without taking into account the straightlining of Corio’s debt fair value adjustments (+0.15 to +0.20 euro per share).

Klépierre is confident that cash flow growth will support further distribution per share increase for fiscal year 2015.

FINANCIAL HIGHLIGHTS FOR THE FULL-YEAR ENDED DECEMBER 31, 2014

in million euros (total share)	2014	2013 restated[4]
Shopping centers	782.0	892.9
Retail assets	38.3	41.6
Gross rents retail real estate	**820.3**	**934.5**
Offices	2.4	10.7
Total gross rents	**822.7**	**945.2**
Other rental income	10.4	8.2
Rental income	**833.0**	**953.5**
Fees	**70.8**	**81.2**
TOTAL REVENUES	903.8	1034.7
Net Rental Income		
Shopping centers	706.9	796.7
Retail assets	36.6	39.9
Net Rents Retail Real Estate	**743.4**	**836.6**
Offices	1.9	8.4
TOTAL NET RENTAL INCOME	745.2	845.0
Net current cash-flow group share	406.5	403.7
Net current cash-flow per share (€)	2.07	2.07
Value of holdings, total share (excl. duties)	13,821	15,972
EPRA NAV[1] per share(€)	32.1	32.2
EPRA NNNAV[2] per share(€)	29.6	29.9

[1] Excluding transfer duties, before taxes on unrealized capital gains and marking to market of financial instruments.
[2] 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 February 11, 2015 to examine the full-year financial statements approved by the Executive Board on February 9, 2015.
The annual consolidated financial statements have been subject to audit procedures for which the certification report is in the process of being issued.

REVENUES FOR THE 12 MONTHS ENDED 2014

in million euros	TOTAL SHARE 12/31/2014	TOTAL SHARE 12/31/2013 (restated[4])	GROUP SHARE 12/31/2014	GROUP SHARE 12/31/2013 (restated[4])
France	341.3	380.3	271.9	302.7
Belgium	15.4	14.9	15.4	14.9
France-Belgium	**356.7**	**395.2**	**287.3**	**317.6**
Norway	58.7	73.9	32.9	41.5
Sweden	76.3	95.2	42.8	53.4
Denmark	47.4	47.1	26.6	26.4
Scandinavia	**182.4**	**216.2**	**102.3**	**121.3**
Italy	**100.4**	**112.1**	**95.4**	**96.7**
Spain	44.7	72.0	40.5	62.9
Portugal	15.0	14.3	15.0	14.3
Iberia	**59.7**	**86.2**	**55.5**	**77.1**
Poland	34.9	35.0	34.9	35.0
Hungary	21.2	21.9	21.1	21.8
Czech Republic	23.2	21.9	23.2	21.9
Central Europe	**79.2**	**78.8**	**79.1**	**78.7**
Other countries	3.6	4.4	3.3	3.9
Shopping centers	**782.0**	**892.9**	**622.9**	**695.4**
Retail	38.3	41.6	38.3	40.0
Offices	2.4	10.7	2.4	10.7
TOTAL GROSS RENTS	822.7	945.2	663.6	746.1
Other rental income	10.4	8.2	7.6	6.0
Fees	70.8	81.2	68.9	69.7
TOTAL REVENUES	903.8	1034.7	740.1	821.8

In 2014, retail galleries disposed of effective April 16, 2014 accounted for gross rents of 22.8 million euros in France, 4.8 million in Italy, and 12.1 million in Spain.

QUARTERLY CHANGE IN GROSS RENTS 2014 (TOTAL SHARE)

in million euros (total share)	2014			
	Q4	Q3	Q2	Q1
France	79.9	79.2	83.4	98.8
Belgium	4.2	3.7	3.8	3.7
France-Belgium	**84.1**	**82.8**	**87.2**	**102.6**
Norway	14.2	15.3	14.5	14.7
Sweden	16.5	15.5	21.8	22.5
Denmark	11.9	12.3	11.6	11.6
Scandinavia	**42.6**	**43.1**	**47.8**	**48.9**
Italy	**24.6**	**23.6**	**24.0**	**28.1**
Spain	7.8	8.5	10.4	18.0
Portugal	3.8	3.6	3.7	3.8
Iberia	**11.7**	**12.1**	**14.1**	**21.8**
Poland	9.1	8.5	8.7	8.5
Hungary	5.5	5.2	5.2	5.2
Czech Republic	5.8	5.7	5.9	5.7
Central Europe	**20.4**	**19.5**	**19.8**	**19.5**
Other countries	0.7	0.9	1.0	1.0
Total Shopping centers	**184.1**	**182.1**	**193.9**	**221.9**
Retail	9.6	9.4	9.4	9.9
Offices	0.0	0.0	0.5	1.8
TOTAL RENTS	**193.6**	**191.5**	**203.9**	**233.7**
Other rental income	1.8	2.8	3.4	2.4
Fees	15.4	20.9	14.2	20.2
TOTAL REVENUES	**210.8**	**215.2**	**221.4**	**256.3**

CHANGE IN NET RENTAL INCOME FOR THE FULL YEAR OF 2014

in million euros	12/31/2014	12/31/2013 (restated[4])	Change current	Change like-for-like[8]
France	317.7	353.7	-10.2%	2.0%
Belgium	13.0	12.7	2.3%	2.1%
France-Belgium	**330.8**	**366.5**	**-9.7%**	**2.0%**
Norway	53.4	66.0	-19.0%	6.9%
Sweden	67.1	80.3	-16.4%	5.6%
Denmark	41.6	40.7	2.2%	0.3%
Scandinavia	**162.1**	**186.9**	**-13.3%**	**4.5%**
Italy	**91.6**	**101.5**	**-9.8%**	**1.7%**
Spain	36.6	60.4	-39.4%	3.3%
Portugal	14.0	13.5	4.1%	3.9%
Iberia	**50.7**	**73.9**	**-31.4%**	**3.5%**
Poland	31.6	30.3	4.2%	3.0%
Hungary	16.5	15.8	4.3%	8.2%
Czech Republic	23.0	21.1	9.1%	8.9%
Central Europe	**71.1**	**67.2**	**5.8%**	**6.0%**
Other countries	0.7	0.7	-9.5%	0.4%
Shopping centers	**706.9**	**796.7**	**-11.3%**	**3.1%**
Retail	36.6	39.9	-8.4%	-1.2%
Offices	1.9	8.4	-	-
TOTAL NET RENTAL INCOME	**745.2**	**845.0**	**-11.8%**	**-**

In 2014, retail galleries disposed of effective April 16, 2014 accounted for net rental income of 23.3 million euros in France, 4.5 million in Italy, and 11.3 million in Spain.

[8] Excluding new spaces (new centers and extensions) opened since January 1, 2013, disposals since January 1, 2013 and forex impact.

CONFERENCE CALL WEBCAST - 2014 FULL-YEAR EARNINGS

The Executive Board of Klépierre will host a conference call to comment on the 2014 Full-Year Earnings on February 12, 2015 at 6:15 pm (CET). Please visit Klépierre's website *www.klepierre.com* to listen to the conference call webcast or flash the QR code below. A replay will be also available after the call.

ABOUT KLEPIERRE

A leading shopping center property company in Europe, Klépierre combines development, rental, property, and asset management skills. Its portfolio is valued at 21 billion euros on 31 December 2014, including on a proforma basis, the acquisition of Corio in January 2015, and essentially comprises large shopping centers in 16 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, world leader in the shopping center industry, BNP Paribas and APG.
Klépierre is a French REIT (SIIC) listed on Euronext Paris™ and Euronext Amsterdam and is included in the SBF 80, the EPRA Euro Zone, and the 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.*

AGENDA

April 14, 2015	**General meeting of shareholders**
April 21, 2015	**Final dividend payment : 0.69 euro per share**[9]
April 29, 2015	**2015 1st Quarter revenues** (press release after market close)

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

[9] Submitted to a vote at the April 14, 2015 general meeting of shareholders.

APPENDICES

1. CONSOLIDATED FINANCIAL STATEMENTS

COMPREHENSIVE INCOME STATEMENT (EPRA MODEL)

in thousands of euros	12/31/2014	12/31/2013 restated	IFRS 11 impacts	12/31/2013 published
Rental income	833,007	953,443	-55,743	1,009,186
Land expenses (real estate)	-7,502	-7,668	189	-7,857
Non-recovered rental expenses	-36,327	-39,619	3,036	-42,655
Building expenses (owner)	-43,963	-61,159	4,753	-65,912
Net rental income	***745,215***	***844,996***	***-47,766***	***892,762***
Management, administrative and related income	70,756	81,230	3,043	78,187
Other operating revenue	15,784	18,853	-470	19,323
Survey and research costs	-4,022	-4,431	0	-4,431
Payroll expenses	-109,103	-122,366	58	-122,424
Other general expenses	-47,584	-44,482	-120	-44,362
Depreciation and impairment allowance on investment property	-384,937	-369,293	23,498	-392,791
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-12,448	-11,016	332	-11,348
Provisions	-3,594	-1,026	45	-1,071
Proceeds from disposal of investment properties and equity investments	2,027,903	491,787	-495	492,282
Net book value of investment properties and equity investments sold	-1,180,977	-317,847	1,058	-318,905
Income from the disposal of investment properties and equity investments	***846,926***	***173,940***	***563***	***173,377***
Goodwill impairment	***0***	***0***	***0***	***0***
Operating income	**1,116,994**	**566,405**	**-20,817**	**587,222**
Net dividends and provisions on non-consolidated investments	15	15	0	15
Financial income	*99,507*	*105,109*	*7,405*	*97,704*
Financial expenses	*-369,065*	*-423,189*	*1,236*	*-424,425*
Net cost of debt	-269,558	-318,080	8,641	-326,721
Change in the fair value of financial instruments	-17,269	-94,203	0	-94,203
Effect of discounting	0	0	0	0
Share in earnings of equity method investments	8,281	12,812	11,107	1,705
Profit before tax	**838,463**	**166,950**	**-1,068**	**168,018**
Corporate income tax	-30,382	-29,930	1,068	-30,998
Net income of consolidated entity	**808,081**	**137,020**	**0**	**137,020**
Of which				
Group share	*639,978*	*53,601*	*0*	*53,601*
Non-controlling interests	*168,103*	*83,419*	*0*	*83,419*
Undiluted average number of shares	**195,912,339**	**195,400,982**		**195,400,982**
Undiluted comprehensive earnings per share (euro)	**3.3**	**0.3**		**0.3**
Diluted average number of shares	**195,912,339**	**195,400,982**		**195,400,982**
Diluted comprehensive earnings per share (euro)	**3.3**	**0.3**		**0.3**

in thousands of euros	12/31/2014	12/31/2013 restated	IFRS 11 impacts	12/31/2013 published
Net income of consolidated entity	**808,081**	**137,020**	**0**	**137,020**
Other comprehensive income items recognized directly as equity	**-65,986**	**137,974**	**0**	**137,974**
Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	*-4,343*	*249,744*	*0*	*249,744*
Translation profits and losses	*-67,836*	*-70,817*	*0*	*-70,817*
Tax on other comprehensive income items	*5,351*	*-44,400*	*0*	*-44,400*
Items that will be reclassified subsequently to profit or loss	***-66,828***	***134,527***	***0***	***134,527***
Income from sales of treasury shares	*2,638*	*3,447*	*0*	*3,447*
Actuarial gains	- 1,796	-	-	-
Items that will not be reclassified subsequently to profit or loss	***842***	***3,447***	***0***	***3,447***
Share of other comprehensive income items of equity method investees	-	-	-	-
Total comprehensive income	**742,095**	**274,994**	**0**	**274,994**
Of which				
Group share	*601,790*	*198,850*	*0*	*198,850*
Non-controlling interests	*140,305*	*76,144*	*0*	*76,144*
Undiluted comprehensive earnings per share (euro)	**3.1**	**1.0**	**0.0**	**1.0**
Diluted comprehensive earnings per share (euro)	**3.1**	**1.0**	**0.0**	**1.0**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (EPRA MODEL)

in thousands of euros	12/31/2014	12/31/2013 restated	IFRS 11 impacts	12/31/2013 published
Goodwill	129,914	130,767	-2,990	133,757
Intangible assets	46,459	36,648	-746	37,394
Property, plant and equipment and work in progress	12,991	15,017	-322	15,339
Investment property	8,451,005	9,207,798	-639,780	9,847,578
Investment property under construction	399,985	300,741	-16,261	317,002
Equity method securities	443,504	470,549	450,639	19,910
Other non-current assets	173,018	209,226	193,698	15,528
Non-current derivatives	118,100	118,703	0	118,703
Deferred tax assets	48,687	53,744	-3,965	57,709
NON-CURRENT ASSETS	***9,823,663***	***10,543,191***	***-19,728***	***10,562,920***
Investment property held for sale	3,506	1,079,391	-36,425	1,115,816
Investment held for sale	0	7,958	0	7,957
Inventory	442	433	0	433
Trade accounts and notes receivable	103,229	109,386	-3,856	113,242
Other receivables	200,963	204,093	-23,519	227,612
Tax receivables	*37,385*	*31,583*	*-620*	*32,203*
Other debtors	*163,578*	*172,510*	*-22,899*	*195,409*
Current derivatives	3,660	*0*	*0*	*0*
Cash and cash equivalents	140,618	127,496	-14,872	142,368
CURRENT ASSETS	***452,418***	***1,528,757***	***-78,671***	***1,607,428***
TOTAL ASSETS	**10,276,081**	**12,071,948**	**-98,399**	**12,170,347**
Share capital	279,259	279,259	0	279,259
Additional paid-in capital	1,773,630	1,773,630	0	1,773,630
Legal reserves	27,926	27,926	0	27,926
Consolidated reserves	-299,402	-45,027	0	-45,027
Treasury shares	*-82,030*	*-93,500*	0	*-93,500*
Hedging reserves	*-172,047*	*-181,861*	0	*-181,861*
Other consolidated reserves	*-45,325*	*230,334*	0	*230,334*
Consolidated earnings	639,978	53,601	0	53,601
Shareholders' equity, group share	2,421,392	2,089,390	0	2,089,390
Non-controlling interests	1,144,502	1,308,065	0	1,308,065
SHAREHOLDERS' EQUITY	***3,565,894***	***3,397,455***	***0***	***3,397,455***
Non-current financial liabilities	4,880,378	5,284,123	-59,792	5,343,915
Long-term provisions	17,393	13,744	-193	13,937
Pension commitments	17,581	14,666	-16	14,682
Non-current derivatives	173,412	172,771	-618	173,389
Security deposits and guarantees	110,756	143,939	-4,788	148,727
Deferred tax liabilities	322,333	352,995	-12,973	365,968
NON-CURRENT LIABILITIES	***5,521,853***	***5,982,238***	***-78,379***	***6,060,617***
Current financial liabilities	697,357	2,122,431	-5,453	2,127,884
Bank facilities	53,820	31,152	-182	31,334
Trade payables	117,682	102,719	-8,171	110,890
Payables to fixed asset suppliers	13,028	44,340	-603	44,943
Other liabilities	182,803	204,186	-3,909	208,095
Current derivatives	25,295	103,868	0	103,868
Social and tax liabilities	98,349	83,559	-1,703	85,262
Short-term provisions	0	0	0	0
CURRENT LIABILITIES	***1,188,334***	***2,692,256***	***-20,019***	***2,712,275***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**10,276,081**	**12,071,948**	**-98,399**	**12,170,347**

SEGMENT EARNINGS

In millions of euros	SHOPPING CENTERS Total		RETAIL France		OFFICES France		UNALLOCATED		KLEPIERRE GROUP	
	12/31/2014	12/31/2013*	12/31/2014	12/31/2013*	12/31/2014	12/31/2013*	12/31/2014	12/31/2013*	12/31/2014	12/31/2013*
Gross rents	782.0	892.8	38.3	41.6	2.4	10.7	0.0	0.0	822.7	945.2
Other rental income	10.3	8.2	0.0	0.0	0.0	0.0	0.0	0.0	10.4	8.2
Rental income	**792.4**	**901.1**	**38.3**	**41.6**	**2.4**	**10.7**	**0.0**	**0.0**	**833.0**	**953.4**
Rental & buiding expenses	-85.6	-104.3	-1.7	-1.7	-0.4	-2.4	0.0	0.0	-87.8	-108.4
Net rental income	**706.9**	**796.7**	**36.6**	**39.9**	**1.9**	**8.4**	**0.0**	**0.0**	**745.2**	**845.0**
Management and other income	86.0	96.6	0.1	0.2	0.4	3.3	0.0	0.0	86.5	100.1
Payroll expense and other general costs	-125.3	-136.5	-1.1	-1.3	-0.5	-1.1	-33.9	-32.4	-160.7	-171.3
EBITDA	**667.6**	**756.8**	**35.6**	**38.7**	**1.9**	**10.6**	**-33.9**	**-32.4**	**671.1**	**773.8**
D&A	-384.8	-365.9	-16.5	-12.5	0.0	-3.1	0.2	0.2	-401.0	-381.3
Proceeds from sales	832.1	94.6	1.6	1.9	13.2	77.4	0.0	0.0	846.9	173.9
Share in earnings in equity-methods investees	8.3	12.8	0.0	0.0	0.0	0.0	0.0	0.0	8.3	12.8
SEGMENT EARNINGS	**1123.3**	**498.3**	**20.8**	**28.2**	**15.0**	**84.9**	**-33.7**	**-32.2**	**1125.3**	**579.2**
Net dividends and provisions on non-consolidated investments									0.0	0.0
Net cost of debt									-269.6	-318.1
Change in the fait value of financial instruments									-17.3	-94.2
Effect of discounting									0.0	0.0
PRE-TAX EARNINGS									**838.5**	**167.0**
Corporate income tax									-30.4	-29.9
NET EARNINGS									**808.1**	**137.0**

** restated for IFRS 10/11 application*

COMPREHENSIVE INCOME STATEMENT (EPRA MODEL) PRESENTATION IN FAIR VALUE

Comprehensive income statement at fair value (EPRA model) *in thousands of euros*	12/31/2014 Fair value model	12/31/2013 Fair value model Restated	IFRS 11 impacts	12/31/2013 Fair value model Published
Rental income	833,007	953,443	-55,743	1,009,186
Land expenses (real estate)	-6,879	-6,202	0	-6,202
Non-recovered rental expenses	-36,327	-39,619	3,036	-42,655
Building expenses (owner)	-43,153	-60,882	4,721	-65,603
Net rental income	***746,648***	***846,740***	***-47,986***	***894,726***
Management, administrative and related income	70,756	81,230	3,043	78,187
Other operating revenue	15,784	18,855	-468	19,323
Change in the fair value of investment property	197,424	-163,349	-9,473	-153,876
Survey and research costs	-4,022	-4,431	0	-4,431
Payroll expenses	-109,103	-122,366	58	-122,424
Other general expenses	-47,584	-44,482	-120	-44,362
Depreciation and impairment allowance on investment property	0	-4,096	5,427	-9,523
Depreciation and impairment allowance on intangible assets and property, plant and equipment	-12,448	-11,016	332	-11,348
Provisions	-3,594	-1,026	45	-1,071
Gains on the disposal of investment property and equity	2,027,903	483,184	-9,098	492,282
Net book value of investment property and equity investments	-2,106,938	-398,727	9,067	-407,794
Income from the disposal of investment property and equity investments	**-79,035**	**84,457**	**-31**	**84,488**
Goodwill impairment	0	0	0	0
Operating income	**774,826**	**680,516**	**-49,173**	**729,689**
Net dividends and provisions on non-consolidated investments	15	15	0	15
Financial income	*99,507*	*105,109*	*7,405*	*97,704*
Financial expenses	*-369,065*	*-423,189*	*1,236*	*-424,425*
Net cost of debt	-269,558	-318,080	8,641	-326,721
Change in the fair value of financial instruments	-17,269	-94,203	0	-94,203
Effect of discounting	0	0	0	0
Share in earnings of equity method investees	35,084	39,149	36,994	2,155
Profit before tax	**523,098**	**307,397**	**-3,538**	**310,935**
Corporate income tax	-54,099	4,311	3,538	773
Net income of consolidated entity	**468,999**	**311,708**	**0**	**311,708**
of which				
Group share	*328,468*	*176,441*	*0*	*176,441*
Non-controlling interests	*140,531*	*135,267*	*0*	*135,267*
Undiluted average number of shares	**195,912,339**	**195,400,982**		**195,400,982**
Undiluted comprehensive earnings per share in euros	**1.7**	**0.9**		**0.9**
Diluted average number of shares	**195,912,339**	**195,400,982**		**195,400,982**
Diluted comprehensive earnings per share in euros	**1.7**	**0.9**		**0.9**

in thousands of euros	12/31/2014 Fair value model	12/31/2013 Fair value model Restated	IFRS 11 impacts	12/31/2013 Fair value model Published
Net income of consolidated entity	**468,999**	**311,708**	**0**	**311,708**
Other comprehensive income items recognized directly as equity	**-77,122**	**128,091**	**0**	**128,091**
Effective portion of profits and losses on cash flow hedging instruments (IAS 39)	*-4,343*	*249,744*	*0*	*249,744*
Translation profits and losses	*-78,972*	*-80,700*	*0*	*-80,700*
Tax on other comprehensive income items	*5,351*	*-44,400*	*0*	*-44,400*
Items that will be reclassified subsequently to profit or loss	***-77,964***	***124,644***	***0***	***124,644***
Income from sales of treasury shares	*2,638*	*3,447*	*0*	*3,447*
Actuarial gains	*-1,796*	*0*	*0*	*0*
Items that will not be reclassified subsequently to profit or loss	***842***	***3,447***	***0***	***3,447***
Share of other comprehensive income items of equity method investees	-	-	-	-
Total comprehensive income	**391,878**	**439,799**	**0**	**439,799**
Of which				
Group share	*286,779*	*311,639*	*0*	*311,639*
Non-controlling interests	*105,099*	*128,160*	*0*	*128,160*
Undiluted comprehensive earnings per share (euro)	**1.5**	**1.6**		**1.6**
Diluted comprehensive earnings per share (euro)	**1.5**	**1.6**		**1.6**

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

Consolidated statement of financial position (EPRA model) in thousands of euros	12/31/2014 Fair value model	12/31/2013 Fair value model Restated	IFRS 11 impacts	12/31/2013 Fair value model Published
Goodwill	125,941	126,794	-2,313	129,107
Intangible assets	46,459	36,648	-746	37,394
Property, plant and equipment and work in progress	12,991	15,017	-322	15,339
Investment property at fair value	12,362,160	12,430,869	-877,239	13,308,108
Investment property at cost model	304,069	327,886	-389	328,275
Equity method securities	663,828	674,099	647,396	26,703
Other non-current assets	173,018	213,070	197,542	15,528
Non-current derivatives	118,100	118,703	0	118,703
Deferred tax assets	54,102	53,772	-3,964	57,736
NON-CURRENT ASSETS	***13,860,668***	***13,996,859***	***-40,034***	***14,036,893***
Fair value of property held for sale	3,219	2,001,162	-39,284	2,040,446
Investment held for sale	0	8,249	292	7,957
Inventory	0	433	0	433
Trade accounts and notes receivable	103,229	109,386	-3,856	113,242
Other receivables	167,275	180,002	-9,670	189,672
Tax receivables	*37,385*	*31,583*	*-620*	*32,203*
Other debtors	*129,890*	*148,419*	*-9,050*	*157,469*
Current derivatives	3,660	0	0	0
Cash and cash equivalents	140,618	127,496	-14,872	142,368
CURRENT ASSETS	***418,001***	***2,426,728***	***-67,390***	***2,494,118***
TOTAL ASSETS	**14,278,669**	**16,423,587**	**-107,424**	**16,531,010**
Share capital	279,259	279,259	0	279,259
Additional paid-in capital	1,773,630	1,773,630	0	1,773,630
Legal reserves	27,926	27,926	0	27,926
Consolidated reserves	3,000,715	3,143,029	0	3,143,029
Treasury shares	-82,030	-93,500	0	-93,500
Hedging reserves	-172,047	-181,861	0	-181,861
Fair value of investment property	3,325,098	3,204,553	0	3,204,553
Other consolidated reserves	-70,306	213,837	0	213,837
Consolidated earnings	328,468	176,441	0	176,441
Shareholders' equity, group share	5,409,999	5,400,286	0	5,400,286
Non-controlling interests	1,892,652	2,096,812	0	2,096,812
SHAREHOLDERS' EQUITY	***7,302,651***	***7,497,098***	***0***	***7,497,098***
Non-current financial liabilities	4,880,378	5,284,123	-59,792	5,343,915
Long-term provisions	17,393	13,744	-193	13,937
Pension commitments	17,581	14,666	-16	14,682
Non-current derivatives	173,412	172,771	-618	173,389
Security deposits and guarantees	110,756	143,939	-4,788	148,727
Deferred tax liabilities	588,164	600,086	-26,902	626,988
NON-CURRENT LIABILITIES	***5,787,684***	***6,229,329***	***-92,309***	***6,321,637***
Current financial liabilities	697,357	2,126,567	-1,317	2,127,884
Bank facilities	53,820	31,152	-181	31,334
Trade payables	117,682	102,719	-8,170	110,890
Payables to fixed asset suppliers	13,028	44,340	-603	44,943
Other liabilities	182,803	204,954	-3,141	208,095
Current derivatives	25,295	103,868	0	103,868
Social and tax liabilities	98,349	83,559	-1,703	85,262
Short-term provisions	0	0	0	0
CURRENT LIABILITIES	***1,188,334***	***2,697,160***	***-15,115***	***2,712,275***
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**14,278,669**	**16,423,587**	**-107,424**	**16,531,010**

2. GROSS RENTS AND NET RENTAL INCOME

GROSS RENTS

in million euros (total share)	12/31/2014	12/31/2013 (restated[10])	Change current
France-Belgium	356.7	395.2	-9.7%
Scandinavia	182.4	216.2	-15.6%
Italy	100.4	112.1	-10.5%
Iberia	59.7	86.2	-30.7%
Central Europe	79.2	78.8	0.6%
Other countries	3.6	4.4	-
Shopping centers	**782.0**	**892.9**	**-12.4%**
Retail	38.3	41.6	-8.1%
Offices	2.4	10.7	-
TOTAL RENTS	822.7	945.2	-13.0%

NET RENTAL INCOME

in million euros (total share)	12/31/2014	12/31/2013 (restated[1])	Change current	Change like-for-like[11]
France-Belgium	330.8	366.5	-9.7%	2.0%
Scandinavia	162.1	186.9	-13.3%	4.5%
Italy	91.6	101.5	-9.8%	1.7%
Iberia	50.7	73.9	-31.4%	3.5%
Central Europe	71.1	67.2	5.8%	6.0%
Other countries	0.7	0.7	-9.5%	0.4%
Shopping centers	**706.9**	**796.7**	**-11.3%**	**3.1%**
Retail	36.6	39.9	-8.4%	-1.2%
Offices	1.9	8.4	-	-
TOTAL	745.2	845.0	-11.8%	-

Retail galleries sold as of April 16, 2014 accounted for gross rents in 2014 of 22.8 million euros in France, 4.8 million euros in Italy, and 12.1 million euros in Spain. As for net rental income, the respective amounts were 23.3, 4.5, and 11.3 million euros.

[10] IFRS 10/11 went into effect on January 1, 2014 and resulted in a change in the method of consolidation. Entities that were previously proportionally consolidated and that Klépierre does not control are now consolidated under the equity method. 2013 revenues have been restated accordingly. Please see Klépierre Annual Report 2013, page 191, for the detailed 2013 reconciliation.

[11] Excluding new spaces (new centers and extensions) opened since January 2013, disposals completed since January 2013 and forex impact.

3. CASH FLOW STATEMENT

In millions of euros	12/31/2014	12/31/2013 (restated[1])	Change %
Rental income	833.0	953.4	-12.6%
Rental & building expenses	-87.8	-108.4	-19.1%
Net rental income	**745.2**	**845.0**	**-11.8%**
Management and other income	86.5	100.1	-13.5%
G&A expenses	-160.7	-171.3	-6.2%
Restatement payroll and deferred expenses	9.9	8.7	14.7%
Net cost of debt	-269.5	-318.1	-15.3%
Restatement financial allowance & financial restructuring	82.0	54.7	49.9%
Share in equity method investees	38.9	36.5	6.6%
Current tax expenses	-16.5	-21.8	-24.1%
Restatement acquisition costs and portfolio restructuring	4.6	0.0	-
Net current cash flow (total share)	**520.4**	**533.8**	**-2.5%**
Net current cash flow (group share)	**406.5**	**403.7**	**0.7%**
Restatement payroll expenses (employee benefits, stock-options)	-8.8	-7.6	15.8%
Restatement amortization allowances and provisions for contingencies and losses	-12.6	-10.3	22.1%
Other restatements related to tax	-0.9	-1.0	-8.8%
EPRA Earnings	**384.3**	**384.8**	**-0.1%**
Per share			
Net current cash flow per share (in euro)	**2.07**	**2.07**	**0.4%**
EPRA Earnings per share (in euro)	**1.96**	**1.97**	**-0.4%**
Average number of shares	195,912,339	195,400,982	

4. ACCOUNTING PRINCIPLES AND METHODS

4.1. CORPORATE REPORTING

Klépierre is a French corporation (*Société anonyme* or SA) subject to French company law, and more specifically to the provisions of the French Commercial Code. The Company's registered office is located at 26, Boulevard des Capucines in Paris.

On February 9, 2015, the Executive Board approved the Klépierre SA consolidated financial statements for the period from January 1 to December 31, 2014 and authorized their publication.

Klépierre shares are admitted to trading on Euronext Paris TM (compartment A) and on Euronext Amsterdam since January 15, 2015.

4.2. PRINCIPLES OF FINANCIAL STATEMENT PREPARATION

In accordance with Regulation (EC) No. 1126/2008 of November 3, 2008 on the application of international accounting standards, the Klépierre group's consolidated financial statements for the year ended December 31, 2014 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: *http://ec.europa.eu/internal_market/accounting/ias/index_en.htm*
The consolidated financial statements to December 31, 2014 are presented in the form of complete accounts including all the information required by the IFRS framework.

Standards, amendments and applicable interpretations as of January 1, 2014
The accounting principles applied to the consolidated financial statements for the year ended December 31, 2014 are identical to those used in the consolidated financial statements for the year ended December 31, 2013, with the exception of the adoption of the following new standards and interpretations, for which application is mandatory for the Group:

- 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
- Amendments to IFRS 10, 11 et 12: Transaction Guidance
- Amendment to IAS 36: Disclosure of Recoverable Amount of Non-financial Assets
- Amendments to IFRS 10, IFRS 12 and IAS 27: Investment Entities
- Amendment to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

Standards, amendments and interpretations whose application is not compulsory as from January 1st, 2014
Klépierre has not applied the new standards, amendments and interpretations adopted by the European Union where application in 2014 was optional. This applies to the following standard:

- IFRIC 21: Levies, Klépierre has determined insignificant the potential impacts on the Group's consolidated accounts.

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

- Amendment to IFRS 10 and IAS 28: Sale or Asset Contribution between Associates and Joint Ventures
- Amendment to IAS 19: Defined Benefit Plans: Employee Contributions
- Amendments to IAS16 and IAS38: Clarification of Acceptable Methods of Depreciation and Amortization
- Annual Improvements of IFRS: Cycle 2010 – 2012
- Annual Improvements of IFRS: Cycle 2011 – 2013
- Annual Improvements of IFRS: Cycle 2012 – 2014
- IFRS 9: Hedge Accounting (final and complete version July 2014)
- IFRS 14: Regulatory Deferral Accounts. Only for companies which have adopted IFRS standards for the first time, not applicable to the Klépierre Group.
- IFRS 15: Revenue from Contracts with Customers
- Amendment to IFRS 11: Accounting for Acquisitions of Interests in Joint Operations

5. SCOPE OF CONSOLIDATION

At December 31, 2014, the Group’s scope of consolidation includes 245 companies compared to 251 at December 31, 2013, including 211 fully consolidated companies and 34 companies consolidated using the equity method.

Main events of 2014

28 companies that were previously proportionately consolidated are now consolidated using the equity method due to the adoption of IFRS 10 and 11 on January 1, 2014. This change in method concerns in particular the companies that own the Le Millénaire shopping center in France, the Aqua Portimão shopping center in Portugal, the Lonato, and Verona shopping centers in Italy, and the Åsane and Økern shopping centers in Norway (see 4.2, Principles of financial statement preparation for more details).

As part of the disposal of a portfolio of retail assets to a consortium led by Carrefour, three French companies (KC1, KC6 and KC8) were sold. These companies owned retail galleries in Antibes, Montesson and Nice, respectively.

On February 27, 2014, Klépierre Luxembourg acquired a 12% residual interest in the Italian company IGC from Finiper. Following this transaction, the Group now holds 100% of IGC. This transaction had no impact on the consolidation method. In accordance with IAS 27 revised, this acquisition of non-controlling interests was recorded as an equity transaction, since it was a transaction with no change in control. Consequently, no additional goodwill was recognized.

On July 1, 2014, Steen & Strom Holding AB completed the sale of shares in six companies (Detaljhandelshuset i Hyllinge AB, FAB Överby Köpcentrum, FAB Hageby Centrum, FAB Sollentuna Centrum, FAB Lantmäteribacken, et Mitt i City i Karlstad FAB) owning five shopping centers in Sweden (Familia, Etage, Mirum, MittiCity and Sollentuna Centrum).

On November 14, 2014, Klépierre acquired from Doughty Hanson & Co Real Estate 60% of the Massalia Shopping Mall investment company through the company Massalia Invest, set up to develop the Prado shopping center, a landmark 23,000 sq.m. shopping center located in the heart of Marseille. Since it involves a development project, the transaction is recorded as an asset acquisition. The 34.5 million euros of goodwill on acquisition was recognized as investment property in progress.

Control assessment

As part of the mandatory adoption of IFRS 12 on January 1, 2014, the Group performed an analysis to determine the nature of its interests held in other entities and the associated risks. The objective was also to distinguish, among the newly equity-consolidated entities, the companies that are jointly controlled from those in which it has significant influence. The Klépierre Group’s main partnerships are described below:

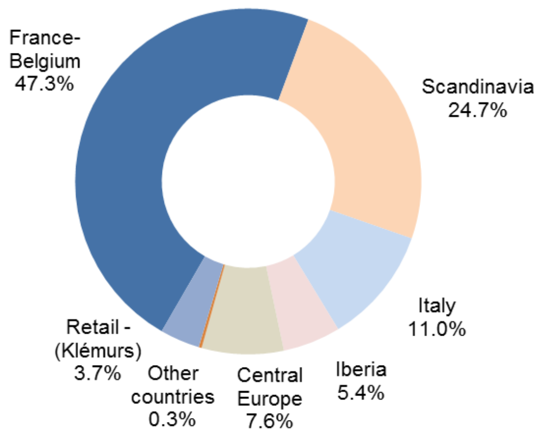
- Asane Storesenter DA and Okern Sentrum Ans: The Group holds 56.10% of the equity shares and voting rights of the holding company that holds 49.9% of the company Asane Storesenter DA and 50% of the company Okern Sentrum. The remaining percentages are held by the partner Nordea, for Asane, and the partner Storebrand, for Okern. In both partnerships, each partner has the right to elect the same number of members to the Board of Directors. Decisions require the consent of both parties. These companies are thus jointly controlled. As they are joint ventures, these companies are consolidated using the equity method starting January 1, 2014.
- SCI du Bassin Nord: The company Bassin Nord is jointly held by Klépierre SA and its partner Icade SA and is jointly managed. Compensation paid to the co-managing directors is approved by a collective decision of the shareholders and the latter can only withdraw themselves totally or partially when unanimously authorized by the other associates. Consequently, SCI du Bassin Nord is considered jointly controlled and is consolidated using the equity method.

- Holding Klege and Klege Portugal: The Group holds 50% of the equity shares and voting rights of the holding company that owns 100% of the company Klege Portugal. Each partner has the right to appoint the same number of members to the Board of Directors. The Chairman is appointed for a period of twelve continuous months on an alternating basis with the partner. All decisions are adopted by a simple majority. The sub-group is jointly controlled and is consolidated using the equity method.
- Clivia 2000 & Galleria Comerciale Il Destriero: The companies Clivia 2000 and Galleria Commerciale Il Destriero are 50% held by the Klépierre Group and its partner Finiper Group. Each shareholder has equal representation on the Board of Directors. The Chairman and the Vice Chairman are appointed for a period of three consecutive years on an alternating basis with the partner. Consequently, these companies are consolidated using the equity method.
- Nordica Holdco SA (parent company of the Steen & Strøm Group): Nordica Holdco SA is a jointly held company (56.10% by the Klépierre Group and 43.9% by the ABP partner). The Group has the right to appoint three members to the Board of Directors, including the Chairman, whereas the partner is entitled to appoint two members. The latter has protective rights pursuant to the shareholders' agreement and following an analysis of the decisions reserved for the partner. As the Group controls Nordica Holdco SA, it is fully consolidated.

Operational reporting

The Group is organized into 5 main territories for shopping centers (France-Belgium, Scandinavia, Italy, Iberia and Central Europe) and has one retail division.

Total valuation breakdown by region as of December 31, 2014 (total share, excl. duties)



6. ECONOMIC ENVIRONMENT

A slight recovery was confirmed in the Eurozone last autumn, and GDP is forecast to expand by 0.8% in 2014 and by 1.1% in 2015. Though the pace of growth remains slow, the economic situation should get a boost from the euro's recent depreciation and lower oil prices in terms of both internal and external demand.

In the countries where Klépierre operates, the economic outlook is positive. Italy is expected to remain in virtual stagnation (+0.2%), while GDP growth will be measured in France (+0.8%). Expectations are better in the other countries. In particular, Scandinavia (Norway: +1.8%, Sweden: +2.8%, Denmark: +1.4%) and Central Europe (Poland: +3.0%, Hungary: +2.1%, Czech Republic: +2.3%) will maintain a certain momentum. The upturn observed in Iberia, especially Spain, is expected to continue: Spain (+1.7%) and Portugal (+1.3%).

In Europe as a whole, household spending is also expected to expand moderately as real disposal income increases slightly, supported by modest wage dynamics and low inflation.

GDP growth forecasts[12] for 2015 - 2016

	France-Belgium		Scandinavia			Italy	Iberia		Central Europe		
	France	Belgium	Norway	Sweden	Denmark		Spain	Portugal	Poland	Hungary	Czech Republic
2015	0.8%	1.4%	1.8%	2.8%	1.4%	0.2%	1.7%	1.3%	3.0%	2.1%	2.3%
2016	1.5%	1.7%	2.5%	3.1%	1.8%	1.0%	1.9%	1.5%	3.5%	1.7%	2.7%

7. CHANGE IN RETAILER SALES

On a like-for-like[13] portfolio basis, retailer sales in Klépierre's shopping malls rose by 2.6% in 2014 compared to 2013. On a like-for-like basis and excluding extensions opened in 2013 (Vinterbro in Norway, Rives d'Arcins, Jaude Clermont-Ferrand in France and Romagna Center in Italy), retailer sales for the Group increased by 1.5%.

Year-on-year retail sales change through December 2014	Like-for-Like	Like-for-Like excluding extensions
France	+1.0%	-0.4%
Belgium	+1.8%	+1.8%
France-Belgium	**+1.0%**	**-0.3%**
Norway	+4.0%	+3.2%
Sweden	+7.2%	+3.7%
Denmark	+1.0%	+1.0%
Scandinavia	**+4.5%**	**+2.9%**
Italy	**+1.9%**	**+1.2%**
Spain	+7.6%	+7.6%
Portugal	+4.8%	+4.8%
Iberia	**+6.3%**	**+6.3%**
Poland	-2.9%	-2.9%
Hungary	+11.1%	+11.1%
Czech Republic	+4.9%	+4.9%
Central Europe	**+3.3%**	**+3.3%**
SHOPPING CENTERS	+2.6%	+1.5%

[12] Source: OECD November 2014

[13] Retailer revenues in Klépierre shopping centers, excluding the impact of asset sales and acquisitions. Primark revenues in Meridiano and Créteil-Soleil based on Klépierre's conservative estimates.

7.1 FRANCE-BELGIUM

In France, retailer sales were up by 1.0% like-for-like in 2014 compared to 2013. The extensions of Jaude (Clermont Ferrand) and Bègles Rives d'Arcins (Bordeaux) continued to support this growth. Excluding extensions, retailer sales remained virtually unchanged (-0.4%), slowed by weak sales during the fall as mild temperatures were unfavorable to the new ready-to-wear collections. Activity improved in December (+2.9% compared with last year) as weather conditions fell more in line with the winter season.
Mall activity was helped by re-tenanting efforts, for instance at Creteil Soleil (+3.7%) and Courier (Annecy, +9.0%). St.Lazare Paris, which opened in 2012, also maintained a certain momentum (+12.7%).

7.2 SCANDINAVIA

In Norway (+4.0%), sales performance was boosted by the addition of Vinterbro (Greater Oslo area), which completed its extension-refurbishment in June of last year. Excluding Vinterbro, sales were up by 3.2% in 2014 compared with last year, notably thanks to both centers located in Greater Oslo area, Metro (+11.8%) and Gulskogen (+6.5%).

In Sweden (+7.2%), retailer sales remained driven by solid sales at Emporia (Malmö: +12.8%), the largest center as measured by sales. Activity was also positively oriented in Marieberg (Örebro: +4.8%), albeit to a lesser extent.

In Denmark, sales increased by 1.0%, boosted by the performance of Field's in the Greater Copenhagen area (+3.2%).

7.3 ITALY

In Italy, sales increased by 1.9% for the full year 2014 compared with 2013, thanks to the contribution of the Romagna Shopping Valley extension, which opened in November.
On a like-for-like basis excluding extensions, retailer activity grew by 1.2% and showed good resilience despite the macroeconomic deterioration. The ready-to-wear segment – which is the major one in terms of sales - continued to increase significantly, up +3.3% on a like-for-like same store basis.

7.4 IBERIA

In Spain, the increase in retailer sales is the result of 2 factors: an improved economic environment and a portfolio refocus on leading shopping malls in 2014. Retailer sales rose by 7.6%, with highly positive contributions from La Gavia and Meridiano. Footfall at the latter center has increased by around 30% since the Primark store opened in February 2014, with total visitors now reaching 7.9 million a year.

In Portugal, a strong pick-up in sales boosted full-year sales by +4.8%. Aqua Portimão (in Algarve: +8.9%) and Parque Nascente (Gondomar Porto: +3.6%) turned in particularly strong performances.

7.5 CENTRAL EUROPE

In Poland, retailer sales decreased by 2.9% in 2014, penalized by competition in Lublin and Krakow. Sales revenue for the largest shopping center, Sadyba (Warsaw: + 7.4%), remained positively oriented.

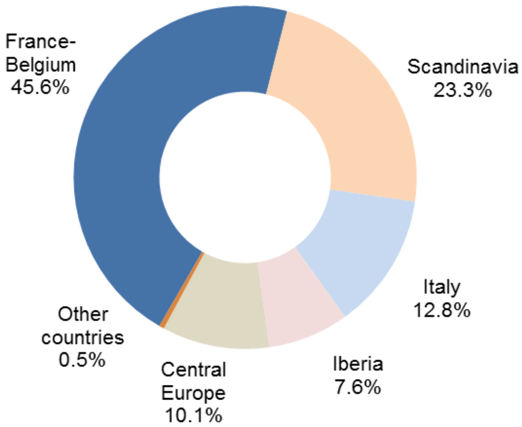
In Hungary, activity remained at a strong level (+11.1%) still driven by the high increase in Corvin (Budapest: +13.8%), Duna Plaza (Budapest: +11.8%) and Alba (Székesfehérvár: +16.4%).

In Czech Republic (+4.9%), the three assets also registered good annual performances: Nový Smìchov (Prague: +4.1%), Plzen (+8.7%) and Novo Plaza (Prague Novodorska: +4.9%).

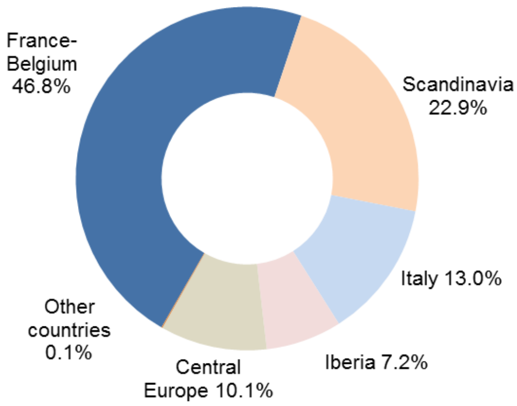
8. RENTAL BUSINESS

8.1. SHOPPING CENTER SEGMENT (94.8% OF CONSOLIDATED NET RENTAL INCOME)

Shopping center breakdown in gross rents by region - Year ended December 31, 2014 (total share)



Shopping center breakdown in net rental income by region - Year ended December 31, 2014 (total share)



Shopping center net rental income rose by 3.1% on a like-for-like basis[14], including an average impact of indexation of 0.6%. On a current portfolio basis, gross rents decreased by 12.4% to 782.0 million euros, mainly due to the impact of disposals. On April 16, 2014, Klépierre announced the disposal of 126 retail galleries: they accounted for 23.3 million euros of first half 2014 net rental income in France, 4.5 million in Italy, and 11.3 million in Spain. Shopping center net rental income decreased by 11.3%.

Shopping center business summary

	Volume of leases renewed and relet (€M)	Reversion (%)	Reversion (€M)	OCR[(1)]	EPRA Vacancy rate[(2)]	Late payment rate [(3)]
France-Belgium	30.4	15.0%	4.6	12.3%	1.6%	1.9%
Scandinavia	26.5	4.9%	1.3	10.9%	4.9%	1.7%
Italy	11.6	0.8%	0.1	12.4%	2.0%	1.8%
Iberia[(4)]	5.7	4.5%	0.3	13.6%	5.2%	0.9%
Central Europe[(4)]	11.0	5.2%	0.6	13.3%	4.4%	2.3%
TOTAL[(5)]	**86.3**		**6.7**	**12.1%**	**3.0%**	**1.9%**

[1] Occupancy Cost Ratio
[2] Adoption of EPRA methodology from 2014 to report the vacancy rate
[3] Rate 6 months out
[4] Data for Iberia and Central Europe include temporary rental discounts
[5] Total for shopping centers, including Greece and Slovakia

[14] See Section 2, “Gross rents and net rental income”.

8.1.1. France-Belgium (46.8% of shopping center net rental income)

in million euros (total share)	Net rental income current			Net rental income like-for-like			EPRA Vacancy rate	
	12/31/2014	12/31/2013 (restated)	Change current	12/31/2014	12/31/2013 (restated)	Change like-for-like	12/31/2014	12/31/2013
France	317.7	353.7	-10.2%	278.1	272.7	2.0%	1.6%	2.0%
Belgium	13.0	12.7	2.3%	13.0	12.8	2.1%	1.3%	2.1%
France-Belgium	**330.8**	**366.5**	**-9.7%**	**291.2**	**285.5**	**2.0%**	**1.6%**	**2.0%**

France

Net rental income increased by 2.0% on a like-for-like basis, outperforming index-linked adjustments (+170 bps) thanks to the positive impact of renewals and relets signed in the last twelve months. In all, 247 leases were signed during the year, translating into sustained levels of reversion. Through to its unique offer of leading shopping centers in France, Klépierre continues to leverage its business with the best international retailers: for instance, Mango opened a new store at St.Lazare Paris and Belle Epine (Greater Paris Area), Desigual will open two new stores at St.Lazare Paris and Claye-Souilly (Greater Paris Area), Zara added a 2,000 sq.m. store at Annecy Courier (Lyon region), and Bershka expanded its store at Rives d'Arcins (Bordeaux). H&M signed a lease on a new flagship store at Belle Epine (Greater Paris Area) that combines two spaces and adds the H&M Home offer to an unparalleled 4,000 sq.m. store. Other successful retailers that signed leases this year, include Karl Marc John at Odysseum (Montpellier), Sabon at Rives d'Arcins (Bordeaux), Superdry at Belle Epine, and PittaRosso, a new concept identified by Klépierre's Italian leasing teams, which made its début in France at Grand Portet (Toulouse) in the 4th quarter of 2014.

Klépierre also concentrated its efforts on upgrading the food offering. The signature of a new lease with Burger King at Créteil Soleil reinforces the attractiveness of the shopping center which now, with Primark, features two of the most awaited brands for French consumers. The food offer was also upgraded at Val d'Europe, where leases were signed with Exki and Factory & co, and at Rives d'Arcins with Llaollao (the Spanish natural frozen yogurt chain).

On a current basis, the decrease in net rental income reflects the disposal of 56 retail galleries in April 2014.

Belgium

In Belgium, L'esplanade's (Louvain-la-Neuve) net rental income rose by 2.1%, driven by a large re-tenanting campaign that translated into an overall reversion rate of 23.3% for the whole year. Leases with the most dynamic retailers were renewed, and newcomers such as Calzedonia, Desigual, Jules, MAC, Intimissimi (its first store in a shopping center location in Belgium), Superdry, The Kase, and Undiz joined the center.

8.1.2. Scandinavia (22.9% of shopping center net rental income)

in million euros (total share)	Net rental income current			Net rental income like-for-like			EPRA Vacancy rate	
	12/31/2014	12/31/2013 (restated)	Change current	12/31/2014	12/31/2013 (restated)	Change like-for-like	12/31/2014	12/31/2013
Norway	53.4	66.0	-19.0%	46.0	43.0	6.9%	3.4%	2.3%
Sweden	67.1	80.3	-16.4%	65.7	62.2	5.6%	2.7%	3.2%
Denmark	41.6	40.7	2.2%	40.8	40.7	0.3%	9.7%	5.2%
Scandinavia	**162.1**	**186.9**	**-13.3%**	**152.5**	**145.8**	**4.5%**	**4.9%**	**3.2%**

Norway

On a like-for-like basis, net rental income increased by +6.9%, driven by sound performances across the portfolio. Net rental income growth was driven by dynamic leasing activity: 251 leases were signed in Norway over the year. Clas Ohlson signed two leases (one at Vinterbro and one at Åsane Storsenter). Farmandstredet welcomed two new retailers: TGR (a new concept in the region) and Subway, which implemented its latest concept.

On a current portfolio basis, net rental income was substantially impacted by the disposal of 4 shopping centers in November 2013, partly offset by the extension and refurbishment of Vinterbro (Greater Oslo area), which opened in June 2013.

Sweden

With no indexation effect, net rental income rose by 5.6% on a like-for-like basis thanks to the solid performances of strong malls like Emporia and to leasing dynamics. In all, 161 leases were signed in Sweden during the year, with an average reversion of 5.1%. Emporia continues to attract top international retailers that are entering or expanding into the Scandinavian market. Leases were signed with Victoria's Secret (the Group's first store of the famous American lingerie brand and the first Victoria's Secret to be located in a Scandinavian shopping center) and Pandora, notably. Torp reinforced its sporting goods offer, as both Sportshopen and Intersport signed new leases. The latter expanded its sales space (1,600 sq.m. in total) to roll out its latest concept. On a current portfolio basis, net rent income was impacted by the disposal of 5 shopping centers on July 1, 2014 for 354 million euros.

Denmark

In Denmark, net rental income increased by 0.3% on a like-for-like basis. This modest performance is due to temporary vacancies, in particular at Brunn's with Stadium termination achieved with high reversion rate. The change on a current portfolio basis includes the impact of a non-recurring property tax refund in the first half of 2014.
Distinctive international retailers joined Danish centers during the year, such as DAY and Le Creuset at Brunn's (Aarhus), and Joe & The Juice at Bryggen (Vejle). The fashion offer was strengthened at Field's (Copenhagen) with the opening of a Nike flagship store (the largest one in Denmark), a Skechers and a Desigual store.

8.1.3. Italy (13.0% of shopping center net rental income)

in million euros (total share)	Net rental income current			Net rental income like-for-like			EPRA Vacancy rate	
	12/31/2014	12/31/2013 (restated)	Change current	12/31/2014	12/31/2013 (restated)	Change like-for-like	12/31/2014	12/31/2013
Italy	**91.6**	**101.5**	**-9.8%**	**65.6**	**64.5**	**1.7%**	**2.0%**	**1.5%**

Net rental income rose by 1.7% on a like-for-like basis, including a +0.5% index-linked adjustment. 156 leases were signed in 2014. The Calzedonia Group strengthened its presence in Pescara with the opening of a Tezenis store, which joined Calzedonia and Intimissimi. Celio and Tiger also became new tenants. In November, the Group inaugurated the Romagna Shopping Valley (Rimini) extension-refurbishment scheme, which reinforced its tenant mix, particularly in the fashion segment, with brands such as Celio, Chicco, Desigual, Harmont & Blaine, H&M (first implementation in the region), OVS, Terranova, Sergent Major, Superdry and Tezenis. Sephora, Mac Cosmetics, and Histoire d'Or also counted among 2014's newcomers to the center. Romagna Shopping Valley is the first center outside of France to embrace the Club Store ® concept.
On a current basis, the decrease in net rental income reflects the disposal of 7 retail galleries in April 2014. The acquisition of Corio is expected to strengthen Klépierre's leasing power due to the dominant position of the combined portfolio. Corio's portfolio includes some of Italy's leading shopping malls: Le Gru (Torino), Porta di Roma (Rome), Campania (Naples), etc.

8.1.4. Iberia (7.2% of shopping center net rental income)

in million euros (total share)	Net rental income current 12/31/2014	12/31/2013 (restated)	Change current	Net rental income like-for-like 12/31/2014	12/31/2013 (restated)	Change like-for-like	EPRA Vacancy rate 12/31/2014	12/31/2013
Spain	36.6	60.4	-39.4%	26.2	25.4	3.3%	3.2%	9.1%
Portugal	14.0	13.5	4.1%	14.0	13.5	3.9%	8.3%	8.2%
Iberia	**50.7**	**73.9**	**-31.4%**	**40.2**	**38.9**	**3.5%**	**5.2%**	**8.9%**

In Spain, net rental income increased by 3.3% on a like-for-like basis, driven by the performance of La Gavia in Madrid and Meridiano in Tenerife. Leasing teams were particularly active in 2014, concentrating their efforts on an entirely reshaped portfolio following the sale of 63 retail galleries in April 2014. A total of 106 leases were signed, with financial conditions up by 3.8%. Numerous re-tenanting actions were undertaken in 2014 at Meridiano (Tenerife): Massimo Dutti, Pull&Bear, and Zara Home enlarged their respective stores and Levi's implemented its latest concept. Following the opening of a 3,000 sq.m. Primark store in February, Intimissimi (Calzedonia Group) joined the center. It will be followed by Kiko, which will open its first store in the Canary Islands. Since the Primark opening, footfall is up by 31%, reaching 7.9 million visitors for the full year. La Gavia (Madrid) also welcomed international retailers that include JD Sports. In 2015, prime shopping malls from the Corio portfolio were added: Principe Pio (Madrid) and Maremagnum (Barcelona). They will increase Klépierre's footprint in Spain for international retailers.

In Portugal, net rental income was up 3.9% despite no help from indexation. A large re-tenanting campaign is underway at Parque Nascente: Pull&Bear (Inditex Group), Jean-Louis David, and Kiko feature among the newcomers. The C&A and A Loja do Gato Preto leases were renewed. Alain Afflelou, Promod, Tiger, and Subway opened new stores in Aqua Portimão during the year and will be joined by Lefties in March 2015.

8.1.5. Central Europe (10.1% of shopping center net rental income)

in million euros (total share)	Net rental income current 12/31/2014	12/31/2013 (restated)	Change current	Net rental income like-for-like 12/31/2014	12/31/2013 (restated)	Change like-for-like	EPRA Vacancy rate 12/31/2014	12/31/2013
Poland	31.6	30.3	4.2%	31.7	30.8	3.0%	2.0%	2.3%
Hungary	16.5	15.8	4.3%	16.5	15.3	8.2%	11.4%	12.9%
Czech Republic	23.0	21.1	9.1%	23.0	21.1	8.9%	0.6%	3.3%
Central Europe	**71.1**	**67.2**	**5.8%**	**71.2**	**67.2**	**6.0%**	**4.4%**	**5.9%**

In Poland, net rental income was up by 3.0% like-for-like, outperforming indexation (+0.9%). Leases were signed with Go Sport at Poznan Plaza, TKMaxx at Lublin Plaza, and H&M at Ruda Slaska Plaza. Three leases were signed with Gatta, the leading lingerie brand in Poland, which opened stores at Krakow Plaza, Ruda Plaza, and Sosnowiec Plaza. On a current basis, net rental income increased by 4.2%, with some of the increase due to the impact on 2013 rental income of one-off charges.

In Hungary, net rental income rose by 8.2% on a like-for-like basis, mainly driven by cost streamlining and a lower vacancy rate. During the year, many leases were signed at Corvin, including Calzedonia, Burger King, and CCC, which also joined two other centers in the country. Tally Weijl opened a new store in Szolnok and Pupa opened one at Duna Plaza.

In the Czech Republic, the increase in net rental income on a like-for-like basis (+8.9%) strongly outperformed indexation. The re-tenanting campaign was pursued at Nový Smíchov (Prague): Kiehl's, the world's tenth-largest beauty chain, offering top-quality products for skin care through individual client service, opened its first store in the country in May. Other expanding brands that have recently opened stores in Nový include Calzedonia, Claire's, Gino Rossi (a Polish shoe retailer entering the Czech market for the first time), Minelli, Napapijri, Nordsee, and Peak Performance.

8.1.6. Foreign currency impact on net rental income over 12 months

Klépierre's rents were affected by the depreciation of the Norwegian and Swedish kroner throughout the year. Variations in other currencies remained limited in 2014 and had only a marginal impact on Klépierre's rents in 2014.

Shopping center net rental income: 12-month change like-for-like (total share)	constant forex	current forex
Norway	6.9%	0.0%
Sweden	5.6%	0.5%
Denmark	0.3%	0.4%
Scandinavia	**4.5%**	**0.3%**
Poland	3.0%	2.6%
Hungary	8.2%	8.4%
Czech Republic	8.9%	9.0%
Central Europe	**6.0%**	**5.9%**
SHOPPING CENTERS	3.1%	2.1%
TOTAL RENTS	2.9%	1.9%

8.2. RETAIL SEGMENT – KLEMURS (4.9% of consolidated net rental income)

in million euros (total share)	Net rental income current			Net rental income like-for-like			EPRA Vacancy rate	
	12/31/2014	12/31/2013 (restated)	Change current	12/31/2014	12/31/2013 (restated)	Change like-for-like	12/31/2014	12/31/2013
RETAIL-KLEMURS	36.6	39.9	-8.4%	36.6	37.0	-1.2%	2.2%	0.5%

On a current portfolio basis, the main impacts on net rental income were the Frey portfolio disposal (10 units in February 2014), the two Chausséa units sold in October 2014, and the sale of the Chalon retail park (July 2013). On a like-for-like portfolio basis, net rents from retail properties fell by 1.2% due to the slight increase in vacancy since Defi Mode vacated 13 units in May 2014.

8.3. OFFICE PROPERTY SEGMENT (0.3% of consolidated net rental income)

As of December 31, 2014, Klépierre no longer owns any office properties, having completed its last 3 disposals in the first half of 2014. Net rental income from office properties totaled 1.9 million euros, registered in Q1.

8.4. FEE INCOME

Management and administrative income (fees) from service businesses totaled 70.8 million euros, down by 10.5 million euros, a decline that is mainly attributable to the delivery of large projects in the Group's development pipeline.

8.5. LEASE EXPIRY SCHEDULES AS OF DECEMBER 31, 2014

Shopping center lease expiry schedule

Country/Area	< 2015	2015	2016	2017	2018	2019	2020	2021	2022	2023+	TOTAL	Average lease length
France	9.2%	3.9%	7.5%	8.5%	6.7%	9.3%	11.4%	12.8%	14.2%	16.5%	100.0%	5.1
Belgium	7.5%	4.2%	8.6%	1.9%	1.5%	10.7%	1.2%	1.5%	3.6%	59.3%	100.0%	6.4
France-Belgium	**9.1%**	**3.9%**	**7.6%**	**8.2%**	**6.5%**	**9.4%**	**11.0%**	**12.3%**	**13.7%**	**18.3%**	**100.0%**	**5.1**
Denmark												0.0
Norway	4.6%	14.8%	17.9%	17.4%	22.0%	12.8%	4.1%	2.5%	0.6%	3.2%	100.0%	2.9
Sweden	1.7%	25.5%	22.6%	20.8%	6.9%	7.0%	2.9%	1.4%	4.9%	6.2%	100.0%	2.8
Scandinavia	**3.3%**	**19.6%**	**20.0%**	**18.9%**	**15.4%**	**10.2%**	**3.6%**	**2.0%**	**2.5%**	**4.5%**	**100.0%**	**2.9**
Italy	**2.7%**	**7.1%**	**14.8%**	**12.2%**	**8.5%**	**12.6%**	**10.4%**	**6.6%**	**6.5%**	**18.5%**	**100.0%**	**4.86**
Spain	0.0%	6.1%	4.3%	4.5%	10.4%	16.1%	7.8%	3.4%	4.6%	42.8%	100.0%	7.2
Portugal	1.0%	16.0%	10.5%	17.4%	8.3%	7.9%	10.4%	2.9%	1.7%	23.8%	100.0%	4.9
Iberia	**0.4%**	**9.9%**	**6.7%**	**9.5%**	**9.6%**	**13.0%**	**8.8%**	**3.2%**	**3.5%**	**35.5%**	**100.0%**	**6.3**
Poland	0.5%	27.8%	8.7%	33.4%	6.3%	7.7%	7.4%	0.2%	3.1%	4.8%	100.0%	3.1
Hungary	5.9%	35.8%	11.7%	13.5%	13.1%	11.4%	3.3%	2.0%	0.0%	3.2%	100.0%	3.0
Czech Republic	0.1%	15.4%	20.4%	28.9%	18.3%	9.8%	0.5%	3.0%	0.7%	2.9%	100.0%	2.8
Central Europe	**1.9%**	**26.2%**	**13.2%**	**26.4%**	**11.9%**	**9.4%**	**4.1%**	**1.6%**	**1.5%**	**3.8%**	**100.0%**	**3.0**
TOTAL	5.8%	9.8%	11.3%	12.5%	9.2%	10.3%	8.9%	7.9%	8.7%	15.6%	100.0%	4.6

Retail segment / Klémurs lease expiry schedule

< 2015	2015	2016	2017	2018	2019	2020	2021	2022	2023+	Total	Average lease length
3.2%	1.4%	1.6%	0.3%	4.8%	2.6%	13.6%	6.1%	1.0%	65.5%	100.0%	**8.1**

9. DEVELOPMENTS AND DISPOSALS

9.1. INVESTMENTS MADE IN 2014

A total of 205.0 million euros was invested during 2014 in Klépierre's shopping centers:

- 58.0 million euros were invested in developed shopping malls, either recently opened, such as Romagna Center in Italy (opened last November), or in leading assets, such as St.Lazare Paris, Jaude (Clermont-Ferrand), Créteil Soleil (Paris), and Emporia (Malmö).
- 31.2 million euros were spent to complete the acquisition of the 12% stake Klépierre did not own in IGC Italy (a portfolio of 9 shopping centers). In light of the acquisition of a 16.7% stake in December 2013, Klépierre now owns 100% of this portfolio.
- 115.8 million euros were allocated to the Group's development pipeline, mainly in France (Les Passages Pasteur, Centre Bourse, Val d'Europe and Prado), in Sweden (Galleria Boulevard), and in Denmark (Field's) (see the section entitled "2015-2020 Development Pipeline").

9.2. 2015-2020 DEVELOPMENT PIPELINE

The Romagna center, Klépierre's latest extension located in Rimini (Italy), opened in November 2014 and joined the successful series of deliveries over the last three years (St. Lazare Paris, Emporia, Rives d'Arcins, Jaude). With a 9.4% yield-on-cost at opening, Romagna is another example of Klépierre's ability to build extensions that combine high profitability and outstanding shopping features. The center, which is located in one of the most popular seaside resorts in Northern Italy, reinforced its tenant mix, particularly in the fashion segment, with the addition of brands such as Celio, Chicco, Desigual, Harmont & Blaine, H&M (first implementation in the region), OVS, Terranova, Sergent Major, Superdry, and Tezenis. Sephora, Mac Cosmetics, and Histoire d'Or are also among the newcomers to the center. Romagna Shopping Valley is the first center outside of France to have embraced the ClubStore® concept.

In 2014, Klépierre also refueled its pipeline by seizing opportunistic acquisitions. In November 2014, the company signed an agreement to acquire 60% of the Massalia Shopping Mall investment company set up to develop the Prado shopping center, a landmark 23,000 sq.m. shopping center ideally located in the heart of Marseille, France's second largest city. The Prado shopping center will be located close to the Prado roundabout, in the heart of the most affluent area of Marseille, adjacent to the iconic, recently renovated Vélodrome Stadium and close to the beaches. In addition, the location enjoys an unparalleled connection to public transportation, with a multimodal transport hub encompassing the Metro network, thirteen bus lines, and a tunnel linking the city's three main motorways. It is also part of a larger urban infrastructure scheme in this southern district that includes residential, office, and hotel developments.

With the acquisition of Corio completed in January 2015, Klépierre has expanded its pipeline with additional strategic and high-quality projects. Both Groups have concentrated their projects in Europe's leading regions in France, Scandinavia, the Netherlands and Northern Italy:

- 72% of the committed and controlled projects are extension-refurbishment plans intended to capitalize on retail facilities that have demonstrated leadership in their respective catchment areas.
- 28% 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 development pipeline represents 3.7[15] billion euros worth of investments, including 1.1 billion euros worth of committed[16] projects with an average expected yield of 6.9%, 1.4 billion euros worth of controlled[17] projects, and 1.3 billion euros worth of identified projects. In Group share terms, the total pipeline represents 3.1[6] billion euros, of which 0.8 billion euros for committed projects, 1.1 billion euros for controlled projects, and 1.1 billion euros for identified projects.

With respect to committed[18] projects, work advanced according to schedule:

- Field's (Copenhagen, Denmark): Scheduled to open in the first half of 2015, the extension of this mall, located in the dynamic southern part of the city between its center and the international airport, will offer a revamped shopping mall and an enhanced customer experience. With an exceptional new movie theater, a state-of-the-art dining area, and a leisure center, Field's will feature outstanding services that will enable it to maintain its position as the leading shopping mall in the region.

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[15] Proforma the acquisition of 93.6% of Corio shares completed in January 2015, 16 (proforma figures not audited)

[16] Projects that are in the process of being put together and negotiated

[17] 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)

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

- Markthal (Rotterdam, the Netherlands): Klépierre manages the center (which opened on October 1, 2014) and should acquire ownership in the beginning of 2015. The number of visitors so far has significantly exceeded expectations.
- Les Passages Pasteur (Besançon, France): Designed by the multi-award winning architects Chapman Taylor, the project, located in the very heart of the wealthy city of Besançon, close to Switzerland, will feature 19 new shops covering 14,800 sq.m., including 5 medium size units, bringing must-have international retailers to this city center. The future Pasteur Center is part of the renaissance of Besançon's historic district.
- Val d'Europe (Paris region, France): With 17,000 sq.m. to be added to the existing 100,000 sq.m. shopping mall, the project seeks to create additional space in the heart of the mall for prestigious international retailers such as Primark and Uniqlo. Work on the extension started this spring and should be terminated in early 2017, promising a new lease on life to this extraordinary shopping center.
- Galleria Boulevard (Kristianstad, Sweden): Located in the very heart of the southern city of Kristianstad, near Malmö, with an urban area of 90,000 inhabitants, the project is set to open in 3 stages: the first part, inaugurated earlier this year almost fully let; the next part, to be opened in Q1 2015; and the last part, to be launched this year. Together, they form an outstanding mixed development of retail shops and housing combined with a hotel.
- Hoog Catharijne (Utrecht, the Netherlands) seeks to upgrade and extend the great success of the existing shopping center, built over Utrecht's train station and welcoming nearly 26 million passengers a year

Development project	Country	City	Type	Klépierre equity interest	Estimated cost [1] (M€)	Cost to date (M€)	Floor area (sq.m.)	Expected opening date
Field's	Denmark	Copenhagen	extension	56.1%	17	10	8,500	H1 2015
Markthal	the Netherlands	Rotterdam	new development	93.6%	48	6	11,300	H1 2015
Les Passages Pasteur	France	Besançon	new development	100.0%	56	27	14,800	H2 2015
City Plaza	the Netherlands	Nieuwegein	extension	93.6%	38	2	8,600	H2 2015
Centre Bourse	France	Marseille	extension-refurbishment	50.0%	18	9	2,700	H2 2015
Val d'Europe	France	Paris region	extension	55.0%	94	27	17,000	H1 2017
Galleria Boulevard	Sweden	Kristianstad	redevelopment	56.1%	144	110	27,300	H1 2017
Leidsche Rijn Centrum	the Netherlands	Utrecht	new development	93.6%	140	4	26,500	H1 2018
Hoog Catharijne Phase 2	the Netherlands	Utrecht	extension-refurbishment	93.6%	333	118	20,600	H1 2019
Other projets (incl. Prado)					181	47	27,700	
TOTAL COMMITTED PROJECTS					**1,069**	**358**	**165,000**	
Créteil Soleil - Phase 1	France	Paris region	extension-refurbishment	80.0%	70	2	11,000	H1 2018
Grand Portet	France	Toulouse region	extension-refurbishment	83.0%	65	8	8,000	H1 2018
Pontault	France	Paris region	extension	83.0%	71	0	11,000	H1 2018
Allum	Sweden	Allum	redevelopment	56.1%	53	5	14,500	H2 2018
Gran Reno	Italy	Bologna	extension	93.6%	128	0	15,900	H2 2018
L'esplanade	Belgium	Brussels region	extension	100.0%	132	16	20,650	H2 2018
Hoog Catharijne Phase 3	the Netherlands	Utrecht	extension refurbishment	93.6%	187	23	16,900	H1 2019
Vitrolles	France	Marseille region	extension	83.0%	70	0	18,050	H2 2019
Viva	Denmark	Odense	new development	56.1%	176	38	48,500	H1 2020
Givors	France	Lyon region	extension	83.0%	103	8	16,000	H2 2020
Arcades	France	Paris region	extension	53.6%	142	0	28,000	H2 2020
Økernsenteret[2]	Norway	Oslo	redevelopment	28.1%	89	3	28,400	H2 2020
Other projets					76	14	38,900	
TOTAL CONTROLLED PROJECTS					**1,361**	**117**	**275,800**	
TOTAL IDENTIFIED PROJECTS					**1,301**	**122**	**221,800**	
TOTAL					**3,731**	**598**	**662,600**	

[1] Estimated cost price before financial costs

[2] Asset consolidated under equity method. For these assets, estimated cost and cost to date are reported for Klépierre's share of equity. Floor areas are the total areas of the project.

The launch of controlled projects is subject to profitability, timing, and pre-letting criteria. Supported by a high level of liquidity (around 2.7[6] billion euros on December 31, 2014), the Group will be able to strengthen its presence in targeted regions of Continental Europe, either by launching projects included in the pipeline or by seizing accretive acquisition opportunities.

9.3. DISPOSALS COMPLETED SINCE JANUARY 1, 2014

With 2.4 billion euros worth of assets sold in 2014, Klépierre completed the strategic reshaping of its portfolio:

- Klépierre announced[19] on April 16, 2014 that it had completed the disposal of a portfolio of 126 Carrefour-anchored retail galleries located in France, Spain and Italy. The portfolio included 56 assets in France, 63 assets in Spain and 7 assets in Italy.
- Klépierre also disposed of its 3 latest office buildings in Paris during the first half of 2014, including the Javel building (6,000 sq.m. in Paris 15th district), 43 Grenelle (12,400 sq.m. in Paris 15th district), and the offices located near the Millénaire shopping center (13,300 sq.m.)
- On July 1, 2014, Klépierre announced the completion of the disposal of 5 shopping centers located in Sweden – Familia (Hyllinge, 15,769 sq.m.), Etage (Trollhättan, 16,604 sq.m.), Mirum (Norrköping, 39,122 sq.m.), MittiCity (Karlstad 16,010 sq.m.), and Sollentuna Centrum (Stockholm, 35,713 sq.m.) – for a total consideration of 354 million euros[20] (MSEK 3 250).
- Finally, during the second half of 2014, Klépierre sold three minor assets in Hungary (7,549 sq.m.) and Greece (1,588 sq.m. and 12,560 sq.m.).

Assets	GLA (sq.m.)	Sale price (€M)	Date
Retail galleries in France	252,000		04/16/2014
Retail galleries in Spain	177,000		04/16/2014
Retail galleries in Italy	45,000		04/16/2014
Sweden – Portfolio of 5 shopping centers	123,200		07/01/2014
Others (Hungary and Greece)	21,700		10/31/2014
Total shopping centers		**2,252**	
Frey Portfolio	16,200		02/28/2014
Chausséa Portfolio	1,900		10/17/2014
Millénaire (Aubervilliers) – Offices	13,300		01/20/2014
Javel (Paris 15th)	6,000		02/11/2014
43 Grenelle (Paris 15th)	12,400		05/20/2014
Total retail and offices		**151**	
TOTAL DISPOSALS (€M, excl. duties)		**2,403**	

[19] Please see press release dated April 16, 2014 – available on www.klepierre.com
[20] Foreign exchange rate as of June 30, 2014

10. CONSOLIDATED EARNINGS AND CASH FLOW

10.1. CONSOLIDATED EARNINGS

In millions of euros	12/31/2014	12/31/2013 (restated[1])	Change %
Rental income	**833.0**	**953.4**	**-12.6%**
Rental & building expenses	-87.8	-108.4	-19.1%
Net rental income	**745.2**	**845.0**	**-11.8%**
Management and administrative income	70.8	81.2	-12.9%
Other operating income	15.8	18.9	-16.3%
Payroll expense	-109.1	-122.4	-10.8%
Survey & research costs	-4.0	-4.4	-9.2%
Other general expenses	-47.6	-44.5	7.0%
EBITDA	**671.1**	**773.8**	**-13.3%**
D&A on investment property & PPE	-397.4	-380.3	4.5%
Provisions	-3.6	-1.0	250.1%
Proceeds of sales	846.9	173.9	386.9%
Results of operations	**1117.0**	**566.4**	**97.2%**
Net cost of debt	-269.5	-318.1	-15.3%
Change in the fair value of financial instruments	-17.3	-94.2	-81.7%
Share in earnings for equity method investees	8.3	12.8	-35.2%
Pre-tax current income	**838.5**	**166.9**	**402.2%**
Corporate income tax	-30.4	-29.9	1.7%
Net income	**808.1**	**137.0**	**489.7%**
Non-controlling interests	-168.0	-83.5	101.4%
NET INCOME (GROUP SHARE)	**640.0**	**53.6**	**1094.8%**

Rental income amounted to 833.0 million euros, of which 782.0 million euros were contributed by shopping centers, 38.3 million euros by retail properties, 2.4 million euros by office properties and 10.4 million euros of other rental income. Compared to the same period last year, they decreased by 120.4 million euros (-12.6%), mainly due to the disposal of 126 retail galleries in April 2014.

Rental and building expenses for the period came to 87.8 million euros, a year-on-year decrease of 20.7 million euros (-19.1%). Significantly higher than the decrease in gross rents (-13.0% for the period), the fall in operating expenses reflects, in addition to the disposal of retail galleries, efforts pursued by the Group to streamline the operating costs of its shopping centers. In 2014, the Group created a division dedicated to cost efficiencies and rationalizations.

Net rental income reached 745.2 million euros, a decrease of 11.8% compared with the year ended December 31, 2013.

Management and administrative income (fees) from service businesses totaled 70.8 million euros, down by 10.5 million euros mainly attributable to the delivery of large projects in the Group’s development pipeline and to the property management fees in connection with the disposal program.

Other operating income of 15.8 million euros primarily includes gains on works re-invoiced to tenants and various indemnities.

General expenses for the period came to 160.7 million euros, including 109.1 million euros in payroll expense, 47.6 million euros for other expenses and 4.0 million euros for research costs, versus 171.3 million euros last year. This 6.2% decrease reflects Klépierre's various efforts to reduce its cost structure and create a leaner organization.

EBITDA for 2014 was 671.1 million euros, a 13.3% decrease compared with the year ended December 31, 2013.

Depreciation and impairment allowance on property & PPE was 397.4 million euros for the period and included:

- 256.7 million euros worth of depreciation on investment properties
- 128.3 million euros worth of asset impairment allowance on investment properties, an increase of 48.3 million euros versus last year
- 12.4 million euros worth of depreciation and impairment allowance on intangible assets and equipment (versus 11.0 million euros for the year ended December 31, 2013)

Net sale proceeds reached 846.9 million euros, compared with 173.9 million euros for the same period last year. This item includes in particular the capital gains on the disposal of 126 retail galleries in April 2014, the three remaining office building of the portfolio, and a retail unit portfolio.

Operating income increased to 1,117.0 million euros for the year ended December 31, 2014, versus 566.4 million euros for the same period in 2013. The increase reflects the proceeds of asset sales.

Net cost of debt (269.5 million euros) was down by 15.3%, a decrease mainly attributable to the deleveraging process using cash proceeds from 2014 disposals, the level of short-term interest rates and the restructuring of the hedging portfolio. The average cost of debt - the ratio of interest expense to average financing – stands at 3% for the year.

The change in the fair value of financial instruments was -17.3 million euros, versus -94.2 million euros for the same period last year. In connection with the expected net proceeds from the disposal of 126 retail galleries, a 1.3 billion euro swap portfolio was reclassified in 2013 from cash flow hedge to trading. Klépierre's financial policy and structure are described in more detail in paragraph 13.

The share of earnings for equity investees was down by 4.5 million euros.

Tax expense was 30.4 million euros, compared to 29.9 million euros for last year:

- Tax payable was 49.2 million euros, versus 29.6 million euros for the same period in 2013, including the impact of 2.0 billion euros worth of retail galleries disposed and of the 3% tax dividend in France.
- Deferred taxes amounted to a credit of 18.8 million euros, versus an expense of 0.3 million euros for the same period in 2013, mainly due to the recovery of deferred tax losses on investment properties sold through the retail gallery disposals to the Carrefour-led consortium.

Consolidated net income was 808.1 million euros, up 671.0 million euros compared to the year ended December 31, 2013.

The minority share of net income (non-controlling interests) for the period was 168.2 million euros, coming from the shopping center segment, bringing group share of net income to 640.0 million euros, an increase of 586.5 million euros.

10.2. EPRA COST RATIO

The purpose of the EPRA cost ratio is to reflect the relevant overhead and operating costs of the business. It is calculated by expressing the sum of property expenses (net of service charge recoveries and third-party asset management fees) and administrative expenses (excluding exceptional items) as a percentage of gross rental income.

	In million of euros	12/31/2014	12/31/2013 (restated[1])
(i)	Administrative/operating expense line per IFRS income statement	-212.5	-232.4
(ii)	Net service charge costs/fees	-36.3	-39.6
(iii)	Management fees less actual/estimated profit element	70.8	81.2
(iv)	Other operating income/recharges intended to cover overhead expenses less any related profit	15.8	18.9
(v)	Share of Joint Ventures Expenses	-9.0	-10.1
	Exclude (if part of the above):		
(vi)	Invesment Property depreciation	na	na
(vii)	Ground rents costs	na	na
(viil)	Service charge costs recovered through rents but not separately invoiced	na	na
	EPRA Costs (including vacancy costs) (A)	-171.2	-182.1
(iX)	Direct vacancy costs	-16.1	-17.0
	EPRA Costs (excluding vacancy costs) (B)	**-155.1**	**-165.1**
(x)	Gross Rental Income less ground rents - per IFRS	825.5	945.8
(xi)	Less: service fee / cost component of Gross Rental Income	na	na
(xii)	Add: share of Joint ventures (Gross Rental Income less ground rents)	52.8	55.4
	Gross Rental Income (C)	**878.3**	**1,001.2**
	EPRA Costs Ratio (including direct vacancy costs) (A/C)	**-19.5%**	**-18.2%**
	EPRA Costs Ratio (excluding direct vacancy costs) (B/C)	**-17.7%**	**-16.5%**

The increase in the EPRA cost ratio compared with last year is due to the disposals completed this year and to the decrease in fees from service business, which were not totally offset by the substantial decrease in operating expenses.

10.3. CHANGE IN NET CURRENT CASH FLOW

In millions of euros	12/31/2014	12/31/2013 (restated[1])	Change %
Total share			
EBITDA	**671.1**	**773.8**	**-13.3%**
Restatement payroll and deferred expenses	9.9	8.7	14.7%
Restatement Corio acquisition costs	4.6	0.0	
Operating cash flow	**685.6**	**782.5**	**-12.4%**
Net cost of debt	-269.5	-318.1	-15.3%
Restatement financial allowance and financial restructuri	82.0	54.7	49.9%
Net current cash flow before taxes	**498.0**	**519.1**	**-4.1%**
Share in equity method investees	38.9	36.5	6.6%
Current tax expenses	-16.5	-21.8	-24.1%
Net current cash flow (total share)	**520.4**	**533.8**	**-2.5%**
Group share			
Net current cash flow (group share)	**406.5**	**403.7**	**0.7%**
Restatement payroll expenses (employee benefits, stock-options)	-8.8	-7.6	
Restatement amortization allowances and provisions for contingencies and losses	-12.6	-10.3	
Other restatements related to tax	-0.9	-1.0	
EPRA Earnings	**384.3**	**384.8**	**-0.1%**
Number of shares	195,912,339	195,400,982	
Per share			
Net current cash flow per share (in euro)	**2.07**	**2.07**	**0.4%**
EPRA Earnings per share (in euro)	**1.96**	**1.97**	**-0.4%**

After-tax, the total net current cash flow for the period came to 520.4 million euros. Group share, it amounted to 406.5 million euros (2.07 euros per share), up by 0.4% on a per share basis versus 2013.

11. PARENT COMPANY EARNINGS AND DISTRIBUTION

Summary earnings statement for the parent company Klépierre SA

In million euros	2014	2013
Operating revenues	7.7	16.2
Operating expenses	-21.1	-27.6
Operating income	**-13.4**	**-11.4**
Share income from subsidiaries	776.6	158.9
Net financial income	-32.9	-157.6
Net income from ordinary operations before tax	**730.3**	**-10.0**
Non-recurring income	-8.6	86.2
Corporate income tax	-3.8	-0.6
NET INCOME	**717.9**	**75.5**

Net income for Klépierre SA was 717.9 million euros for fiscal year 2014, compared to 75.5 million euros for fiscal year 2013. This increase is mainly attributable to the following items:

- The decrease in operating revenue in line with the decrease in rental income following the disposal of the last office properties and savings on general expenses;
- The increase in income from subsidiaries, mainly due to the effect of non-recurring income from the disposal of 56 retail galleries in France on April, 16 , 2014;
- The improvement in net financial income due to the impact of the provision for swap unwinding in the previous fiscal year;
- The non-recurring income reduction in line with significant capital gains on offices properties sold in fiscal year 2013;
- The increase in corporate income tax (3% dividend tax) is in line with the increase in the non-SIIC part of the 2013 dividend;

The Supervisory Board will recommend that the shareholders present or represented at the shareholders meeting on April 14, 2015 approve the payment of a cash dividend in respect of fiscal year 2014 of 1.60 euros per share versus 1.55 euros in respect of fiscal year 2013 (+3.2%). This amount reflects a payout of 79% of the net current cash flow group share and will come entirely from the SIIC related activity[21] of Klépierre. Due to the significant amount of capital gains generated in France in 2014, it will not represent all of the SIIC mandatory distribution (431.3 million euros). As a consequence, the remaining part will be carried forward to 2015.

As a reminder, Klépierre paid an interim dividend of 0.91 euro per share on January 12, 2015. [22]
Pending approval at the next general meeting, 0.69 euro will be paid on April 21, 2015. All Corio shareholders having exchanged their shares against Klépierre shares will be entitled to receive this additional payment.

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[21] Subject to withholding tax stated in article 119 bis of the French General Tax Code (subject to applicable tax treaties). This amount does not constitutes a revenue eligible for an allowance at a rate of 40% (as stated in article 158-3-2° of the French General Tax Code) for physical persons who are fiscal residents of France. These elements are provided for information purposes only and do not constitute fiscal advice and should not be taken as such. Readers are advised to liaise with their fiscal advisors.

[22] This distribution was made to maintain the Exchange Ratio relating to the Offer and the Merger on Corio in to Klépierre, as Corio paid a 1.03 euro per share dividend to its shareholders to comply with its distribution obligations in order to comply with its obligations under the FBI regime for the 2014 financial year and the period running from 1 January 2015 until the Merger Date.

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 period ended December 31, 2014, these appraisals were carried out by the following appraisers:

Appraisers	Portfolios	Number of assets	Valuation[1]	%	June report	December report
JLL	France (included BG)	186	3165	21,5%	summarized	detailed + summarized
	Italy	20	1404	9,6%	summarized	detailed + summarized
43%	Poland	7	434	3,0%	summarized	detailed + summarized
	Hungary	7	139	0,9%	summarized	detailed + summarized
	Greece	3	23	0,2%	summarized	detailed + summarized
	Belgium	2	304	2,1%	summarized	detailed + summarized
	Norway	6	822	5,6%	summarized	detailed + summarized
DTZ	France	9	2765	18,8%	summarized	detailed + summarized
	Italy	7	352	2,4%	summarized	detailed + summarized
	Hungary	6	132	0,9%	summarized	detailed + summarized
42%	Czech Republic and Slovakia	4	373	2,5%	summarized	detailed + summarized
	Norway	6	560	3,8%	summarized	detailed + summarized
	Sweden	5	1112	7,6%	summarized	detailed + summarized
	Denmark	3	938	6,4%	summarized	detailed + summarized
Auguste Thouard / BNPP Real Estate	France (shopping centers and retail properties)	152	1370	9,3%	summarized	detailed + summarized
15%	Spain	7	504	3,4%	summarized	detailed + summarized
	Portugal	7	293	2,0%	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 property portfolio excluding transfer duties was 13.8 billion euros total share and 11.0 billion euros group share. In total share, shopping centers accounted for 96.3% of the portfolio and retail properties for 3.7%. On group share basis, these percentages are respectively 95.3% and 4.7%.
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: Besançon Pasteur (France) and Kristianstad (Sweden). Projects that are not

appraised are carried at their cost price: in particular Viva in Odense (Denmark) and Marseille Prado (France). Projects under development represent 3.3% of the Group's property portfolio.

On a constant portfolio and exchange rate basis, the change in the valuation of assets – excluding transfer duties – over 6 months is +1.6% (+206 million euros) for the shopping center segment and -2.7% (-13 million euros) for the retail segment. Over 12 months, the change is +2.0% (+253 million euros) for shopping centers and -5.9% (-30 million euros) for retail properties.

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

In millions of euros	12/31/2014	In % of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2014	Current portfolio basis	Like-for-like change*	12/31/2013	Current portfolio basis	Like-for-like change*
France	6 216	45,0%	6 048	2,8%	1,2%	7 247	-14,2%	2,3%
Belgium	323	2,3%	301	7,2%	7,3%	299	7,9%	7,7%
France- Belgium	**6 539**	**47,3%**	**6 349**	**3,0%**	**1,5%**	**7 546**	**-13,3%**	**2,5%**
Norway	1 179	8,5%	1 247	-5,4%	2,5%	1 209	-2,5%	4,2%
Sweden	1 214	8,8%	1 558	-22,1%	4,5%	1 588	-23,5%	3,8%
Denmark	1 020	7,4%	984	3,6%	2,7%	970	5,1%	3,5%
Scandinavia	**3 413**	**24,7%**	**3 789**	**-9,9%**	**3,3%**	**3 767**	**-9,4%**	**3,9%**
Italy	**1 514**	**11,0%**	**1 486**	**1,9%**	**1,0%**	**1 728**	**-12,3%**	**0,1%**
Spain	495	3,6%	491	0,9%	0,9%	845	-41,4%	3,0%
Portugal	251	1,8%	250	0,3%	2,4%	247	1,5%	2,1%
Iberia	**746**	**5,4%**	**741**	**0,7%**	**1,4%**	**1 092**	**-31,7%**	**2,7%**
Poland	434	3,1%	441	-1,7%	-2,0%	446	-2,9%	-3,3%
Hungary	265	1,9%	282	-6,0%	-5,8%	289	-8,3%	-8,6%
Czech Republic	358	2,6%	346	3,6%	3,6%	347	3,1%	3,0%
Central Europe	**1 057**	**7,6%**	**1 069**	**-1,1%**	**-1,2%**	**1 083**	**-2,4%**	**-2,7%**
Other countries	**38**	**0,3%**	**40**	**-**	**-**	**50**	**-**	**-**
TOTAL SHOPPING CENTERS	**13 308**	**96,3%**	**13 474**	**-1,2%**	**1,6%**	**15 266**	**-12,8%**	**2,0%**
TOTAL RETAIL ASSETS	**513**	**3,7%**	**528**	**-2,9%**	**-2,7%**	**574**	**-10,7%**	**-5,9%**
TOTAL OFFICES	**0**	**0,0%**	**0**	**-**	**-**	**132**	**-100,0%**	**-**
TOTAL PORTFOLIO	**13 821**	**100,0%**	**14 002**	**-1,3%**	**1,5%**	**15 972**	**-13,5%**	**1,7%**

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

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

In millions of euros	12/31/2014	In % of total portfolio	Change over 6 months			Change over 12 months		
			06/30/2014	Current portfolio basis	Like-for-like change*	12/31/2013	Current portfolio basis	Like-for-like change*
France	4 930	45,0%	4 813	2,4%	1,0%	5 813	-15,2%	2,1%
Belgium	323	2,9%	301	7,2%	7,3%	299	7,9%	7,7%
France- Belgium	**5 253**	**48,0%**	**5 114**	**2,7%**	**1,4%**	**6 113**	**-14,1%**	**2,4%**
Norway	662	6,0%	700	-5,4%	2,5%	678	-2,5%	4,2%
Sweden	681	6,2%	874	-22,1%	4,5%	891	-23,5%	3,8%
Denmark	572	5,2%	552	3,6%	2,7%	544	5,1%	3,5%
Scandinavia	**1 915**	**17,5%**	**2 126**	**-9,9%**	**3,3%**	**2 113**	**-9,4%**	**3,9%**
Italy	**1 466**	**13,4%**	**1 437**	**2,0%**	**1,1%**	**1 586**	**-7,5%**	**0,1%**
Spain	466	4,3%	460	1,4%	1,3%	749	-37,7%	4,4%
Portugal	251	2,3%	250	0,3%	2,4%	247	1,5%	2,1%
Iberia	**717**	**6,5%**	**710**	**1,0%**	**1,7%**	**996**	**-28,0%**	**3,6%**
Poland	434	4,0%	441	-1,7%	-2,0%	446	-2,9%	-3,3%
Hungary	265	2,4%	282	-6,0%	-5,8%	289	-8,3%	-8,6%
Czech Republic	358	3,3%	346	3,6%	3,6%	347	3,1%	3,0%
Central Europe	**1 057**	**9,6%**	**1 069**	**-1,1%**	**-1,2%**	**1 083**	**-2,4%**	**-2,7%**
Other countries	**34**	**0,3%**	**36**	**-**	**-**	**45**	**-**	**-**
TOTAL SHOPPING CENTERS	**10 443**	**95,3%**	**10 492**	**-0,5%**	**1,4%**	**11 936**	**-12,5%**	**1,8%**
TOTAL RETAIL ASSETS	**513**	**4,7%**	**528**	**-2,9%**	**-2,7%**	**574**	**-10,7%**	**-5,9%**
TOTAL OFFICES	**0**	**0,0%**	**0**	**-**	**-**	**132**	**-100,0%**	**-**
TOTAL PORTFOLIO	**10 956**	**100,0%**	**11 020**	**-0,6%**	**1,2%**	**12 642**	**-13,3%**	**1,4%**

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

Shopping centers

The value of the shopping center portfolio, excluding transfer duties, was 13,308 million euros (10,443 million euros group share) on December 31, 2014, a decrease of 167 million euros compared with June 30, 2014 (-1.2%). Over 12 months, the portfolio total share decreased in value by 1,958 million euros (-12.8%).

On a constant portfolio and exchange basis, the value of the shopping center holdings, excluding transfer duties, increased by 1.6% (+206 million euros) over 6 months. Over one year, the increase is +2.0% (+253 million euros).

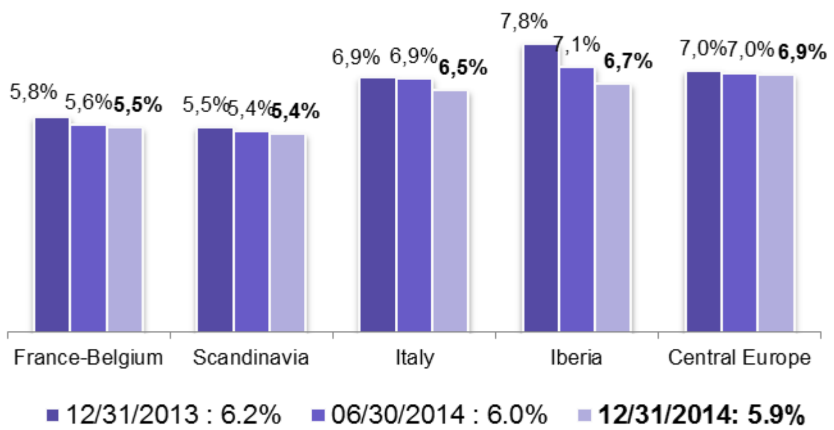
The change on a current portfolio basis includes the forex effect related to the depreciation of Scandinavian currencies since December 31, 2013 against the euro (for -180 million euros).

External growth added 199 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 in France, with the Besançon Pasteur project continuing and the launch of a new retail development scheme in Marseille: Prado.

This change was partly offset by the impact of the disposal program (-2 231 million euros), reflecting the disposal of a portfolio of 126 Carrefour-anchored retail galleries located in France, Spain, and Italy in April 2014 and the disposal of 5 Swedish assets in July 2014.

Group share, the average yield rate of the portfolio is at 5.9% excluding duties, a 20 bp compression on a like-for-like basis versus the end of 2013.

Change in yields (group share) – shopping center portfolio



Retail assets – Klémurs

The value of the retail assets portfolio, excluding transfer duties, stands at 513 million euros (the figure is the same expressed in group share), a decrease of 2.9% over 6 months and of -10.7% over 12 months. This change is mainly due to the disposal of 10 units in February 2014 and 2 units in October.
On a constant portfolio basis, the change is -2.7% over 6 months (-5.9% over 12 months), primarily due to a slight increase in yield rates.

12.2. EPRA NET ASSET VALUE AND TRIPLE NET ASSET VALUE

In millions of euros	12/31/2014	06/30/2014	12/31/2013	Change over 6 months		Change over 12 months	
Consolidated shareholders' equity (group share)	**2 421**	**2 482**	**2 089**	**-61**	**-2,5%**	**332**	**15,9%**
Unrealized capital gains on portfolio (duties included)	3 759	3 463	4 095	296	8,6%	-336	-8,2%
Fair value of financial instruments	119	109	182	10	9,4%	-63	-34,6%
Defered tax on asset values on the balance sheet	273	272	278	1	0,4%	-5	-1,9%
Duties and fees on the sale of assets	-283	-263	-344	-20	7,5%	61	-17,8%
EPRA NAV	**6 289**	**6 062**	**6 300**	**227**	**3,7%**	**-11**	**-0,2%**
Effective taxes on capital gains	-149	-137	-144	-12	8,8%	-5	3,5%
Fair value of financial instruments	-119	-109	-182	-10	9,4%	63	-34,6%
Fair value of fixed-rate debt	-210	-191	-137	-19	NA	-74	NA
EPRA NNNAV (Liquidative NAV)	**5 811**	**5 626**	**5 837**	**185**	**3,3%**	**-26**	**-0,5%**
Number of shares, end of period (after dilutive effect)	196 104 723	196 072 738	195 556 518				
Per share (€)							
EPRA NAV per share	**32,1**	**30,9**	**32,2**	**1,2**	**3,7%**	**-0,1**	**-0,4%**
EPRA NNNAV per share (Liquidative NAV)	**29,6**	**28,7**	**29,9**	**0,9**	**3,3%**	**-0,2**	**-0,7%**

EPRA NAV per share was 32.1 euros versus 30.9 euros on June 30, 2014 and 32.2 euros on December 31, 2013.

EPRA NNNAV[23] was 29.6 euros, versus 28.7 euros per share on June 30, 2014 and 29.9 euros per share on December 31, 2013.
Over 12 months and, on a per share basis, the change in EPRA NNNAV reflects a cash-flow contribution of 2.07 euros, the payment of the 2013 dividend (-1.55 euros), the change in the fair value of financial instruments (-0.88 euro) and the increase in like-for-like portfolio valuation (+0.72 euro), partly offset by forex and other effects (-0.58 euro).

13. FINANCIAL POLICY

13.1. FINANCIAL RESOURCES

13.1.1. Change in net debt

Consolidated net debt stands at 5,325 million euros on December 31, 2014, compared to 7,141 million euros on December 31, 2013 (- €1,816 M). This significant decrease is attributable to the following factors:

- Limited financing needs for the period, mainly reflecting the following items: the 2013 dividend payment made in cash (303.5 million euros) in April, 205.0 million euros worth of investments, and the restructuring of hedging portfolio (144 million euros) subsequent to the deleveraging process;
- Most of the proceeds of the disposal (2.4 billion euros in total share, excluding duties) were used to repay euro denominated floating-rate debts maturing in 2014 and 2015 and mortgage loans in Scandinavian currencies;
- The depreciation of the Scandinavian currencies against the euro generated a negative foreign-exchange effect on the debt of 111 million euros.

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

The decrease in net debt translated into an improvement in the Loan-to-Value ratio, which stands at 37.6% at the end of December 2014. On a proforma basis,[24] the aggregate net debt of Klépierre and Corio reached 8.4 Bn€ at the same date, bringing the proforma[15] LTV to 39.3%.

13.1.2. Available resources

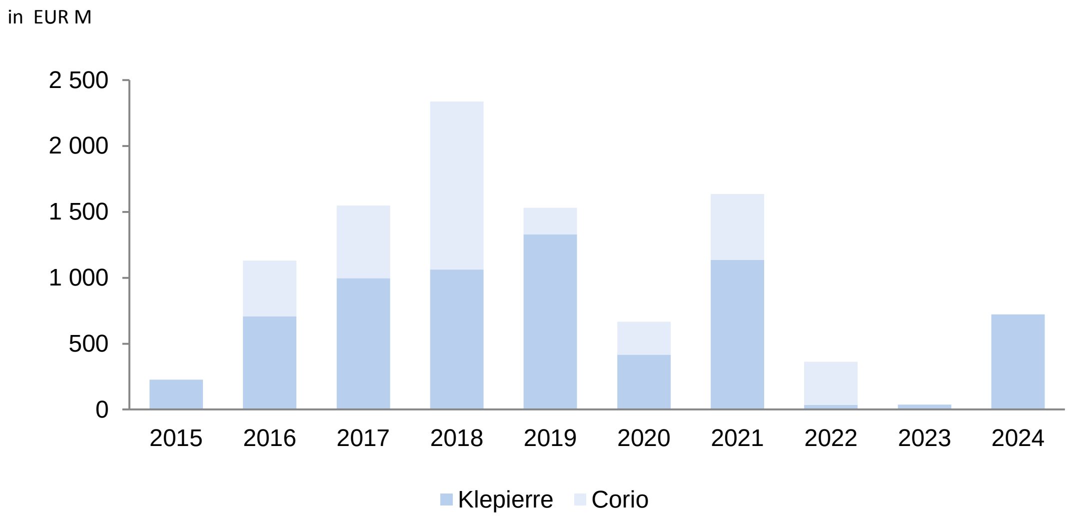
Klépierre focused on extending the maturity of its debt while reducing its costs, notwithstanding the following transactions:

- In April, Klépierre used part of the proceeds from the sale of a portfolio of smaller galleries to repay most of the variable debts in euro maturing in 2014 and 2015 (1.3 billion euros)
- In November, Klépierre closed a tender offer on two of its short dated bonds (348 million euros). This transaction was launched together with the placement of 500 million euros of a 10 year notes
- During the Q4, Klépierre raised 1 billion euros of new Revolving Credit Facilities (RCF) in order to replace two undrawn facilities maturing in 2015 and 2016.

As a consequence, the average duration of the debt was increased by 1.1 year, reaching 6 years at year end. The Group's level of liquidity remains high, over 2.1 billion euros, a total that includes 1.9 billion euros of unused committed credit lines with an average remaining maturity of 5.5 years (+1.1 year vs. June 2014).

On a proforma[15] basis, the average debt duration stands at 5.3 years and the liquidity position of the combined Group is 2.7 billion euros. In terms of refinancing, there are no material refinancing needs in 2015 and the current liquidity position covers all foreseeable needs through the end of Q1 2017.

Klépierre-Corio proforma[15] debt maturity schedule
(% of authorized debt – in millions of euros)



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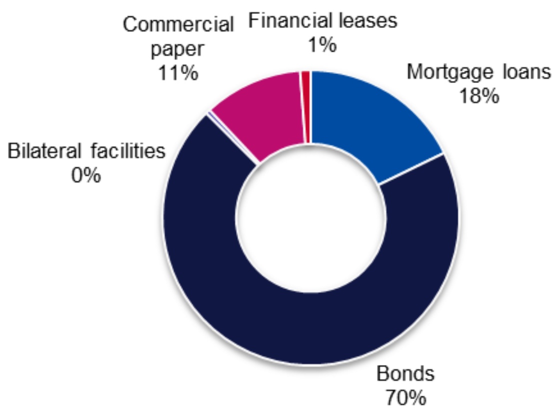
[24] Proforma the acquisition of 93.6% of Corio shares completed in January 2015, 16 - Proforma figures not audited

13.1.3. Debt structure and duration

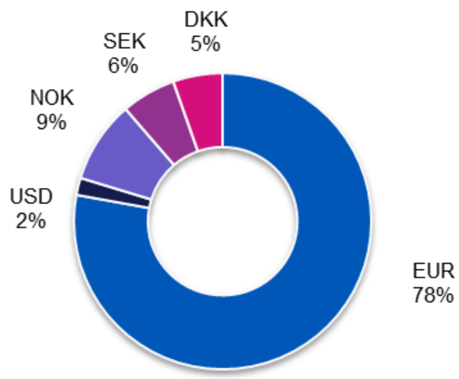
Following the strong liquidity on the European bond markets, the Group has developed its franchise with credit investors through the issuance of new benchmark bonds in Euro, NOK and SEK. As a consequence, the share of capital market resources in the combined debt reached 81%. This good access to debt capital markets has also enabled the Group to reduce the part of secured debts in the total balance.

The breakdown by currency remains consistent with the geographic exposure of the Group's portfolio of assets and helps to mitigate currency risks. It is also consistent, on a combined basis, with the USD denominated debt covering the Turkish Lira exposure of Corio.

Proforma[15] financing breakdown by type of resource (Utilizations)



Proforma[15] financing breakdown by currency (Utilizations)



13.2. INTEREST RATE HEDGING

The euro part of the Group's hedging position was restructured at the beginning of the year to adjust the portfolio along with the deleveraging program. Klépierre early terminated 1.7 billion euros worth of payer swaps. In the meantime, 1.0 billion euros worth of medium-term caps were subscribed in order to adapt the hedging to the low interest-rate environment in the Euro Area. In Scandinavia, the group completed its portfolio by subscribing 1.6 billion NOK of 5-year payer swaps and unwinding 900 million SEK related to disposal of Swedish assets.

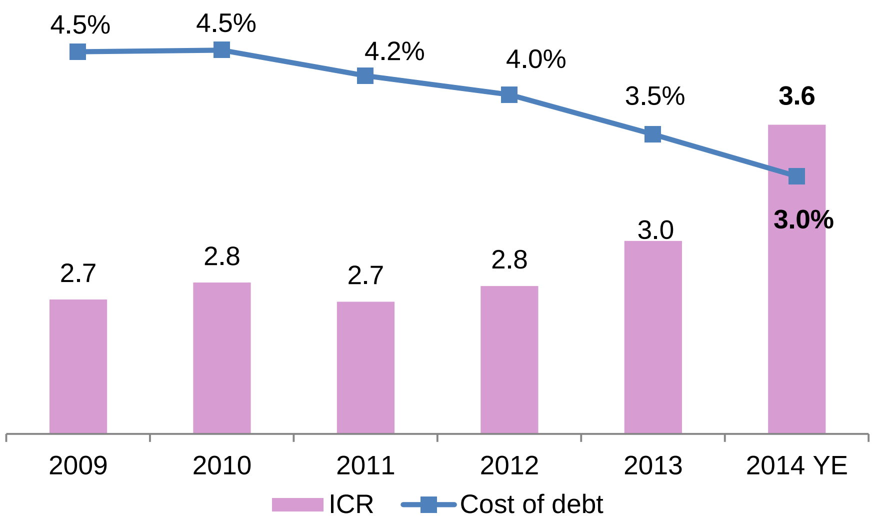
After these transactions, the hedging ratio exceeded its 70% target at the Group level (75%) and the average duration of the fixed-rate position (circa 4 years) remains consistent with the balance-sheet structure. After the acquisition of Corio, the fixed-rate position stands at 74%[15], through the combination of 62%[15] of fixed-rate debt, 22%[15] of payer swaps, and 16%[15] of caps. The average duration of this position is 4.2[15] years.

13.3. COST OF DEBT

Klépierre's average net cost of debt continued to fall over the period, reaching 3.0% (versus 3.5% in 2013). This figure reflects the low short-term interest rate environment, the restructuring of the hedging portfolio, and the positive effect of deleveraging. The low cost of debt throughout 2014 led to an improvement in the

Interest Coverage Ratio, which now stands at 3.6 x. Based on the structure of interest rates on December 31, 2014, the Group's annual cash-cost at risk stood at 9 million euros, i.e., the loss due to changes in short-term interest rates would be less than 9 million euros 99% of the time.

Historical ICR and Cost of debt



On a proforma[15] basis, the average cost of debt reached 3.2% over the period.

13.4. FINANCIAL RATIOS AND RATING

As of December 31, 2014, the Group's financing covenants remain in line with the commitments in its financing agreements. Following the completion of the 2 billion euro disposal of retail galleries, Klépierre's financial rating was upgraded by Standard & Poor's in April 2014 from BBB+ to A- (long-term rating). In January 2015, following the acquisition of Corio, Standard & Poor's affirmed the A- rating and its stable outlook, emphasizing the quality and the complementarity of the new Group.

Financing	Ratios / covenants	Limit [1]	12/31/2014	12/31/2013
Syndicated loans and bilateral loans Klépierre SA	Net debt / Portfolio value ("Loan to Value")	≤ 60%	37.6%	43.9%
	EBITDA / Net interest expenses	≥ 2.0	3.6 [2]	3.0
	Secured debt / Portfolio value (excluding Steen & Strøm)	≤ 20%	1.3%	4.6%
	Portfolio value, group share	≥ €8 Bn	€11.2 Bn	€13.0 Bn
	Ratio of financings of subsidiaries (excluding Steen & Strøm) over total gross financial debt	≤ 25%	5.8%	9.2%
Bond issues Klépierre SA	Secured debt / Revalued Net Asset Value (excluding Steen & Strøm)	≤ 50%	2.3%	8.9%

[1] Ratios are based on the revolving credit facility 2013
[2] This ICR calculation does not include a one-off related to liability management. Based on the banking contract, ICR is 3.3

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, 2014, this ratio was 40.3%.

14. EVENTS SUBSEQUENT TO THE ACCOUNTING CUT-OFF DATE

Post-closing events are related to Klépierre recommended exchange offer launched on October 27, 2014 for Corio.

- On January 9, 2015, Klépierre declared its exchange offer for Corio unconditional. 84.07% of Corio shares had been tendered during the Offer period.
- On January 12, 2015, Klépierre paid an interim dividend of 0.91€ per share.
- On January 15, 2015, 96,589,672 New Klépierre shares were issued and delivered in connection with the Settlement of the Offer.
- On January 15, 2015, Klépierre shares were admitted to trading on Euronext Amsterdam and Klépierre joined the AEX index.
- On January 16, 2015, Klépierre announced that following the Post-Closing Acceptance Period, a total of 93.6% of Corio shares had been tendered.
- On January 19, 2015, 10,976,874 new Klépierre shares were issued in connection with the Post-Closing Acceptance Period. Klépierre also announced its intention to implement the statutory cross-border merger between Klépierre and Corio which is expected to be completed on March 31, 2015.

Furthermore, in January 2015, Klépierre unwound 500 million euros fixed-rate-paying swaps.

15. 2015 GUIDANCE

Around 20 million euros of synergies are expected in year 1, on track to meet the targeted 60 million euros worth of annual synergies within 3 to 5 years.
Net current cash flow for fiscal year 2015 is expected to be between 2.10 and 2.15 euros per share without taking into account the straightlining of Corio's debt fair value adjustments (+0.15 to +0.20 euro per share).
Klépierre is confident that this cash-flow increase will support further distribution per share for fiscal-year 2015.